

**EL PASO COUNTY SCHOOL
DISTRICT NO. 8**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2025

EL PASO COUNTY SCHOOL DISTRICT NO. 8

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
El Paso County School District No. 8

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 El Paso County School District No. 8, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the El Paso County School District No. 8'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 El Paso County School District No. 8, 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 El Paso County School District No. 8 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, El Paso County School District No. 8 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 El Paso County School District No. 8's ability

to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 El Paso County School District No. 8'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 El Paso County School District No. 8'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 El Paso County School District No. 8's basic financial statements. The accompanying other supplementary information 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 30, 2025



Management's Discussion and Analysis

As management of El Paso County School District No. 8, we offer readers of the District's Basic Financial Statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the information furnished in our financial statements.

Financial Highlights

- The District's assets exceeded its liabilities at the close of the most recent fiscal year by \$134,179,024 (net position). This includes the net pension liability of \$155,428,173 and net OPEB liability of \$2,757,735 reported in compliance with GASB 68 which requires all PERA contributors to record their share of the net pension liability on the Statement of Net Position. More information on GASB 68 can be found in the notes to the financial statements.
- The District's total net position increased by \$14,276,341 during the fiscal year.
- At the close of the current fiscal year, the District's *governmental funds* reported combined ending fund balances of \$29,482,303, which represents a decrease of \$15,835,215 from the prior year.
- The *governmental funds* reported an unassigned fund balance of \$12,864,053 in the General Fund, and assigned fund balances of \$93,021 in the Insurance Reserve sub-fund of the General Fund, of \$8,029,664 in the Building Fund, \$1,106,311 in the Capital Projects Fund, \$2,318,841 in the Food Service Fund, and \$753,914 in the Pupil Activity Fund.
- At June 30, 2025, \$3,100,000 of the General Fund fund balance was restricted for the emergency contingency required by Article X, Section 20 of the Colorado Constitution (TABOR).
- During 2025, the District received \$37,798,249 in federal Impact Aid funding which is recorded in the General Fund and an additional \$974,857 recorded in the Building Fund for a total of \$38,773,106.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the El Paso County School District No. 8 basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) major fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They consist of two statements:

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal 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 related cash flows*.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include: instruction, instructional support, administration, central support services, food service operations and community services.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds are categorized as governmental funds. The District has no fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Governmental Funds (continued)

The District maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, and Building Fund which are considered to be major funds and combined for the Food Service Fund, Designated Purpose Grants Fund, Pupil Activities Fund and Capital Projects Fund, which are all considered non-major governmental funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is on the full accrual basis. In prior years, the District used an agency fund to account for its Pupil Activities. Effective July 1, 2019 the Pupil Activities fund was reclassified as a governmental fund.

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

Other Information. The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule, Required Supplementary Information (RSI), has been provided for the General Fund to demonstrate compliance with this budget. Notes to the RSI are also included in this report. In addition, due to the implementation of GASB 68 and 75, an RSI schedule disclosing the District's proportionate share of net pension liabilities and contributions to PERA, and an RSI schedule disclosing the District's proportionate share of net OPEB liabilities have been provided. Effective July 1, 2021, the District's lease obligations and corresponding assets have been included in the statement of net position per GASB 87. Effective for the fiscal year ending June 30, 2025, compensated absences have been reported in compliance with GASB 101.

Supplementary Information, including budget schedules for the remaining governmental funds is presented immediately following the RSI.

Government-Wide Financial Analysis

- As noted earlier, net position may serve over time as a useful indicator of the District's financial position, The District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources resulting in a net position of \$134,179,024 at the close of the most recent fiscal year.
- \$251,852,183 of net position represents the District's net investment in capital assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.
- A portion of the District's net position totaling \$3,853,175 represents resources that are subject to external restriction on how they may be used.

Government-Wide Financial Analysis (Continued)

- A key component of the District's net governmental position is the large net pension liability of \$155,428,173. Prior to the implementation of Statement 68 from the Governmental Accounting Standards Board (GASB), the District was not required as a contributor to PERA to record their share of the net pension liability. The implementation of GASB 68 is outlined in the notes to the basic financial statements.
- Due to the addition of the net pension liability, and pension deferred inflows and outflows, at the end of the current fiscal year the District's unrestricted net deficit balance is negative \$121,526,334.
- During 2025, District-wide net position increased by \$14,276,341.
- The District's ability to finance services in the future is reflected by the difference between current assets (those that will be converted into cash within one year) and current liabilities (amounts payable within one year). The District's current asset ratio at June 30, 2025 is 2.64 (4.20 at June 30, 2024) meaning the District has liquid assets equal to 2.6 times its current liabilities.

PRIMARY GOVERNMENT CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2025	2024
ASSETS		
Current assets	\$ 43,800,934	\$ 56,548,231
Capital assets	285,883,190	258,991,370
Total assets	<u>329,684,124</u>	<u>315,539,601</u>
DEFERRED OUTFLOWS	<u>29,974,135</u>	<u>44,264,481</u>
LIABILITIES		
Other liabilities	16,581,160	13,462,667
Long-term debt	195,167,157	217,211,765
Total liabilities	<u>211,748,317</u>	<u>230,674,432</u>
DEFERRED INFLOWS	<u>13,730,918</u>	<u>7,021,508</u>
NET POSITION		
Net investment in capital assets	251,852,183	222,786,879
Restricted	3,853,175	3,863,156
Unrestricted	(121,526,334)	(104,541,893)
Total net position	<u>\$ 134,179,024</u>	<u>\$ 122,108,142</u>

Governmental Activities. Governmental activities increased the District's net position by \$14,276,341, thereby accounting for 100% of the total change in the net position of the District.

- The cost of all governmental activities was \$139,788,073.
- Users of the District's governmental programs financed \$356,192.
- Federal and state governments subsidized certain programs with operating grants totaling \$20,013,725, including capital grants and contributions of \$1,833,106.
- General revenues for governmental activities of \$133,694,497 include \$6,988,983 of property taxes; \$80,585,809 of state equalization and universal preschool funds; and \$40,044,409 of federal impact aid funding and DoD supplemental impact aid funding.

PRIMARY GOVERNMENT CONDENSED STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities	
	2025	2024
REVENUES		
Program Revenues:		
Charges for services	\$ 356,192	\$ 371,829
Operating grants and contributions	18,180,619	17,558,897
Capital grants and contributions	1,833,106	1,196,273
General Revenues:		
Property and specific ownership taxes	7,660,649	7,288,841
State equalization	80,585,809	79,937,319
Impact aid	40,044,409	45,642,432
Grants and contributions not restricted to programs	1,424,871	-
Other revenue	1,651,096	1,573,951
Earnings on investments	2,327,663	2,037,864
Total Revenues	<u>154,064,414</u>	<u>155,607,406</u>
EXPENSES		
Instruction	71,765,679	72,273,043
Instructional supporting services	16,251,518	15,130,692
Administration	11,109,970	11,220,677
Support services	31,445,097	30,338,180
Community services	7,956,947	6,028,899
Interest and fiscal charges	1,258,862	1,321,206
Total Expenses	<u>139,788,073</u>	<u>136,312,697</u>
Increase (decrease) in net position	14,276,341	19,294,709
Beginning net position (Restated in 2025)	<u>119,902,683</u>	<u>102,813,433</u>
Ending net position	<u>\$ 134,179,024</u>	<u>\$ 122,108,142</u>

Financial Analysis of the District's Funds

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

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$29,482,303. Approximately 43.6% of this total amount constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is *non-spendable, restricted, or assigned* to indicate that it is not available for new spending because it has already been committed for various purposes including 1) for purchased inventory, 2) insurance activities, 3) for constitutional amendment, 4) multi-year obligations, and 5) future capital projects.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,864,053, while total fund balance reached \$16,995,182. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10.9% of total General Fund expenditures, while total fund balance represents 14.4% of that same amount.

The fund balance of the District's General Fund increased by \$5,717,932 during the current fiscal year compared to an increase of \$6,158,956 in the prior year.

General Fund revenue totaled \$140,854,747 during the current fiscal year compared to \$142,236,296 in the prior year. This reflects a decrease in impact aid funding.

Fund balance for the Building Fund, a major governmental fund, decreased by \$20,814,305 compared to an increase of \$6,437,330 in the prior year due to construction on a new elementary school.

Major Fund Budgetary Highlights

The District approves the original budget in June based on enrollment projections for the following school year. In December or January, after funded pupil counts are certified, necessary revenue adjustments are included in the mid-year budget revision.

Colorado Statutes permit transferring budgeted amounts from one object or purpose to another within the same fund. Board policy allows management to transfer budgets between objects or purposes without obtaining authorization from the Board of Education.

Differences between the original general fund expenditures budget and the final amended budget was an increase of \$1,932,472 or 1.5% of the total original budget. The final General Fund budget for revenues decreased by \$1,927,317 or 1.4% of the original budget and was primarily due to a decrease in state equalization and miscellaneous grant funding.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets as of June 30, 2025 amounts to \$251,852,183 (net of accumulated depreciation/amortization and related debt). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery, equipment, vehicles and leased assets. The net increase in the District's capital assets for the current fiscal year was \$29,065,304, which represents an increase of 13.0% over the June 30, 2024 balance.

During the year, the District continued construction of a new school facility to replace the existing Abrams Elementary School on Fort Carson.

Debt Administration. The balance outstanding on the District's Certificates of Participation, issued to shorten the new Fountain Middle School construction timeline, was \$7,745,000 and the balance of the COP's issues to complete the Trojan Arena was \$25,810,000 at June 30, 2025.

For more detailed information on capital assets and debt administration, see Notes 6, 7 and 8 to the basic financial statements.

Economic Factors and Next Year's Budgets

Enrollment in the school District decreased during 2024-25 primarily due a shortage of available family housing (low occupancy rate) on Fort Carson.

Residential growth in the City of Fountain, is minimal due to infrastructure limitations resulting in a slowing of projected growth in the next few years. The next major residential development in the northeast corner of the school district is not scheduled to begin occupancy in the next five years. The residential construction project on Fort Carson to rebuild homes in the Arapahoe (formerly Cherokee West) village began last school year with initial occupancy in May 2025.

The majority of the District's funding is based on pupil count. Instability caused by the demolition and replacement of housing units on Post and deployment of thousands of soldiers makes estimating pupils much more difficult. Enrollment for the 2025-26 school year is expected to be flat based on the same factors noted above. It is anticipated that the District will have fluctuations in student growth through the coming years and anticipates flat or slightly decreased enrollment over the next five years.

Requests for Information

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

Office of the Assistant Superintendent of Business
El Paso County School District No. 8
10665 Jimmy Camp Road
Fountain, CO 80817

Basic Financial Statements

EL PASO COUNTY SCHOOL DISTRICT NO. 8
STATEMENT OF NET POSITION
June 30, 2025

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and investments	\$ 41,927,770
Accounts receivable	100,996
Taxes receivable	336,591
Intergovernmental receivables	972,253
Inventories and prepaid expenses	463,324
Capital assets, not being depreciated	46,753,266
Capital assets, depreciated, net	239,129,924
Total assets	<u>329,684,124</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, net of accumulated amortization	29,167,654
OPEB, net of accumulated amortization	806,481
Total assets and deferred outflows of resources	<u>359,658,259</u>
LIABILITIES	
Accounts payable and other current liabilities	6,185,050
Accrued salaries and benefits	6,955,873
Unearned revenues	794,553
Accrued interest payable	114,727
Non-current liabilities due within one year	2,530,957
Non-current liabilities due in more than one year:	
Compensated absences	5,200,248
Leases	116,001
Certificates of Participation (COP)	31,665,000
Net pension liability	155,428,173
Net OPEB liability	2,757,735
Total liabilities	<u>211,748,317</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, net of accumulated amortization	11,703,856
OPEB, net of accumulated amortization	2,027,062
Total liabilities and deferred inflows of resources	<u>225,479,235</u>
NET POSITION	
Net investment in capital assets	251,852,183
Restricted for	
Mill levy override	
Instructional materials and salaries	229,663
Constitutional amendment (TABOR)	3,100,000
Multi-year obligations	523,512
Unrestricted	(121,526,334)
Total net position	<u><u>\$ 134,179,024</u></u>

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 71,765,679	\$ 5,529	\$ 9,752,408	\$ -	\$ (62,007,742)
Instructional support	16,251,518	-	1,703,489	-	(14,548,029)
Administration	11,109,970	-	131,235	-	(10,978,735)
Central support services	31,445,097	315,030	6,552,519	1,833,106	(22,744,442)
Community services	7,956,947	35,633	40,968	-	(7,880,346)
Interest and fiscal charges	1,258,862	-	-	-	(1,258,862)
Total primary government	\$ 139,788,073	\$ 356,192	\$ 18,180,619	\$ 1,833,106	(119,418,156)
General revenues:					
Property taxes					6,988,983
Specific ownership taxes					671,666
State equalization and UPK funding					80,585,809
Federal impact aid					40,044,409
Grants and contributions not restricted to programs					1,424,871
Investment earnings					2,327,663
Miscellaneous revenues					1,651,096
Total general revenues					<u>133,694,497</u>
Change in net position					14,276,341
Net position, beginning of year (Restated)					<u>119,902,683</u>
Net position, end of year					<u>\$ 134,179,024</u>

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Building Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 22,861,043	\$ 15,143,379	\$ 3,923,348	\$ 41,927,770
Accounts receivable	64,015	19,916	17,065	100,996
Taxes receivable	336,591	-	-	336,591
Internal balances	2,038,026	-	-	2,038,026
Intergovernmental receivables	54,914	-	917,339	972,253
Prepaid expenditures	-	-	212,049	212,049
Inventories	184,933	-	66,342	251,275
	<u>25,539,522</u>	<u>15,163,295</u>	<u>5,136,143</u>	<u>45,838,960</u>
Total assets	<u>\$ 25,539,522</u>	<u>\$ 15,163,295</u>	<u>\$ 5,136,143</u>	<u>\$ 45,838,960</u>
LIABILITIES				
Accounts payable	\$ 636,614	\$ 5,311,093	\$ 237,343	\$ 6,185,050
Accrued salaries and benefits	6,739,050	-	216,823	6,955,873
Accrued liabilities	280,951	-	-	280,951
Internal balances	-	1,822,538	215,488	2,038,026
Unearned revenues	785,521	-	9,032	794,553
	<u>8,442,136</u>	<u>7,133,631</u>	<u>678,686</u>	<u>16,254,453</u>
Total liabilities	<u>8,442,136</u>	<u>7,133,631</u>	<u>678,686</u>	<u>16,254,453</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	102,204	-	-	102,204
	<u>102,204</u>	<u>-</u>	<u>-</u>	<u>102,204</u>
FUND BALANCES				
Nonspendable				
Inventories	184,933	-	66,342	251,275
Prepaid expenditures	-	-	212,049	212,049
Restricted				
Mill levy override				
Instructional materials and salaries	229,663	-	-	229,663
Constitutional amendment (TABOR)	3,100,000	-	-	3,100,000
Multi-year obligations	523,512	-	-	523,512
Assigned				
Insurance activities	93,021	-	-	93,021
Food service	-	-	2,318,841	2,318,841
Pupil activities	-	-	753,914	753,914
Capital projects	-	8,029,664	1,106,311	9,135,975
Unassigned	12,864,053	-	-	12,864,053
	<u>16,995,182</u>	<u>8,029,664</u>	<u>4,457,457</u>	<u>29,482,303</u>
Total fund balances	<u>16,995,182</u>	<u>8,029,664</u>	<u>4,457,457</u>	<u>29,482,303</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,539,522</u>	<u>\$ 15,163,295</u>	<u>\$ 5,136,143</u>	<u>\$ 45,838,960</u>

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances--governmental funds \$ 29,482,303

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at year-end consist of:

	Land	\$ 4,112,102	
	Construction in Progress	42,641,164	
	Depreciable and Leased Assets	320,433,270	
	Less: Accumulated Depreciation and Amortization	<u>(81,303,346)</u>	
			285,883,190

Property tax revenue not available to pay for current period expenditures is deferred in the governmental funds but recorded as general revenues in the statement of activities. 102,204

Long-term liabilities and related items are not due and payable in the current period, and therefore are not reported as liabilities in governmental funds. Long-term liabilities at year end consist of:

	COP's payable	\$ (33,555,000)	
	Accrued interest payable	(114,727)	
	Equipment and vehicle leases payable	(476,007)	
	Compensated absences	(5,200,248)	
	Net pension liability	(155,428,173)	
	Pension-related deferred outflows of resources	29,167,654	
	Pension-related deferred inflows of resources	(11,703,856)	
	Net OPEB liability	(2,757,735)	
	OPEB-related deferred outflows of resources	806,481	
	OPEB-related deferred inflows of resources	<u>(2,027,062)</u>	
			<u>(181,288,673)</u>

Total net position--governmental activities \$ 134,179,024

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General Fund	Building Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES				
Local sources	\$ 9,556,992	\$ 1,056,071	\$ 1,739,835	\$ 12,352,898
State sources	90,975,004	-	2,465,907	93,440,911
Federal sources	40,322,751	974,857	6,762,255	48,059,863
Total revenues	140,854,747	2,030,928	10,967,997	153,853,672
EXPENDITURES				
Current				
Instruction	64,777,816	-	3,496,492	68,274,308
Instructional support	14,876,072	-	785,605	15,661,677
Administration	10,694,462	-	-	10,694,462
Central Support Services	25,795,117	224,595	3,491,627	29,511,339
Community and food services	1,670,839	-	6,286,108	7,956,947
Capital Outlay	-	34,135,057	-	34,135,057
Debt service				
Principal retirement	107,078	1,820,000	246,406	2,173,484
Interest and fees	5,354	1,265,581	10,678	1,281,613
Total expenditures	117,926,738	37,445,233	14,316,916	169,688,887
Excess (Deficiency) of revenues over expenditures	22,928,009	(35,414,305)	(3,348,919)	(15,835,215)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	14,600,000	2,610,077	17,210,077
Transfers (out)	(17,210,077)	-	-	(17,210,077)
Total other financing sources (uses)	(17,210,077)	14,600,000	2,610,077	-
Net change in fund balances	5,717,932	(20,814,305)	(738,842)	(15,835,215)
Fund balances, beginning of year	11,277,250	28,843,969	5,196,299	45,317,518
Fund balances, end of year	\$ 16,995,182	\$ 8,029,664	\$ 4,457,457	\$ 29,482,303

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Net change in fund balances -- governmental funds **\$ (15,835,215)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets eligible for capitalization is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlays	\$ 34,835,527	
Retirements, net	(651,226)	
Depreciation expense	<u>(7,292,481)</u>	
		26,891,820

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in property taxes not available as current resources.

39,228

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

COP principal payment	1,820,000
Equipment and vehicle lease principal payment	353,484

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in accrued interest payable	\$ 6,719	
Change in compensated absences	(527,932)	
Change in net pension liability	21,025,090	
Change in pension-related deferred outflows of resources	(14,042,832)	
Change in pension-related deferred inflows of resources	(6,473,092)	
Change in net OPEB liability	1,502,903	
Change in OPEB-related deferred outflows of resources	(247,514)	
Change in OPEB-related deferred inflows of resources	<u>(236,318)</u>	
		<u>1,007,024</u>

Change in net position of governmental activities **\$ 14,276,341**

The accompanying notes are an integral part of the basic financial statements.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT

El Paso County School District No. 8 (the School District or District) was established in 1890 and is organized under the Constitution of the State of Colorado. The legislative power of the school district is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms. This Board controls the District's 14 instructional buildings and 4 support facilities staffed by 508 non-certificated employees and 606 certificated employees to provide services to approximately 7,955 students and other community members.

The mission of the District is to develop generations of world-class learners capable of being successful members of society by providing a positive, empowering, and safe environment where academic excellence is the desired result for all students.

The District spans 150 square miles including the City of Fountain, Fort Carson Military Installation, Rock Creek, and the rural areas surrounding these locations. The City of Fountain is located approximately seven miles south of Colorado Springs off highway 85 and I-25. The District includes one preschool in the City of Fountain and eight elementary schools, four schools in the City of Fountain (Aragon Elementary, Eagleside Elementary, Jordahl Elementary, and Mesa Elementary) and four on the Fort Carson installation (Abrams Elementary, Patriot Elementary, Mountainside Elementary, and Weikel Elementary). The District's two middle schools, Fountain Middle School and Carson Middle School, are located in the City of Fountain and on Fort Carson, respectively. The District's comprehensive high school, Fountain-Fort Carson High School, and the Welte Education Center are located in the City of Fountain.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

For financial reporting purposes, the District includes all organizations for which it is financially accountable. Financial accountability exists if the District appoints a voting majority of the organization's governing board or if the organization is fiscally dependent on the District and the District is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the District. Criteria for determining whether the District has the ability to impose its will on organizations are the District's ability to: remove members of the organization's governing boards; modify or approve the budget; modify or approve rate or fee changes affecting revenues; veto, overrule, or modify the decisions of the organization's governing board; or hire, reassign, or dismiss those persons responsible for the day-to-day operations of the organization. In determining whether an organization has a financial benefit or burden relationship with the District, the following conditions are used: legal entitlement to or access to the organization's resources; legal obligation or assumption of the obligation to finance the deficits or provide financial support to the organization; or obligation in some manner for the organization's debt.

Based on the application of these criteria, the District does not include additional organizations within its reporting entity.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Government-Wide and Fund Financial Statement Presentation (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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. 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.

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. The District does not have any proprietary funds, fiduciary funds or component units. Governmental activities are supported by taxes and intergovernmental revenues.

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 funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund. The **Building Fund** is also a major fund. The Building Fund is used to account for all resources available for acquiring capital sites, buildings and related equipment.

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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, proprietary, 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 180 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.

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

1 – *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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (continued)

2 – 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.

3 - Receivables

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

4 – Prepaid Expenses

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.

5 - Inventories

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.

6 - 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 \$10,000 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.

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 2 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (continued)

6 - Capital Assets (continued)

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 & Improvements	50 years
Equipment & Vehicles	5-10 years

7 - 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.

8 – Unearned Revenues

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

9 - 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.

10 – Leases

The District is a lessee for non-cancellable leases of vehicles and 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.

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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (continued)

10 – Leases (continued)

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 non-cancellable 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.

11 - 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. Debt premiums, discounts, and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

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.

12 - Pensions

El Paso County School District No. 8 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (continued)

13 – *Other Post Employment Benefit (OPEB) Plan*

El Paso County School District No. 8 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.

14 - *Net Position/Fund Balance*

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.

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:

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (continued)

14 – *Net Position/Fund Balance (continued)*

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.

E – Revenues and Expenditures

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. Beginning in 2025, property taxes can be paid in three ways: in full by April 30, in two equal installments due February 28 and June 15, or in four equal installments due February 28, April 30, July 15 and September 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E – Revenues and Expenditures (continued)

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 recognized 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—The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from employment. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Under the District's policies certain employees earn vacation pay for 15-20 days annually, based on longevity of service or position, and may carry over unused vacation up to 30 days at which time it is reclassified as leave.

Annual and Sick Leave - Employees accrue 10-13 days of annual leave each year dependent upon their contract basis. Employees may carry-over unused annual leave days at which time it is reclassified to sick leave. Employees are allowed to accumulate an unlimited number of sick leave days. After a minimum of two years employment with the District, unused annual and sick leave days are payable upon resignation, termination, retirement or death. For employees with a minimum of two years employment with the District, unused leave is paid at the rate of \$50 per day. For employees with at least ten years employment with the District, unused leave is paid at the rate of \$100 per day for all staff. Sick leave payouts are paid at least 90 days after an employee's last regular pay is processed. In the government-side financial statements, the liability for sick leave is reported based on historical trend analysis, which estimates the amount that will be used or paid. 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 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 4 DEPOSITS AND INVESTMENTS

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

Cash on hand	\$ 1,680
Deposits	17,812,552
Investments	24,113,538
Total	<u>\$41,927,770</u>

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

Cash and Investments - Primary Government	<u>\$ 41,927,770</u>
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EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 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 bank deposits at June 30, 2025 was \$17,812,552. Of the bank balances, \$250,000 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.

Local Government Investment Pool - As of June 30, 2025, the District had \$24,113,538 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST). The Trust 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 the Trust. The Trust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. 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.

The Trust is rated AAAM by Standard and Poor's. The custodian's internal records identify the investments owned by the participating governments.

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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 DEPOSITS AND INVESTMENTS (continued)

Cash Deposits with Financial Institutions (continued)

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. One hundred percent of the District's investments are in ColoTrust.

NOTE 5 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	Due to
	<u>Other funds</u>	<u>Other Funds</u>
General Fund	\$ 2,038,026	\$ -
Building Fund	-	1,822,538
Nonmajor Funds	-	215,488
Total	<u>\$ 2,038,026</u>	<u>\$ 2,038,026</u>

Interfund transfers

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

	Transfers from	Transfers to
	<u>Other funds</u>	<u>Other Funds</u>
General Fund	\$ -	\$ 17,210,077
Building Fund	14,600,000	-
Nonmajor Funds	2,610,077	-
Total	<u>\$ 17,210,077</u>	<u>\$ 17,210,077</u>

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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS

Activity for capital assets during the year ended June 30, 2025, was as follows.

Governmental activities:				
	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital assets, not being depreciated:				
Land	\$ 4,112,102	\$ -	\$ -	\$ 4,112,102
Construction in progress	9,518,813	33,122,351	-	42,641,164
Total capital assets, not being depreciated	13,630,915	33,122,351	-	46,753,266
Capital assets, being depreciated:				
Buildings	305,261,476	379,075	-	305,640,551
Equipment	7,964,727	368,924	4,413,137	3,920,514
Buses/Other vehicles	9,145,479	965,177	646,387	9,464,269
Total capital assets being depreciated	322,371,682	1,713,176	5,059,524	319,025,334
Less accumulated depreciation for:				
Buildings	65,234,354	6,090,752	-	71,325,106
Equipment	5,908,894	261,318	3,776,426	2,393,786
Buses/Other vehicles	6,700,441	609,843	631,872	6,678,412
Total accumulated depreciation	77,843,689	6,961,913	4,408,298	80,397,304
Total depreciable assets, net	244,527,993	(5,248,737)	651,226	238,628,030
Leased assets				
Equipment	1,407,936	-	-	1,407,936
Total Leased capital assets	1,407,936	-	-	1,407,936
Less accumulated amortization for:				
Equipment	575,474	330,568	-	906,042
Total accumulated amortization	575,474	330,568	-	906,042
Total leased assets, net	832,462	(330,568)	-	501,894
Total depreciable and leased assets, net	245,360,455	(5,579,305)	651,226	239,129,924
Governmental activities capital assets, net	<u>\$258,991,370</u>	<u>\$ 27,543,046</u>	<u>\$ 651,226</u>	<u>\$285,883,190</u>

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 CAPITAL ASSETS (continued)

Depreciation and amortization expenses were charged to functions/programs of the District as follows:

Governmental activities:

Instruction	\$ 4,010,864
Instructional Support	729,248
Administration	510,474
Central Support Services	2,041,895
Total Depreciation Expense - Governmental Activities	<u>\$ 7,292,481</u>

NOTE 7 LEASES

The District, as a lessee, has entered into lease agreements for equipment with lease terms ranging from 4 to 5 years. The total costs of these right-to-use lease assets are recorded as \$1,407,936, less accumulated amortization of \$906,042. 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 360,006	\$ 9,511	\$ 369,517
2027	107,078	5,354	112,432
2028	8,923	445	9,368
Total	<u>\$ 476,007</u>	<u>\$ 15,310</u>	<u>\$ 491,317</u>

NOTE 8 LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

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

<u>Governmental Activities</u>	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Certificates of Participation					
2018	\$ 8,570,000	\$ -	\$ 825,000	\$ 7,745,000	\$ 855,000
2022	26,805,000	-	995,000	25,810,000	1,035,000
Leases	829,491	-	353,484	476,007	360,006
Compensated Absences	4,972,315	1,973,565	1,464,677	5,481,203	280,951
Net pension liability	176,453,263	2,241,610	23,266,700	155,428,173	-
Net OPEB liability	4,260,638	297,083	1,799,986	2,757,735	-
Total	<u>\$ 221,890,707</u>	<u>\$ 4,512,258</u>	<u>\$ 28,704,847</u>	<u>\$ 197,698,118</u>	<u>\$ 2,530,957</u>

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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.

In April 2018, \$13,110,000 in Series 2018 certificates of participation were issued to partially finance the construction of a replacement middle school in Fountain. Principal payments are due annually on November 15 through 2032 and interest payments are paid semi-annually on May 15 and November 15. Interest accrues on the Series 2018 certificates at 3.580% per annum.

Annual debt service requirements to maturity for S2018 COPs are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 855,000	\$ 261,967	\$ 1,116,967
2027	885,000	230,821	1,115,821
2028	915,000	198,601	1,113,601
2029	950,000	165,217	1,115,217
2030	980,000	130,670	1,110,670
2031 - 2033	3,160,000	172,378	3,332,378
Total	<u>\$ 7,745,000</u>	<u>\$ 1,159,654</u>	<u>\$ 8,904,654</u>

In October 2022, \$27,635,000 in Series 2022 certificates of participation were issued to partially finance the construction of the Trojan Arena in Fountain. Principal payments are due annually on June 1 through 2042 and interest payments are paid semi-annually on December 1 and June 1. Interest accrues at 3.70% per annum.

Annual debt service requirements to maturity for S2022 COPs are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,035,000	\$ 935,823	\$ 1,970,823
2027	1,075,000	896,788	1,971,788
2028	1,110,000	856,365	1,966,365
2029	1,155,000	814,463	1,969,463
2030	1,195,000	770,988	1,965,988
2031 - 2035	6,680,000	3,144,630	9,824,630
2036 - 2040	8,005,000	1,789,968	9,794,968
2041 - 2043	5,555,000	313,297	5,868,297
Total	<u>\$ 25,810,000</u>	<u>\$ 9,522,322</u>	<u>\$ 35,332,322</u>

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the El Paso County School District No. 8 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/investments/pera-financial-reports.

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and also 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (continued)

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

Contributions provisions as of June 30, 2025: Eligible employees of, El Paso County School District No. 8 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 El Paso County School District No. 8 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from El Paso County School District No. 8 were \$14,806,605 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 (actual dollars) 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

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 El Paso County School District No. 8 proportion of the net pension liability was based on El Paso County School District No. 8 contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the El Paso County School District No. 8 reported a liability of \$155,428,173 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the El Paso County School District No. 8 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 El Paso County School District No. 8 were as follows:

El Paso County School District No. 8 proportionate share of the net pension liability	\$ 155,428,173
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with El Paso County School District No. 8	13,959,917
Total	\$ 169,388,090

At December 31, 2024, the El Paso County School District No. 8 proportion was 0.9007770671%, which was a decrease of 0.0970686183% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the El Paso County School District No. 8 recognized pension expense of \$14,290,331 and revenue of \$1,472,185 for support from the State as a nonemployer contributing entity. At June 30, 2025, the El Paso County School District No. 8 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	\$ 8,801,664	\$ -
Changes of assumptions or other inputs	1,165,263	-
Net difference between projected and actual earnings on pension plan investments	2,932,498	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,735,424	11,703,857
Contributions subsequent to the measurement date	7,532,807	N/A
Total	\$ 29,167,656	\$ 11,703,857

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

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

\$7,532,807 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	\$ 9,509,716
2027	8,704,304
2028	(6,191,576)
2029	(2,091,452)
Thereafter	-

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

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

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (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.

	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 at least 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (continued)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect 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 (actual dollars), 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the El Paso County School District No. 8 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 210,724,580	\$ 155,428,173	\$ 109,109,703

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/investments/pera-financial-reports.

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%.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)

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 in tended 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 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the El Paso County School District No. 8 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/investments/pera-financial-reports.

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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

PERA Benefit Structure

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

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

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 El Paso County School District No. 8 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from El Paso County School District No. 8 were \$741,056 for the year ended June 30, 2025

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

At June 30, 2025, the El Paso County School District No. 8 reported a liability of \$2,757,735 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 El Paso County School District No. 8 proportion of the net OPEB liability was based on El Paso County School District No. 8 contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the El Paso County School District No. 8 proportion was 0.5767305047% which was a decrease of 0.02022656090% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the El Paso County School District No. 8 recognized OPEB expense of (\$275,463). At June 30, 2025, the El Paso County School District No. 8 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	\$ -	\$ 608,301
Changes of assumptions or other inputs	31,622	881,510
Net difference between projected and actual earnings on OPEB plan investments	9,349	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	388,502	537,251
Contributions subsequent to the measurement date	377,008	N/A
Total	\$ 806,481	\$ 2,027,062

\$377,008 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	\$ (398,759)
2027	(232,821)
2028	(354,444)
2029	(300,960)
2030	(215,590)
Thereafter	(95,015)

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 **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% 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 percent
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 December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase	Annual Increase
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%

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (continued)

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

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

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

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

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

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

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

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (continued)

Year	PERACare Medicare Plans ¹	MAPD PPO	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%

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

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

Pre-Retirement	Mortality 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

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (continued)

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation 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 the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, date 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.

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

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (continued)

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

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 Board's 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:

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial assumptions (continued)

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

Sensitivity of the El Paso County School District No. 8 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 2,683,435	\$ 2,757,735	\$ 2,841,822

¹For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Discount Rate (continued)

- 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 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

Based on the above assumptions and methods, the HCTF'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the El Paso County School District No. 8 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 3,379,647	\$ 2,757,735	\$ 2,221,572

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/investments/pera-financial-reports.

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 the 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.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters on a claim made basis. The District accounts for and finances its risk activities in the Insurance Reserve Fund, a sub-fund of the General Fund. The District provides for these risks through the purchase of commercial insurance for property, liability and worker's compensation risks of loss. Settled claims resulting from these risks have not exceeded the purchased commercial insurance coverage in any of the past three fiscal years.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Grants

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. However, in the opinion of the District, any such adjustments will not have a material adverse effect on the financial position of the District.

Legal

The District is involved in pending or threatened lawsuits and claims. The District estimates that potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

Construction Commitments

The District has one active construction project as of June 30, 2025, a new elementary school on Fort Carson which is recorded in the Building Fund. This school will replace the existing Abrams Elementary school building. The project is scheduled to be completed by December 2025. At year end, the District's commitments with contractors are as follows:

	Committed for	
<u>Construction Project:</u>	<u>Spent to Date</u>	<u>Next Fiscal Year</u>
Abrams Elementary - replacement school	\$ 40,803,889	\$ 6,176,000
Total Commitments	<u>\$ 40,803,889</u>	<u>\$ 6,176,000</u>

NOTE 13 TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (the "TABOR Amendment") to the State Constitution which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments, including school districts.

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 \$3,100,000 reservation of fund balance in the General Fund for the amendment.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 TAX, SPENDING AND DEBT LIMITATIONS (Continued)

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.

In November 2000, voters within the District authorized the District to collect, retain and expend all excess revenues and other funds received from every source, without limitation, in the 2000-01 budget year and each subsequent budget year thereafter without further voter approval, notwithstanding the limitations of the TABOR Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the TABOR Amendment.

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

The District 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, was restated to reflect the cumulative effect of adopting this standard.

Governmental Activities

Net Position, June 30, 2024, as originally stated	\$ 122,108,142
Adoption of new accounting standard - GASB 101	<u>(2,205,459)</u>
Net Position, June 30, 2024, as restated	<u>\$ 119,902,683</u>



Required Supplementary Information



EL PASO COUNTY SCHOOL DISTRICT NO. 8
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION OF COLORADO - SCHOOL DIVISION TRUST FUND
June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PROPORTIONATE SHARE OF NET PENSION LIABILITY										
District's proportion of net pension liability (asset)	0.9007770671%	0.9978456854%	0.8546587653%	0.9167161690%	1.0034704008%	0.8820538315%	0.8858485315%	1.0060639759%	1.0142534803%	1.0091385263%
District's proportionate share of the net pension liability (asset)	\$ 155,428,173	\$ 176,453,263	\$ 155,628,789	\$ 106,681,616	\$ 151,704,485	\$ 131,776,928	\$ 156,857,678	\$ 325,325,334	\$ 301,982,482	\$ 154,340,613
State's proportionate share of the net pension liability (asset) associated with the District	13,959,917	3,869,096	45,351,793	12,229,685	-	16,714,227	21,448,109	-	-	-
	<u>\$ 169,388,090</u>	<u>\$ 180,322,359</u>	<u>\$ 200,980,582</u>	<u>\$ 118,911,301</u>	<u>\$ 151,704,485</u>	<u>\$ 148,491,155</u>	<u>\$ 178,305,787</u>	<u>\$ 325,325,334</u>	<u>\$ 301,982,482</u>	<u>\$ 154,340,613</u>
District's covered payroll	\$ 69,607,182	\$ 65,966,609	\$ 65,927,056	\$ 57,291,871	\$ 53,671,992	\$ 51,835,047	\$ 48,699,851	\$ 46,408,542	\$ 45,521,512	\$ 43,978,026
District's proportionate share of the net pension liability (asset) as a percentage of covered payroll	223.29%	267.49%	236.06%	186.21%	282.65%	254.22%	322.09%	701%	663%	351%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44%	43%	59%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DISTRICT CONTRIBUTIONS										
Statutorily required contributions	\$ 14,806,605	\$ 13,672,633	\$ 13,843,269	\$ 12,067,857	\$ 10,705,293	\$ 10,444,347	\$ 9,559,382	\$ 8,916,032	\$ 8,391,301	\$ 7,977,683
Contributions in relation to the statutorily required contributions	(14,806,605)	(13,672,633)	(13,843,269)	(12,067,857)	(10,705,293)	(10,444,347)	(9,559,382)	(8,916,032)	(8,391,301)	(7,977,683)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll	\$ 72,652,576	\$ 67,088,483	\$ 67,925,754	\$ 60,703,506	\$ 53,849,565	\$ 53,892,399	\$ 49,970,632	\$ 47,224,716	\$ 45,654,521	\$ 44,995,392
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%

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

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEE'S RETIREMENT ASSOCIATION OF COLORADO - HEALTH CARE TRUST FUND
June 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017
PROPORTIONATE SHARE OF NET OPEB LIABILITY								
District's proportion of net OPEB liability (asset)	0.5767305050%	0.5969570656%	0.6491144847%	0.5985455827%	0.5803970899%	0.5763469308%	0.5758063774%	0.5716412205%
District's proportionate share of the net OPEB liability (asset)	\$ 2,757,735	\$ 4,260,638	\$ 5,299,883	\$ 5,161,288	\$ 5,515,078	\$ 6,478,128	\$ 7,834,088	\$ 7,429,049
District's covered payroll	\$ 69,607,182	\$ 65,966,609	\$ 65,927,056	\$ 57,291,871	\$ 53,671,992	\$ 51,835,047	\$ 48,699,851	\$ 46,408,542
District's proportionate share of the net OPEB liability (asset) as a percentage of covered payroll	3.96%	6.46%	8.04%	9.01%	10.28%	12.50%	16.09%	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.*

	2025	2024	2023	2022	2021	2020	2019	2018
DISTRICT CONTRIBUTIONS								
Statutorily required contributions	\$ 741,056	\$ 684,306	\$ 692,846	\$ 619,181	\$ 549,276	\$ 549,711	\$ 509,704	\$ 481,715
Contributions in relation to the statutorily required contributions	(741,056)	(684,306)	(692,846)	(619,181)	(549,276)	(549,711)	(509,704)	(481,715)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll	\$ 72,652,576	\$ 67,088,483	\$ 67,925,750	\$ 60,703,506	\$ 53,849,565	\$ 53,892,399	\$ 49,970,632	\$ 47,224,746
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive (Negative)
REVENUES	Original	Final	Actual	
Local sources				
Property taxes	\$ 7,830,000	\$ 7,750,000	\$ 6,949,755	\$ (800,245)
Specific ownership taxes	475,000	475,000	671,666	196,666
Tuition	25,000	25,000	31,448	6,448
Interest on investments	500,300	500,300	1,224,406	724,106
Miscellaneous	761,693	644,257	679,717	35,460
Total local sources	9,591,993	9,394,557	9,556,992	162,435
State sources				
State equalization and preschool	80,735,000	79,235,000	80,585,809	1,350,809
Special education	5,196,251	5,196,251	5,197,801	1,550
Transportation	1,025,000	950,000	1,017,877	67,877
Miscellaneous Grants	5,004,600	3,603,559	4,173,517	569,958
Total state sources	91,960,851	88,984,810	90,975,004	1,990,194
Federal sources				
Impact aid	34,600,000	35,700,000	37,798,249	2,098,249
DoD supplemental assistance	2,100,000	2,246,160	2,246,161	1
Carl Perkins Grant	73,962	73,962	51,020	(22,942)
JROTC Grant	160,000	160,000	163,831	3,831
Preschool Program	60,465	60,465	60,465	-
Other federal grants	-	-	3,025	3,025
Total federal sources	36,994,427	38,240,587	40,322,751	2,082,165
TOTAL REVENUES	\$ 138,547,271	\$ 136,619,954	\$ 140,854,747	\$ 4,234,793

(Continued)

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

EXPENDITURES	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instruction				
Salaries	\$ 44,307,191	\$ 45,249,807	\$ 44,394,651	\$ 855,156
Employee benefits	15,284,862	15,665,636	15,726,192	(60,556)
Purchased Services	1,558,246	1,640,553	1,911,880	(271,327)
Supplies and materials	2,684,884	2,841,900	2,341,907	499,993
Capital Outlay	288,999	258,999	175,601	83,398
Other	145,725	188,434	227,585	(39,151)
Total	64,269,907	65,845,329	64,777,816	1,067,513
Counselors & SPED support				
Salaries	7,925,347	8,132,460	7,592,650	539,810
Employee benefits	2,607,030	2,666,910	2,628,739	38,171
Purchased Services	578,568	678,568	555,057	123,511
Supplies and materials	521,126	520,007	488,430	31,577
Capital Outlay	10,000	10,000	2,209	7,791
Other	10,000	10,000	8,629	1,371
Total	11,652,071	12,017,945	11,275,714	742,231
Curriculum, Media & Staff Development				
Salaries	2,312,146	2,434,822	2,348,915	85,907
Employee benefits	843,855	848,251	842,609	5,642
Purchased Services	391,200	409,869	264,680	145,189
Supplies and materials	108,595	108,595	141,396	(32,801)
Capital Outlay	7,500	7,500	1,275	6,225
Other	4,500	4,500	1,483	3,017
Total	3,667,796	3,813,537	3,600,358	213,179
Board of Education, Legal, PR & Superintendent				
Salaries	758,298	733,000	742,696	(9,696)
Employee benefits	347,938	336,213	358,557	(22,344)
Purchased Services	273,000	294,000	227,668	66,332
Supplies and materials	151,350	111,350	104,664	6,686
Capital Outlay	8,500	8,500	12,066	(3,566)
Other	80,000	100,000	85,016	14,984
Total	1,619,086	1,583,063	1,530,667	52,396
School Administration				
Salaries	6,631,475	6,582,930	6,476,970	105,960
Employee benefits	2,410,862	2,387,756	2,382,744	5,012
Purchased Services	69,275	69,275	89,367	(20,092)
Supplies and materials	175,870	175,870	169,969	5,901
Capital Outlay	14,850	14,850	44,192	(29,342)
Other	480	480	553	(73)
Total	9,302,812	9,231,161	9,163,795	67,366

(Continued)

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

EXPENDITURES	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business Support & Internal Operations				
Salaries	\$ 1,071,566	\$ 1,082,500	\$ 1,167,971	\$ (85,471)
Employee benefits	419,432	437,705	426,838	10,867
Purchased Services	162,800	162,800	89,149	73,651
Supplies and materials	105,250	105,250	75,659	29,591
Capital Outlay	87,000	87,000	28,019	58,981
Other	(47,475)	(47,475)	(59,061)	11,586
Total	1,798,573	1,827,780	1,728,575	99,205
Operations Maintenance				
Salaries	4,602,615	4,772,905	4,774,797	(1,892)
Employee benefits	1,748,539	1,743,128	1,808,578	(65,450)
Purchased Services	3,326,858	3,321,858	2,870,852	451,006
Supplies and materials	2,953,626	2,953,626	3,508,887	(555,261)
Capital Outlay	90,459	152,459	91,999	60,460
Other	4,330	4,330	2,080	2,250
Total	12,726,427	12,948,306	13,057,193	(108,887)
Transportation				
Salaries	3,824,854	3,772,457	3,603,869	168,588
Employee benefits	1,568,360	1,426,215	1,307,710	118,505
Purchased Services	238,900	243,900	253,850	(9,950)
Supplies and materials	521,500	521,500	463,434	58,066
Capital Outlay	12,000	12,000	13,211	(1,211)
Other	(45,850)	(45,500)	(69,980)	24,480
Total	6,119,764	5,930,572	5,572,094	358,478
Personnel & Information Systems				
Salaries	2,449,326	2,420,182	2,309,346	110,836
Employee benefits	810,252	813,922	820,246	(6,324)
Purchased Services	2,560,431	2,700,431	2,121,579	578,852
Supplies and materials	142,039	142,039	125,219	16,820
Capital Outlay	22,000	22,000	16,448	5,552
Other	65,025	65,025	44,417	20,608
Total	6,049,073	6,163,599	5,437,255	726,344
Community Services				
Salaries	152,663	152,663	253,252	(100,589)
Employee benefits	40,434	40,434	49,724	(9,290)
Purchased Services	1,598,304	1,398,304	1,287,191	111,113
Supplies and materials	72,410	76,852	65,364	11,488
Other	12,600	12,600	15,308	(2,708)
Total	1,876,411	1,680,853	1,670,839	10,014

(Continued)

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive (Negative)
EXPENDITURES	Original	Final	Actual	
Debt Service				
Principal	\$ 107,078	\$ 107,078	\$ 107,078	\$ -
Interest and fees	5,354	5,354	5,354	-
Total	<u>112,432</u>	<u>112,432</u>	<u>112,432</u>	<u>-</u>
Reserves				
TABOR	3,100,000	3,000,000	-	3,000,000
Mill Levy Override	164,046	138,791	-	138,791
Multi-year Obligations	517,794	512,566	-	512,566
Contingency	<u>5,778,463</u>	<u>5,881,193</u>	<u>-</u>	<u>5,881,193</u>
Total	<u>9,560,303</u>	<u>9,532,550</u>	<u>-</u>	<u>9,532,550</u>
 TOTAL EXPENDITURES	 <u>128,754,655</u>	 <u>130,687,127</u>	 <u>117,926,738</u>	 <u>12,760,389</u>
 Excess (deficiency) of revenues over expenditures	 <u>9,792,616</u>	 <u>5,932,827</u>	 <u>22,928,009</u>	 <u>16,995,182</u>
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Projects Fund	(2,775,874)	(2,610,077)	(2,610,077)	-
Transfer to Building Fund	<u>(16,600,000)</u>	<u>(14,600,000)</u>	<u>(14,600,000)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(19,375,874)</u>	 <u>(17,210,077)</u>	 <u>(17,210,077)</u>	 <u>-</u>
 Net change in fund balance	 (9,583,258)	 (11,277,250)	 5,717,932	 16,995,182
Fund balance, beginning	<u>9,583,258</u>	<u>11,277,250</u>	<u>11,277,250</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,995,182</u>	<u>\$ 16,995,182</u>

See accompanying independent auditors' report.

Other Supplementary Information

EL PASO COUNTY SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Food Service Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Capital Projects Fund	Totals
ASSETS					
Cash and investments	\$ 1,956,441	\$ 24,742	\$ 757,055	\$ 1,185,110	\$ 3,923,348
Intergovernmental receivables	505,483	411,856	-	-	917,339
Accounts receivable	24	-	17,041	-	17,065
Prepaid expenditures	212,049	-	-	-	212,049
Inventories	66,342	-	-	-	66,342
TOTAL ASSETS	\$ 2,740,339	\$ 436,598	\$ 774,096	\$ 1,185,110	\$ 5,136,143
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 140,164	\$ 4,287	\$ 20,182	\$ 72,710	\$ 237,343
Accrued salaries and benefits	-	216,823	-	-	216,823
Due to other funds	-	215,488	-	-	215,488
Unearned revenues	2,943	-	-	6,089	9,032
TOTAL LIABILITIES	143,107	436,598	20,182	78,799	678,686
FUND BALANCE					
Nonspendable					
Inventories	66,342	-	-	-	66,342
Prepaid expenditures	212,049	-	-	-	212,049
Assigned					
Food service	2,318,841	-	-	-	2,318,841
Pupil Activities	-	-	753,914	-	753,914
Capital projects	-	-	-	1,106,311	1,106,311
TOTAL FUND BALANCE	2,597,232	-	753,914	1,106,311	4,457,457
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,740,339	\$ 436,598	\$ 774,096	\$ 1,185,110	\$ 5,136,143

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Food Service Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Capital Projects Fund	Totals
REVENUES					
Local sources	\$ 294,556	\$ -	\$ 1,341,667	\$ 103,612	\$ 1,739,835
State sources	1,695,596	-	-	770,311	2,465,907
Federal sources	3,609,757	3,152,498	-	-	6,762,255
TOTAL REVENUES	5,599,909	3,152,498	1,341,667	873,923	10,967,997
EXPENDITURES					
Current					
Instruction	-	2,314,537	1,172,807	9,148	3,496,492
Instructional support	-	785,605	-	-	785,605
Central Support Services	-	16,961	-	3,474,666	3,491,627
Community and food services	6,250,713	35,395	-	-	6,286,108
Debt Service					
Principal retirement	-	-	-	246,406	246,406
Interest and fees	-	-	-	10,678	10,678
TOTAL EXPENDITURES	6,250,713	3,152,498	1,172,807	3,740,898	14,316,916
Excess (deficiency) of revenues over expenditures	(650,804)	-	168,860	(2,866,975)	(3,348,919)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	2,610,077	2,610,077
TOTAL OTHER FINANCING SOURCES	-	-	-	2,610,077	2,610,077
Net change in fund balance	(650,804)	-	168,860	(256,898)	(738,842)
Fund balance, beginning of year	3,248,036	-	585,054	1,363,209	5,196,299
Fund balance, end of year	<u>\$ 2,597,232</u>	<u>\$ -</u>	<u>\$ 753,914</u>	<u>\$ 1,106,311</u>	<u>\$ 4,457,457</u>

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 281,532	\$ 281,532	\$ 294,556	\$ 13,024
State sources	3,873,129	3,870,641	1,695,596	(2,175,045)
Federal sources	344,204	344,204	3,609,757	3,265,553
TOTAL REVENUES	4,498,865	4,496,377	5,599,909	1,103,532
EXPENDITURES				
Salaries	56,550	56,550	60,250	(3,700)
Employee benefits	13,450	13,450	13,899	(449)
Purchased Services	2,151,956	2,151,956	2,695,134	(543,178)
Supplies	2,173,210	2,173,210	2,733,152	(559,942)
Equipment	150,000	450,000	623,278	(173,278)
Other	150,000	125,000	125,000	-
Contingency	1,475,255	2,774,247	-	2,774,247
TOTAL EXPENDITURES	6,170,421	7,744,413	6,250,713	1,493,700
Excess (deficiency) of revenues over expenditures	(1,671,556)	(3,248,036)	(650,804)	2,597,232
Fund balance, beginning of year	1,671,556	3,248,036	3,248,036	-
Fund balance, end of year	\$ -	\$ -	\$ 2,597,232	\$ 2,597,232

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
DESIGNATED PURPOSE GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal sources	\$ 3,259,614	\$ 3,286,226	\$ 3,152,498	\$ (133,728)
TOTAL REVENUES	3,259,614	3,286,226	3,152,498	(133,728)
EXPENDITURES				
Salaries	2,248,061	2,244,079	2,137,618	106,461
Employee benefits	706,876	705,855	748,651	(42,796)
Purchased Services	234,808	264,822	230,880	33,942
Supplies	63,869	65,470	29,349	36,121
Other	6,000	6,000	6,000	-
TOTAL EXPENDITURES	3,259,614	3,286,226	3,152,498	133,728
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE				
Local sources	\$ 1,233,500	\$ 1,286,632	\$ 1,341,667	\$ 55,035
EXPENDITURES				
Supplies	1,330,000	1,350,000	1,172,807	177,193
Contingency	550,853	521,686	-	521,686
TOTAL EXPENDITURES	1,880,853	1,871,686	1,172,807	698,879
Excess (deficiency) of revenues over expenditures	(647,353)	(585,054)	168,860	753,914
Net change in fund balance	(647,353)	(585,054)	168,860	753,914
Fund balance, beginning of year	647,353	585,054	585,054	-
Fund balance, end of year	\$ -	\$ -	\$ 753,914	\$ 753,914

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 825,000	\$ 1,100,000	\$ 1,056,071	\$ (43,929)
Federal Sources	-	-	974,857	974,857
TOTAL REVENUES	825,000	1,100,000	2,030,928	930,928
EXPENDITURES				
Current				
Salaries and benefits	222,525	225,750	224,595	1,155
Capital outlay				
Facilities acquisition and construction	32,576,500	37,026,500	34,135,057	2,891,443
Debt service				
Principal	1,820,000	1,820,000	1,820,000	-
Interest and fees	1,515,417	1,515,417	1,265,581	249,836
Contingency	4,262,247	3,956,302	-	3,956,302
TOTAL EXPENDITURES	40,396,689	44,543,969	37,445,233	7,098,736
Excess (deficiency) of revenues over expenditures	(39,571,689)	(43,443,969)	(35,414,305)	8,029,664
OTHER FINANCING SOURCES				
Transfer from the General Fund	16,600,000	14,600,000	14,600,000	-
TOTAL OTHER FINANCING SOURCES	16,600,000	14,600,000	14,600,000	-
Net change in fund balance	(22,971,689)	(28,843,969)	(20,814,305)	8,029,664
Fund balance, beginning of year	22,971,689	28,843,969	28,843,969	-
Fund balance, end of year	\$ -	\$ -	\$ 8,029,664	\$ 8,029,664

See accompanying independent auditors' report.

EL PASO COUNTY SCHOOL DISTRICT NO. 8
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 15,000	\$ 15,000	\$ 103,612	\$ 88,612
State sources	400,400	775,400	770,311	(5,089)
TOTAL REVENUES	415,400	790,400	873,923	83,523
EXPENDITURES				
Purchased Services	610,500	1,040,500	957,081	83,419
Equipment	393,100	318,000	482,365	(164,365)
Capital Outlay	2,379,631	2,877,060	2,044,368	832,692
Debt Service				
Principal	246,406	246,406	246,406	-
Interest and fees	10,678	10,678	10,678	-
Contingency	504,098	460,042	-	460,042
TOTAL EXPENDITURES	4,144,413	4,952,686	3,740,898	1,211,788
Excess (deficiency) of revenues over expenditures	(3,729,013)	(4,162,286)	(2,866,975)	1,295,311
OTHER FINANCING SOURCES				
Transfer from the General Fund	2,775,874	2,799,077	2,610,077	(189,000)
TOTAL OTHER FINANCING SOURCES	2,775,874	2,799,077	2,610,077	(189,000)
Net change in fund balance	(953,139)	(1,363,209)	(256,898)	1,106,311
Fund balance, beginning of year	953,139	1,363,209	1,363,209	-
Fund balance, end of year	\$ -	\$ -	\$ 1,106,311	\$ 1,106,311

See accompanying independent auditors' report.

Compliance Section



State Compliance





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

To the Board of Education
El Paso County School District No. 8

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Paso County School District No. 8, as of and for the year ended June 30, 2025, which collectively comprise El Paso County School District No. 8's basic financial statements, and our report thereon dated October 30, 2025, which expressed an unmodified opinion on those financial statement, appears as listed in the table of contents.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the El Paso County School District No. 8's 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 30, 2025





Colorado Department of Education
Auditors Integrity Report
District: 1000 - Fountain 8
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	11,273,365	121,594,375	115,965,580	16,902,160
18 Risk Mgmt Sub-Fund of General Fund	3,885	2,050,294	1,961,158	93,021
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	11,277,250	123,644,669	117,926,738	16,995,181
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	3,248,036	5,599,909	6,250,713	2,597,232
22 Govt Designated-Purpose Grants Fund	1	3,152,498	3,152,498	1
23 Pupil Activity Special Revenue Fund	585,054	1,341,667	1,172,807	753,914
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	28,843,969	16,630,928	37,445,232	8,029,664
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,363,209	3,484,000	3,740,898	1,106,311
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	45,317,518	153,853,671	169,688,888	29,482,302
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL