SALIDA SCHOOL DISTRICT NUMBER R-32-J

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2025

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Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Salida School District Number R-32-J

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Salida School District Number R-32-J'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 Salida School District Number R-32-J, as of June 30, 2025 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Salida School District Number R-32-J 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Salida School District Number R-32-J implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Our opinion is not modified with respect to this matter.

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 Salida School District Number R-32-J'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 Salida School District Number R-32-J'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 Salida School District Number R-32-J's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 Salida School District Number R-32-J's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 31, 2025

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2025

As management of Salida School District R-32-J (the "District") we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of District for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

For the year ended June 30, 2025, the General Fund's fund balance increased by $738,110.

The General Fund operations of the District are funded primarily by tax revenue received under the State School Finance Act (the Act) and other local revenues in the amount of $13,973,626 and total revenue for the year was $20,953,201.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 in a manner like a private-sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The governmental activities of the District include instruction and support services of the District.

The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of yearend).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District keeps track of these monies to ensure and

demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Notes on Financial Statements

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

Government-wide Financial Analysis

For the year ended June 30, 2025, the District's net position is $15,402,547 which is a change of $2,435,172 from the previous year. This change in net position is largely due to strategies employed by the district to complete a remodel for Horizon's Exploratory Academy at 627 Oak St. while also divesting itself of assets to help pay for that remodel. Due to the timelines of those sales and the payments of work done to that facility the district saw an overall net positive in fund balances. This was most notably realized in the change of fund balance in the Capital Projects Fund by $1,835,999.

The General Fund also increased by roughly $738,110. This was due primarily to budgeted benefits in the amended budget that were never taken by employees or unrealized due to a position remaining unfilled for a large portion of the year. Total expenditure for the year was lower than predicted while at the same time revenues were higher than budgeted. Additionally, we continued to pay down long term Liabilities such as our Bond debt for the high school and elementary school. The high school is scheduled to be completely paid off by 2030.

Additional points of relevance in the financial statements are that the General Fund unassigned fund balance grew by $492,327 in total, which is largely due to a mixture of decreasing restricted fund balance under multi-year obligations. This obligation will consistently change as contracts for various administrators that are multi-year contracts change from year to year. See the previous two years' analysis for more clarity around this subject and how this is expected and has behaved as expected over time. In addition, between the General Fund, Bond Redemption Fund, and Capital projects fund, $2,349,745 is restricted for debt service; $992,513 is restricted for Capital Renewal, and $726,500 is restricted for emergencies under TABOR.

Statement of Activities

GOVERNMENTAL ACTIVITIES	2023-2024	2024-2025
Program revenues:		
Charges for service	$ 704,625	$ 841,499
Operating grants & contributions	5,113,573	5,204,930
Capital Grants & contributions	0	0
General revenues:		
Property Taxes	13,103,306	13,576,292
Specific ownership taxes	1,218,796	1,296,027
State equalization	4,281,509	5,025,389
Grants & Contributions not Restricted to Spec. Program	241,406	62,445
Other revenues	254,013	131,315
Gain on Sale of Capital Asset	0	375,000
Earnings on Investments	306,062	538,523
TOTAL REVENUES	25,223,290	27,051,420
Expenses:		
Instruction	11,754,411	11,794,641
Supporting Services	11,054,244	10,892,581
Food Service	1,006,329	1,050,838
Interest and Fiscal Charges	858,139	878,188
TOTAL EXPENSES	24,673,123	24,616,248
NET POSITION		
CHANGE IN NET POSITION	550,167	2,435,172
NET POSITION, Beginning	12,961,110	15,402,547
Prior Period Adjustment	0	0
NET POSITION, Ending	**$ 13,511,277**	**$ 15,402,547**

Statement of Net Position

GOVERNMENTAL ACTIVITIES	2023-2024	2024-2025
ASSETS		
Current Assets	$ 12,616,626	$ 15,656,536
Capital Assets, Net of Accumulated Depreciation	44,254,527	45,191,730
TOTAL ASSETS	56,871,153	60,848,266
DEFERRED OUTFLOWS OF RESOURSES	10,224,136	6,525,290
LIABILITIES		
Current Liabilities	1,215,262	1,349,089
Noncurrent Liabilities	50,155,848	46,231,160
TOTAL LIABILITIES	51,371,110	47,580,249
DEFERRED INFLOWS OF RESOURSES	2,212,902	4,390,760
NET POSITION		
Net Investment in Capital Assets	27,849,077	27,814,063
Restricted	4,356,624	4,515,337
Unrestricted	-18,694,424	-16,926,853
TOTAL NET POSITION	**$ 13,511,277**	**$ 15,402,547**

Governmental activities increased the District's net position by $2,435,172, primarily due to an increase in fund balance with further discussion presented in the following section.

Financial Analysis of the District's Funds

Governmental funds. The focus of District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of $13,079,287: General Fund $6,658,995; Bond Redemption Fund $2,349,745; and Other Governmental Funds $4,070,547. The increase in the General Fund balance is related to a decrease in expenditure related to budgeted positions of salaries and benefits for district staff versus actual unfilled positions during that time as well as an excess of $802,872 in revenues over budget.

General Fund Budgetary Highlights

General Fund revenue budgeted was $20,150,329 and actual revenue was $20,953,201. The District budgeted for General Fund expenditure of $19,111,028, for the year ended June 30, 2025. Actual expenditure was $18,393,271. The difference in expenditure between the final budget and actual expenditure has been discussed above largely due to unfilled positions and benefits.

Capital Assets

For the year ended June 30, 2025, the District's significant capital asset activity included a remodel to the property at 627 Oak St. as well as a complete technology upgrade to our entire system including a new fiber ring which allows us to have more control and reliability within our network. Additionally, the District added a security vestibule at Crest for student safety and supervision and a diesel tank to our Bus Barn to give us more flexibility and price control of our diesel. Please see Note 5 in the financial statement for more information.

Long-Term Debt

As of June 30, 2025, the District had total long-term debt of $18,570,798, an increase of $1,138,878 from the previous year. Please see Note 7 in the financial statement for more information.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the District is student enrollment and growth in the District. This factor was considered in preparing the District's budget for fiscal year 2024-2025. However, the changes to the state school finance formula will also have an impact on our budget and will continue to be monitored.

Requests for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Salida School District R-32-J, 627 Oak Street, Salida, CO 81201.

BASIC FINANCIAL STATEMENTS

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	$ 13,523,945
Cash with County Treasurer	226,756
Taxes receivable	767,553
Intergovernmental receivables	146,781
Lease receivables	957,879
Other receivables	17,838
Inventories and prepaid expenses	15,784
Capital assets, not being depreciated	2,161,030
Capital assets, net of accumulated depreciation/amortization	43,030,700
Total assets	60,848,266
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	109,302
Deferred pension outflows	6,229,630
Deferred OPEB outflows	186,358
Total deferred outflows of resources	6,525,290
LIABILITIES	
Accounts payable and other current liabilities	184,058
Accrued salaries and benefits	1,142,642
Unearned revenue	792
Accrued interest	21,597
Long-term liabilities:	
Due within one year	1,998,405
Due in more than one year	16,572,393
Net pension liability	27,178,145
Net OPEB liability	482,217
Total liabilities	47,580,249
DEFERRED INFLOWS OF RESOURCES	
Lease related	957,879
Deferred pension inflows	3,044,973
Deferred OPEB inflows	387,908
Total deferred inflows of resources	4,390,760
NET POSITION	
Net investment in capital assets	27,814,063
Restricted for:	
Emergency reserve (TABOR)	726,500
Multi-year obligations	381,700
Student activities	134,879
Capital renewal	922,513
Debt service	2,349,745
Unrestricted	(16,926,853)
Total net position	$ 15,402,547

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenue			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction	$ 11,794,641	$ 331,478	$ 4,336,648	$ -	$ (7,126,515)
Supporting services	10,892,581	489,714	196,221	-	(10,206,646)
Food service operations	1,050,838	20,307	672,061	-	(358,470)
Community services	341,232	-	-	-	(341,232)
Facilities acquisition	26,848	-	-	-	(26,848)
Interest and issuance costs	510,108	-	-	-	(510,108)
Total	$ 24,616,248	$ 841,499	$ 5,204,930	$ -	(18,569,819)
	General revenues:				
	Property taxes				13,576,292
	Specific ownership taxes				1,296,027
	State equalization				5,025,389
	Grants and contributions not restricted to specific programs				62,445
	Unrestricted investment earnings				538,523
	Gain on sale of capital assets				375,000
	Miscellaneous				131,315
	Total general revenues				21,004,991
	Change in net position				2,435,172
	Net position - beginning, as restated				12,967,375
	Net position - ending				$ 15,402,547

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Bond Redemption Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 8,465,014	$ 2,248,432	$ 2,410,160	$ 400,339	$ 13,523,945
Cash with County Treasurer	194,052	32,704	-	-	226,756
Taxes receivable	657,087	110,466	-	-	767,553
Intergovernmental receivables	488	-	-	146,293	146,781
Lease receivables	957,879	-	-	-	957,879
Other receivables	17,838	-	-	-	17,838
Due from other funds	-	-	1,369,314	31	1,369,345
Inventories and prepaids	2,112	-	-	13,672	15,784
Total assets	$ 10,294,470	$ 2,391,602	$ 3,779,474	$ 560,335	$ 17,025,881
LIABILITIES					
Accounts payable and other current liabilities	$ 60,241	$ -	$ 123,164	$ 653	$ 184,058
Accrued salaries and benefits	1,001,171	-	-	141,471	1,142,642
Due to other funds	1,366,163	-	-	3,182	1,369,345
Unearned revenue	-	-	-	792	792
Total liabilities	2,427,575	-	123,164	146,098	2,696,837
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	250,021	41,857	-	-	291,878
Lease related	957,879	-	-	-	957,879
Total deferred inflows of resources	1,207,900	41,857	-	-	1,249,757
FUND BALANCES					
Nonspendable for:					
Inventories and prepaid expenses	2,112	-	-	13,672	15,784
Restricted for:					
Emergency reserve (TABOR)	726,500	-	-	-	726,500
Multi-year obligations	381,700	-	-	-	381,700
Student activities	-	-	-	134,879	134,879
Capital renewal	-	-	992,513	-	992,513
Debt service	-	2,349,745	-	-	2,349,745
Committed for:					
Food service operations	-	-	-	23,052	23,052
Preschool activities	-	-	-	242,634	242,634
Capital projects	-	-	2,663,797	-	2,663,797
Operating reserve	2,906,000	-	-	-	2,906,000
Unassigned	2,642,683	-	-	-	2,642,683
Total fund balances	6,658,995	2,349,745	3,656,310	414,237	13,079,287
Total liabilities, deferred inflows of resources, and fund balances	$ 10,294,470	$ 2,391,602	$ 3,779,474	$ 560,335	$ 17,025,881

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

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

Total fund balance - governmental funds		$ 13,079,287
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	$ 2,161,030	
Capital assets, net of accumulated depreciation/amortization	43,030,700	45,191,730
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		291,878
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	$ 109,302	
Net pension liabilities	(27,178,145)	
Pension outflows	6,229,630	
Pension inflows	(3,044,973)	
Net OPEB liabilities	(482,217)	
OPEB outflows	186,358	
OPEB inflows	(387,908)	
Accrued interest	(21,597)	
Compensated absences	(1,083,829)	
Leases payable	(11,721)	
COP's payable	(4,704,645)	
General obligation bonds payable	(12,770,603)	(43,160,348)
Net position of governmental activities in the statement of net position		$ 15,402,547

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Bond Redemption Fund	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources	$ 13,973,626	$ 2,048,217	$ 446,848	$ 766,835	$ 17,235,526
State sources	6,460,281	-	-	586,048	7,046,329
Federal sources	519,294	-	-	2,288,834	2,808,128
Total revenues	20,953,201	2,048,217	446,848	3,641,717	27,089,983
EXPENDITURES					
Instruction	10,093,106	-	68,657	1,551,395	11,713,158
Supporting services	8,019,168	-	51,900	1,273,212	9,344,280
Food service operations	68,748	-	-	977,419	1,046,167
Community services	-	-	-	341,232	341,232
Facilities acquisition and construction	3,512	-	2,472,540	60,033	2,536,085
Debt service	208,737	1,929,277	263,754	-	2,401,768
Total expenditures	18,393,271	1,929,277	2,856,851	4,203,291	27,382,690
Excess (deficiency) of revenues over expenditures	2,559,930	118,940	(2,410,003)	(561,574)	(292,707)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,369,314	452,506	1,821,820
Transfers out	(1,821,820)	-	-	-	(1,821,820)
Long-term debt proceeds	-	-	2,861,000	-	2,861,000
Total other financing sources (uses)	(1,821,820)	-	4,230,314	452,506	2,861,000
Net change in fund balances	738,110	118,940	1,820,311	(109,068)	2,568,293
Fund balances - beginning	5,920,885	2,230,805	1,835,999	523,305	10,510,994
Fund balances - ending	$ 6,658,995	$ 2,349,745	$ 3,656,310	$ 414,237	$ 13,079,287

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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

Net change in fund balances - total governmental funds:		$ 2,568,293
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.		
Capital outlays	$ 2,585,253	
Depreciation/amortization	(1,648,050)	937,203
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		(73,193)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal	$ 1,887,010	
Proceeds from COPs	(2,861,000)	(973,990)
Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.		(179,520)
Certain pension and OPEB 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.		
Interest expense	$ 2,878	
Amortization of deferred on refunding	(12,859)	
Amortization of bond premium	14,632	
Changes in pension related items	8,770	
Changes in OPEB related items	142,958	156,379
Change in net position of governmental activities		$ 2,435,172

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	Private-Purpose Trust Fund
ASSETS	
Cash and investments	$ 63,716
NET POSITION	
Held in trust for individuals	
Expendable	63,716
Total net position	$ 63,716

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

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE, 30 2025

	Private-Purpose Trust Fund
ADDITIONS	
Investment income	$ 1,868
Other local income	2,032
Total additions	3,900
DEDUCTIONS	
Scholarship awards	141
Change in net position	3,759
Net position - beginning	59,957
Net position - ending	$ 63,716

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Salida School District Number R-32-J (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

Salida School District Number R-32-J (the District) of Chaffee County and western Fremont County was organized by a vote of qualified electorate in 1958, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with seven members and provides educational services to approximately 1,355 students.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

The District has no component units for which either discrete or blended presentation is required.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

The *Bond Redemption Fund* accounts for the accumulation of resources for and the payment of principal, interest and related expenses on long-term general obligation debt.

*Capital Projects Fund*s account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays acquisition or construction of major capital facilities and other capital assets.

The Capital Reserve Fund is used to account for purposes and limitations specified by C.R.S. Section 22-45-103 (1)(c), including acquisition of sites, buildings, equipment and vehicles.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The *Food Service Fund* accounts for the Districts food service program. This fund is required to account for USDA school breakfast and lunch money received by the District.

The *Designated Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Student Activity Fund* is used to account for the revenues and expenditures related to school sponsored student intrascholastic and interscholastic athletic and other related activities. The fund receives subsidies from the General Fund.

The *Preschool Fund* is used to account for locally funded preschool activities.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The District has one fiduciary fund:

The *Private Purpose Trust Fund* is used to report any trust arrangement under which the principal and/or income benefit students and the funds are not used as part of the operations of the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and prepaid items

Inventories are recorded as expenditures/expenses when consumed rather than when purchased. General warehouse inventory is valued at cost using the first-in/first-out (FIFO) method. Food Service inventory is stated at cost using the weighted average method except for commodities. USDA donated food commodities are valued at estimated acquisition value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than $50,000 are reported as capital assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	7-50 years
Land improvements	15-25 years
Equipment	5-20 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

Unearned Revenue

Unearned revenue includes resources received by the District before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases

Lessee: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $50,000 or more.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The District is a lessor for a noncancellable lease of a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

Salida School District Number R-32-J 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.

OPEB

Salida School District Number R-32-J 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 FNP 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.

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt 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 are included in this component of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES AND EXPENDITURES/EXPENSES

Property Taxes

Property taxes for the current year are certified in arrears to the County by December 15, and attach as an enforceable lien on property the following January 1. Property taxes are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The County Treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2024 is 24.971 mills for general operating expenses and 4.198 mills for the payment of long-term debt. The District's assessed valuation for the collection year 2025 is $464,476,928. Taxes are assessed on $464,476,928 which is the assessed valuation net of tax increment financing.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month and are considered unrestricted intergovernmental revenues. Specific ownership taxes are recorded as revenue when collected by the county.

Compensated Absences

The District recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

Vacation leave that meets these criteria is accrued when earned in the government-wide financial statements. Sick leave is accrued only to the extent that it is reasonably expected to be paid upon separation or used in future periods. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

In the governmental fund financial statements, compensated absences are recognized as expenditures only when due.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Superintendent submits a proposed budget to the Board of Education for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Education to obtain public comments.

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the District budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year. All appropriations lapse at the end of each fiscal year.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2025 is as follows:

Deposits	$ 1,390,867
Investments	12,133,078
Total	$ 13,523,945

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

Cash and investments	$ 13,523,945
Total	$ 13,523,945

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the District's deposits at June 30, 2025 was $1,390,867 and the bank balances were $1,899,473. Of the bank balances, $441,033 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

The District is authorized by Colorado statutes to invest in the following:

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

At June 30, 2025 the District's investment balances were as follows:

Investment Type	Year-end Balance	Measurement	Maturity	Standard & Poor's Rating
CSAFE	$ 12,133,078	Net asset value	Less than 90 days	AAAm

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Local Government Investment Pools. The Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Local Government Investment Pools in the state of Colorado. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District's investments are in CSAFE. These investments are 100.0% of the District's total investments.

Fair value of investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the District's pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances as of June 30, 2025, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ -	$ 1,366,163
Capital Projects Fund	1,369,314	-
Nonmajor Funds	31	3,182
Total	$ 1,369,345	$ 1,369,345

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	$ -	$ 1,821,820
Capital Projects Fund	1,369,314	-
Nonmajor Funds	452,506	-
Total	$ 1,821,820	$ 1,821,820

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 2,161,030	$ -	$ -	$ 2,161,030
Construction in progress	174,006	2,199,234	(2,373,240)	-
Total capital assets not being depreciated	2,335,036	2,199,234	(2,373,240)	2,161,030
Capital assets being depreciated:				
Buildings and improvements	57,177,302	2,475,691	-	59,652,993
Land improvements	1,565,828	-	-	1,565,828
Transportation equipment	1,493,559	51,900	-	1,545,459
Other equipment	1,201,550	231,668	-	1,433,218
Total capital assets being depreciated	61,438,239	2,759,259	-	64,197,498
Less accumulated depreciation for:				
Buildings and improvements	(17,340,263)	(1,371,360)	-	(18,711,623)
Land improvements	(418,853)	(123,456)	-	(542,309)
Transportation equipment	(841,492)	(90,018)	-	(931,510)
Other equipment	(949,572)	(47,500)	-	(997,072)
Total accumulated depreciation	(19,550,180)	(1,632,334)	-	(21,182,514)
Total capital assets being depreciated, net	41,888,059	1,126,925	-	43,014,984
Lease assets being amortized:				
Other equipment	78,580	-	-	78,580
Total lease assets being amortized	78,580	-	-	78,580
Less accumulated amortization for:				
Other equipment	(47,148)	(15,716)	-	(62,864)
Total accumulated amortization	(47,148)	(15,716)	-	(62,864)
Total lease assets being amortized, net	31,432	(15,716)	-	15,716
Capital assets, net of accumulated depreciation/amortization	41,919,491	1,111,209	-	43,030,700
Total governmental activities capital assets	$ 44,254,527	$ 3,310,443	$ (2,373,240)	$ 45,191,730

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Instruction	$ 6,003
Supporting services	1,636,898
Food services	5,149
Total depreciation/amortization expense	$ 1,648,050

NOTE 6 – LEASES

District as lessee

The District, as a lessee, has entered into lease agreements involving equipment with lease terms of five years. The total costs of these right-to-use lease assets are recorded as $78,580, less accumulated amortization of $62,864. The District has determined that as of June 30, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2025 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	$ 11,721	$ 279	$ 12,000

District as lessor

The District, as a lessor, has entered into lease agreements with a third party involving buildings. The lease is for 3 years and the District will receive monthly payments of $40,000. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was $380,480. As of June 30, 2025, the District receivable for lease payments was $957,879. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $957,879.

NOTE 7 – LONG-TERM LIABILITIES

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General Obligation bonds outstanding at June 30, 2025 are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
G.O. Bonds 2010	$ 17,961,801	4.082%	2030	$ 6,744,758
G.O. Bonds 2012	$ 9,590,000	2.00% - 4.00%	2033	3,080,000
G.O. Refunding bonds 2020	$ 2,980,000	1.9%	2034	2,880,000
Total				$ 12,704,758

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2026	$ 1,687,572	$ 241,545
2027	1,722,685	205,896
2028	1,758,173	169,797
2029	1,794,045	131,361
2030	1,835,310	90,975
2031 - 2034	3,906,973	106,351
Total	$ 12,704,758	$ 945,925

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation

Certificates of participation (COPs) are lease-financing agreements used by the District to provide funds for the acquisition and construction of major capital facilities. Under such agreements, the District makes regular payments over an annually renewable contract for the acquisition and use of the property. COPs have been issued for governmental activities. COPs are not considered general obligations of the District. COPs are secured by lease revenues through a lease-financing agreement.

Certificates of participation outstanding at June 30, 2025 are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
Certificates of Participation 2021	$ 2,425,000	2.38%	2037	$ 1,917,260
Certificates of Participation 2024	$ 2,861,000	4.611%	2039	2,787,385
Total				$ 4,704,645

Annual debt service requirements to maturity for certificates of participation are as follows:

Fiscal Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2026	$ 299,112	$ 169,369
2027	309,821	158,661
2028	320,951	147,530
2029	332,523	135,959
2030	344,555	123,927
2031 – 2035	1,920,763	421,646
2036 – 2039	1,176,920	81,293
Total	$ 4,704,645	$ 1,238,385

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

Changes in the District's long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning Balance, As Restated	Additions	Deductions	Ending Balance	Amount Due Within One year
Governmental Activities					
General obligation bonds	$ 14,357,590	$ -	$ (1,652,832)	$ 12,704,758	$ 1,687,572
Bond premiums	80,477	-	(14,632)	65,845	-
Total bonds payable	14,438,067	-	(1,667,464)	12,770,603	1,687,572
COP's	2,060,514	2,861,000	(216,869)	4,704,645	299,112
Leases	29,030	-	(17,309)	11,721	11,721
Compensated absences	904,309	179,520	-	1,083,829	-
Net pension liability	32,483,606	230,167	(5,535,628)	27,178,145	-
Net OPEB liability	784,224	55,688	(357,695)	482,217	-
Total Governmental Activities	$ 50,699,750	$ 3,326,375	$ (7,794,965)	$ 46,231,160	$ 1,998,405

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

General obligation bonds are liquidated in the Debt Service fund. Leases are liquidated in the General fund. Approximately 90% of compensated absences, net pension liabilities, and net OPEB liabilities are normally liquidated in the General fund, with remaining amounts liquidated in other governmental funds.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Salida School District Number R-32-J 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 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% 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, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2025: Eligible employees of, Salida School District Number R-32-J and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Salida School District Number R-32-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Salida School District Number R-32-J were $2,506,964 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 $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 Salida School District Number R-32-J proportion of the net pension liability was based on Salida School District Number R-32-J 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2025, the Salida School District Number R-32-J reported a liability of $27,178,145 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 Salida School District Number R-32-J 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 Salida School District Number R-32-J were as follows:

Salida School District Number R-32-J proportionate share of the net pension liability	$ 27,178,145
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Salida School District Number R-32-J	2,441,029
Total	$ 29,619,174

At December 31, 2024, the Salida School District Number R-32-J proportion was 0.1575097288%, which was a decrease of 0.0261855195% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Salida School District Number R-32-J recognized pension expense of $(8,770) and revenue of $257,426 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Salida School District Number R-32-J 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	$ 1,539,057	$ -
Changes of assumptions or other inputs	203,758	-
Net difference between projected and actual earnings on pension plan investments	512,776	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,659,880	3,044,973
Contributions subsequent to the measurement date	1,314,159	N/A
Total	$ 6,229,630	$ 3,044,973

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

$1,314,159 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	$ 2,116,890
2027	1,388,504
2028	(1,269,186)
2029	(365,710)
2030	-
Thereafter	-

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% – 11.00%
Long-term investment rate of return, net of 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.

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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Salida School District Number R-32-J *proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 36,847,265	$ 27,178,145	$ 19,078,905

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- There were no changes made to the plan provisions.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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%.

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 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the Salida School District Number R-32-J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

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

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

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

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

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

DPS Benefit Structure
The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 Salida School District Number R-32-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Salida School District Number R-32-J were $125,472 for the year ended June 30, 2025.

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

At June 30, 2025, the Salida School District Number R-32-J reported a liability of $482,217 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 Salida School District Number R-32-J proportion of the net OPEB liability was based on Salida School District Number R-32-J contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

At December 31, 2024, the Salida School District Number R-32-J proportion was 0.1008470476%, which was a decrease of 0.0090304555% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Salida School District Number R-32-J recognized OPEB expense of $(142,958). At June 30, 2025, the Salida School District Number R-32-J 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	$ -	$ 106,367
Changes of assumptions or other inputs	5,529	154,141
Net difference between projected and actual earnings on OPEB plan investments	1,635	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	113,421	127,400
Contributions subsequent to the measurement date	65,773	N/A
Total	$ 186,358	$ 387,908

$65,773 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	$ (56,008)
2027	(58,992)
2028	(55,766)
2029	(40,221)
2030	(35,246)
Thereafter	(21,090)

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial assumptions. The December 31, 2023 actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

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

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.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

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 as follows.

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.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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.
enrollees not eligible for premium-free Medicare Part A.

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

Year	PERACare Medicare Plans[1]	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**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 Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- 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.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 Table**	**Adjustments, as Applicable**
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**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 Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

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

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

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%.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Sensitivity of the Salida School District Number R-32-J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 469,225	$ 482,217	$ 496,921

[1]For the January 1, 2025, plan year.

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

- 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.

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 did 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 Salida School District Number R-32-J *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	$ 590,965	$ 482,217	$ 388,464

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.

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- 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.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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.

NOTE 10 - 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; workers' compensation; general liability; unemployment; and employee benefit expenses related to health programs. The District provides for these risks through the purchase of commercial insurance in the General Fund. Settled claims resulting from these risks have not exceeded the insurance coverage during any of the last three fiscal years.

NOTE 11 – JOINTLY GOVERNED ORGANIZATION

The District in conjunction with other surrounding districts, created the Mountain Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The District does not have an ongoing financial interest in or responsibility for the BOCES. The Financial Statements can be obtained from office located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80461.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

Capital Renewal Reserve

The District was awarded two Building Excellent Schools Today (BEST) grants from the state of Colorado to construct and improve school buildings. In accordance with the related state statutes, the District is required to establish a capital renewal reserve for the purpose of replacing major facility systems such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. At a minimum, the District must contribute $100 per pupil in the impacted facilities annually to the capital renewal reserve. At June 30, 2025, the reserve was reported as restricted fund balance in the Capital Reserve Fund, in the amount of $922,513.

NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS

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, including school districts.

NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2025 there is a $726,500 reservation of fund balance in the General Fund for 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.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 14 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

The School Finance Act requires inclusion of the Colorado School District/BOCES, Electronic Financial Data Integrity Check Figures as a supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

NOTE 15 – ADOPTION OF NEW ACCOUNTING STANDARD

Salida School District Number R-32-J implemented GASB Statement No. 101, *Compensated Absences,* effective July 1, 2024. This Statement establishes specific criteria for identifying activities that should be reported as compensated absences. As a result, net position of governmental activities at June 30, 2024, were restated to reflect the cumulative effect of adopting this standard.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
June 30, 2024, as previously reported	$	13,511,277
Adoption of new accounting standard		
GASB 101 implementation		(543,902)
June 30, 2024, as restated	$	12,967,375

NOTE 16 – RELATED PARTIES

The District holds cash accounts with Collegiate Peaks Bank for the Student Activity Fund. Joe Smith is the Mountain Regional President of Collegiate Peaks Bank and is the President of the District's Board. The amount held as of June 30, 2025 is $133,478.

NOTE 17 – SUBSEQUENT EVENTS

On August 29, 2025, the District sold a property in Salida, Colorado in the amount of $650,000 to Colorado Mountain College.

REQUIRED SUPPLEMENTARY INFORMATION

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.1575097288%	0.1836952483%	0.1401440140%	0.1498826451%	0.1920338745%	0.1444552620%	0.1424771094%	0.1478421045%	0.1504065926%	0.1554713240%
District's proportionate share of the net pension liability (asset)	$ 27,178,145	$ 32,483,606	$ 25,519,475	$ 17,442,392	$ 29,031,649	$ 21,581,303	$ 25,228,499	$ 47,806,882	$ 44,781,859	$ 23,778,241
State's proportionate share of the net pension liability (asset) associated with the School	2,441,029	712,269	7,436,632	1,999,547	-	2,737,313	3,449,647	-	-	-
Total	$ 29,619,174	$ 33,195,875	$ 32,956,107	$ 19,441,939	$ 29,031,649	$ 24,318,616	$ 28,678,146	$ 47,806,882	$ 44,781,859	$ 23,778,241
District's covered payroll	$ 12,171,506	$ 12,143,914	$ 10,810,493	$ 9,367,193	$ 10,270,240	$ 8,487,585	$ 7,736,800	$ 6,819,674	$ 6,750,516	$ 6,775,403
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223.29%	267.49%	236.06%	186.21%	282.68%	254.27%	326.08%	701.01%	663.38%	350.95%
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 year were determined as of 12/31.

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,506,964	$ 2,500,203	$ 2,402,712	$ 1,937,855	$ 2,066,107	$ 1,762,718	$ 1,556,310	$ 1,331,472	$ 1,244,517	$ 1,193,136
Contributions in relation to the contractually required contribution	(2,506,964)	(2,500,203)	(2,402,712)	(1,937,855)	(2,066,107)	(1,762,718)	(1,556,310)	(1,331,472)	(1,244,517)	(1,193,136)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,301,097	$ 12,267,922	$ 11,789,559	$ 9,747,762	$ 10,392,895	$ 9,095,339	$ 8,037,025	$ 7,048,875	$ 6,769,979	$ 6,727,654
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.36%	18.89%	18.38%	17.73%

* The amounts presented for each fiscal year were determined as of 6/30.

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.1008470476%	0.1098775031%	0.1064952196%	0.0978620308%	0.1109527175%	0.0943947886%	0.0926109159%	0.0840019896%
District's proportionate share of the net OPEB liability (asset)	$ 482,217	$ 784,224	$ 869,511	$ 843,869	$ 1,054,300	$ 1,060,996	$ 1,260,010	$ 1,091,690
District's covered payroll	$ 12,171,506	$ 12,143,914	$ 10,810,493	$ 9,367,193	$ 10,270,240	$ 8,487,585	$ 7,736,800	$ 6,819,674
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	3.96%	6.46%	8.04%	9.01%	10.27%	12.50%	16.29%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 125,472	$ 125,134	$ 120,255	$ 99,427	$ 106,008	$ 92,772	$ 82,981	$ 71,899
Contributions in relation to the contractually required contribution	(125,472)	(125,134)	(120,255)	(99,427)	(106,008)	(92,772)	(82,981)	(71,899)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,301,097	$ 12,267,922	$ 11,789,559	$ 9,747,762	$ 10,392,895	$ 9,095,339	$ 8,037,025	$ 7,048,875
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.03%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation is the Colorado Preschool Sub-Fund of the General Fund. This fund allows the District to separate the accounting and maintain a self-balancing set of records specific to this activity.

The General Fund is deemed to be a major fund for financial reporting purposes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget**
REVENUES				
Local sources:				
Property taxes	$ 12,042,688	$ 11,238,759	$ 11,690,605	$ 451,846
Specific ownership taxes	1,330,022	1,241,234	1,291,137	49,903
Other local sources	1,021,756	953,547	991,884	38,337
Total local sources	14,394,466	13,433,540	13,973,626	540,086
State sources:				
State equalization	3,653,164	4,923,390	5,025,389	101,999
Other state funding	1,043,083	1,405,768	1,434,892	29,124
Total state sources	4,696,247	6,329,158	6,460,281	131,123
Federal sources	377,371	387,631	519,294	131,663
Total revenues	19,468,084	20,150,329	20,953,201	802,872
EXPENDITURES				
Instruction	10,110,654	10,551,562	10,093,106	458,456
Supporting services:				
Student services	847,719	883,243	728,053	155,190
Instructional staff	856,841	919,604	833,700	85,904
General administration	1,047,035	1,037,078	914,615	122,463
School administration	1,213,367	1,315,379	1,294,415	20,964
Business services	626,962	661,690	677,523	(15,833)
Operation and maintenance	2,284,863	2,314,699	2,337,242	(22,543)
Student transportation	544,043	561,171	609,967	(48,796)
Central services	365,514	350,284	368,621	(18,337)
Other support services	189,770	236,861	255,032	(18,171)
Food service operations	74,443	80,720	68,748	11,972
Facilities acquisition and construction	8,000	8,000	3,512	4,488
Debt service	190,737	190,737	208,737	(18,000)
Total expenditures	18,359,948	19,111,028	18,393,271	717,757
Excess (deficiency) of revenues over expenditures	1,108,136	1,039,301	2,559,930	1,520,629
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(1,410,400)	(1,691,440)	(1,821,820)	(130,380)
Net change in fund balance	(302,264)	(652,139)	738,110	1,390,249
Fund balance - beginning	3,942,783	5,920,885	5,920,885	-
Fund balance - ending	$ 3,640,519	$ 5,268,746	$ 6,658,995	$ 1,390,249

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOND REDEMPTION FUND

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt.

The Bond Redemption Fund is deemed to be a major fund for financial reporting purposes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources:			
Property taxes	$ 1,950,950	$ 1,958,880	$ 7,930
Specific ownership taxes	-	4,890	4,890
Other local sources	-	84,447	84,447
Total revenues	1,950,950	2,048,217	97,267
EXPENDITURES			
Debt service	1,929,277	1,929,277	-
Total expenditures	1,929,277	1,929,277	-
Net change in fund balance	21,673	118,940	97,267
Fund balance - beginning	2,230,805	2,230,805	-
Fund balance - ending	$ 2,252,478	$ 2,349,745	$ 97,267

See the accompanying independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for significant capital expenditures of the District.

The Capital Projects Fund is deemed to be a major fund for financial reporting purposes.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	$ 395,500	$ 446,848	$ 51,348
EXPENDITURES			
Instruction	88,915	68,657	20,258
Supporting services	82,617	51,900	30,717
Facilities acquisition and construction	3,175,000	2,472,540	702,460
Debt service	254,839	263,754	(8,915)
Total expenditures	3,601,371	2,856,851	744,520
Excess (deficiency) of revenues over expenditures	(3,205,871)	(2,410,003)	795,868
OTHER FINANCING SOURCES (USES)			
Transfers in	1,176,440	1,369,314	192,874
Long-term debt proceeds	2,861,000	2,861,000	-
Total other financing sources (uses)	4,037,440	4,230,314	192,874
Net change in fund balance	831,569	1,820,311	988,742
Fund balance - beginning	1,835,999	1,835,999	-
Fund balance - ending	$ 2,667,568	$ 3,656,310	$ 988,742

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. These funds may be required by statute or ordinance and others may be established through resolutions by the Board of Education for purposes of better administration. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Governmental Designated-Purpose Grants Fund

This fund is authorized by Colorado state law for the purpose of accounting for financial assistance from certain state and federal grants.

Student Activity Fund

This fund accounts for the transactions of student organizations and clubs.

Preschool Fund

This fund accounts for locally funded preschool activities.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds				
	Food Service Fund	Governmental Designated-Purpose Grants Fund	Student Activity Fund	Preschool Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	$ 6,590	$ 6,550	$ 135,767	$ 251,432	$ 400,339
Intergovernmental receivables	39,381	106,912	-	-	146,293
Due from other funds	31	-	-	-	31
Inventories and prepaids	13,672	-	-	-	13,672
Total assets	$ 59,674	$ 113,462	$ 135,767	$ 251,432	$ 560,335
LIABILITIES					
Accounts payable and other accrued liabilities	$ 430	$ 223	$ -	$ -	$ 653
Accrued salaries and benefits	22,520	109,330	823	8,798	141,471
Due to other funds	-	3,117	65	-	3,182
Unearned revenue	-	792	-	-	792
Total liabilities	22,950	113,462	888	8,798	146,098
FUND BALANCES					
Nonspendable	13,672	-	-	-	13,672
Restricted for:					
Student activities	-	-	134,879	-	134,879
Committed for:					
Food service operations	23,052	-	-	-	23,052
Preschool activities	-	-	-	242,634	242,634
Total fund balances	36,724	-	134,879	242,634	414,237
Total liabilities and fund balances	$ 59,674	$ 113,462	$ 135,767	$ 251,432	$ 560,335

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	Food Service Fund	Governmental Designated-Purpose Grants Fund	Student Activity Fund	Preschool Fund	Total Nonmajor Governmental Funds
REVENUES					
Local sources	$ 22,399	$ 341,232	$ 335,789	$ 67,415	$ 766,835
State sources	191,162	394,886	-	-	586,048
Federal sources	480,899	1,807,935	-	-	2,288,834
Total revenues	694,460	2,544,053	335,789	67,415	3,641,717
EXPENDITURES					
Instruction	-	830,421	622,109	98,865	1,551,395
Supporting services	-	1,267,528	378	5,306	1,273,212
Food service operations	932,580	44,839	-	-	977,419
Community services	-	341,232	-	-	341,232
Facilities acquisition and construction	-	60,033	-	-	60,033
Total expenditures	932,580	2,544,053	622,487	104,171	4,203,291
Excess (deficiency) of revenues over (under) expenditures	(238,120)	-	(286,698)	(36,756)	(561,574)
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	237,506	-	215,000	-	452,506
Net change in fund balances	(614)	-	(71,698)	(36,756)	(109,068)
Fund balances - beginning	37,338	-	206,577	279,390	523,305
Fund balances - ending	$ 36,724	$ -	$ 134,879	$ 242,634	$ 414,237

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	$ 34,040	$ 22,399	$ (11,641)
State sources	192,551	191,162	(1,389)
Federal sources	449,528	480,899	31,371
Total revenues	676,119	694,460	18,341
EXPENDITURES			
Food service operations	962,343	932,580	29,763
Total expenditures	962,343	932,580	29,763
Excess (deficiency) of revenues over expenditures	(286,224)	(238,120)	48,104
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	300,000	237,506	(62,494)
Net change in fund balance	13,776	(614)	(14,390)
Fund balance - beginning	37,338	37,338	-
Fund balance - ending	$ 51,114	$ 36,724	$ (14,390)

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	$ 491,232	$ 341,232	$ (150,000)
State sources	390,105	394,886	4,781
Federal sources	1,739,340	1,807,935	68,595
Total revenues	2,620,677	2,544,053	(76,624)
EXPENDITURES			
Instruction	1,059,400	830,421	228,979
Supporting services	1,115,141	1,267,528	(152,387)
Food service operations	44,871	44,839	32
Community services	341,232	341,232	-
Facilities acquisition and construction	60,033	60,033	-
Total expenditures	2,620,677	2,544,053	76,624
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	$ -	$ -	$ -

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
STUDENT ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	$ 411,015	$ 335,789	$ (75,226)
EXPENDITURES			
Instruction	625,311	622,109	3,202
Supporting services	-	378	(378)
Total expenditures	625,311	622,487	2,824
Excess (deficiency) of revenues over expenditures	(214,296)	(286,698)	(72,402)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	215,000	215,000	-
Net change in fund balance	704	(71,698)	(72,402)
Fund balance - beginning	206,577	206,577	-
Fund balance - ending	$ 207,281	$ 134,879	$ (72,402)

See the accompanying independent auditors' report.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
PRESCHOOL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local sources	$ 137,300	$ 67,415	$ (69,885)
EXPENDITURES			
Instruction	117,261	98,865	18,396
Supporting services	15,525	5,306	10,219
Total expenditures	132,786	104,171	28,615
Net change in fund balance	4,514	(36,756)	(41,270)
Fund balance - beginning	279,390	279,390	-
Fund balance - ending	$ 283,904	$ 242,634	$ (41,270)

See the accompanying independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District in a trustee capacity. The District has the following Fiduciary Fund:

Private-Purpose Trust Scholarship Fund

This fund was created to account for scholarships.

SALIDA SCHOOL DISTRICT NUMBER R-32-J
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
PRIVATE-PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
ADDITIONS			
Investment income	$ 2,000	$ 1,868	$ (132)
Other local income	6,074	2,032	(4,042)
Total additions	8,074	3,900	(4,174)
DEDUCTIONS			
Scholarship awards	4,339	141	4,198
Total deductions	4,339	141	4,198
Change in net position	3,735	3,759	24
Net position - beginning	59,957	59,957	-
Net position - ending	$ 63,692	$ 63,716	$ 24

See the accompanying independent auditors' report.

STATE COMPLIANCE

Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COLORADO SCHOOL DISTRICT/BOCES AUDITOR'S INTEGRITY REPORT

To the Board of Education
Salida School District Number R-32-J

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salida School District Number R-32-J, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Salida School District Number R-32-J's basic financial statements as listed in the table of contents. Our report thereon, dated October 31, 2025, expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salida School District Number R-32-J's basic financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is 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 *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
November 7, 2025

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Colorado Department of Education

Auditors Integrity Report

District: 0500 - Salida R-32
Fiscal Year 2024-25
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental					
10	General Fund	5,920,885	19,131,381	18,393,272	6,658,995
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
	Sub- Total	**5,920,885**	**19,131,381**	**18,393,272**	**6,658,995**
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	279,390	67,415	104,171	242,634
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	37,338	931,966	932,579	36,724
22	Govt Designated-Purpose Grants Fund	0	2,544,052	2,544,052	0
23	Pupil Activity Special Revenue Fund	206,577	550,789	622,487	134,879
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	2,230,805	2,048,217	1,929,277	2,349,745
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	1,835,999	4,677,162	2,856,851	3,656,310
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals		**10,510,995**	**29,950,983**	**27,382,690**	**13,079,288**
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	59,957	3,900	142	63,716
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		**59,957**	**3,900**	**142**	**63,716**

FINAL