

**Garfield School District RE-2**

**Financial Report**

**June 30, 2025**



**Garfield School District RE-2  
Financial Report  
June 30, 2025**

**Table of Contents**

	<b>Pages</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A1 – A3
<b>Management’s Discussion and Analysis</b>	B1 – B7
<b>Basic Financial Statements:</b>	
<b>District-wide Financial Statements:</b>	
Statement of Net Position	C1
Statement of Activities	C2
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
<b>Notes to the Basic Financial Statements</b>	D1 – D45
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	E1
Designated Purpose Grants Fund	E2
Schedule of District’s Proportionate Share of the Net Pension Liability – Colorado Public Employees’ Retirement Association School Division Trust Fund	E3
Schedule of District Contributions – Colorado Public Employees’ Retirement Association School Division Trust Fund	E4
Schedule of District’s Proportionate Share of the OPEB Liability – Colorado Public Employees’ Retirement Association Health Care Trust Fund	E5
Schedule of District Contributions – OPEB Liability Colorado Public Employees’ Retirement Association Health Care Trust Fund	E6
Notes to Required Supplemental Information	E7 – E15

**Garfield School District RE-2  
Financial Report  
June 30, 2025**

**Table of Contents  
(continued)**

	<b>Pages</b>
<b>Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Bond Redemption Fund	F1
Capital Projects Fund	F2
Combining Balance Sheet – Non-Major Governmental Funds	F3
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	F4
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Pupil Activity Fund	F5
Food Service Fund	F6
Auditor’s Electronic Financial Data Integrity Check Figures	F7
<b>Single Audit Reports and Schedules:</b>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	G1 – G2
Independent Auditor’s Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by Uniform Guidance	G3 – G5
Schedule of Findings and Questioned Costs	G6
Schedule of Prior Audit Findings and Questioned Costs	G7
Schedule of Expenditures of Federal Awards	G8



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

---

WEB SITE: [WWW.McMAHANCPA.COM](http://WWW.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Education  
Garfield School District RE-2  
Rifle, Colorado**

### **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 Garfield School District RE-2, Colorado (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S OPINION**  
**To the Board of Education**  
**Garfield School District RE-2**  
**Rifle, Colorado**

***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 U.S. GAAS 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 U.S. GAAS, we:

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

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

***Required Supplementary Information***

U.S. GAAP require Management's Discussion and Analysis in section B, Schedule of District's Proportionate Share of the Net Pension Liability, Schedule of District's Proportionate Share of the Net Other Post-Employment Benefits Liability, Schedule of District's Pension Contributions, and the Schedule of District's Other Post-Employment Benefits Contributions 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 section B in accordance with U.S. GAAS, 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.

**INDEPENDENT AUDITOR'S OPINION**  
**To the Board of Education**  
**Garfield School District RE-2**  
**Rifle, Colorado**

***Required Supplementary Information (continued)***

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E 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. Such 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements, individual fund budgetary information, the Auditor's Electronic Financial Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Auditor's Electronic Financial Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents 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. Such 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 U.S. GAAS. In our opinion, the combining fund financial statements, individual fund budgetary information, the Auditor's Electronic Financial Data Integrity Check Figures, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 18, 2025** on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

  
**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**December 18, 2025**

Garfield School District RE-2  
Management's Discussion and Analysis



Garfield School District No. Re-2  
Rifle • Silt • New Castle, Colorado



*"Our vision is to encourage, nurture and challenge every student, every day."*

# Garfield School District No. Re-2

## *Management's Discussion and Analysis*

*June 30, 2025*

As management of the Garfield School District No. Re-2 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. A comparison to the prior year's activity is also provided in this document. The District's basic financial statements are comprised of three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**District-wide Financial Statements:** The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by a private-sector business.

The Statement of Net Position presents information on all 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, accrued interest, and changes in long-term compensated absences).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The category that is reported in the District-wide financial statements is as follows:

- **Governmental activities:** The District's basic services are included here, such as instructional services, support services, and student activities.

The district-wide financial statements can be found on pages C1 and C2 of this report.

**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 fund financial statements provide more detailed information about the operations of the District by fund instead of the District as a whole.

## **Overview of the Financial Statements (continued)**

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows 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. The District's most significant, or "major", governmental funds include the General Fund, Capital Projects Fund, Designated Purpose Grant Fund, and Bond Redemption Fund. The District reports the Pupil Activity Fund and the Food Service Fund as nonmajor funds.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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 Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The basic major governmental fund financial statements can be found on pages C3 – C6.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 – D45 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets for all funds.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

## District-wide Financial Analysis

### Garfield School District No. Re-2 Net Position:

The following table provides a summary of the District's net position as of the fiscal years ended June 30, 2024 and June 30, 2025.

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Current and other assets	\$ 39,690,822	\$ 43,504,118
Capital assets, net	94,901,186	99,974,784
<b>Total Assets</b>	<b>134,592,008</b>	<b>143,478,902</b>
<b>Deferred Outflows of Resources:</b>		
Charge on refunding	700,163	1,073,031
OPEB related	517,873	732,208
Pension related	21,438,174	33,172,163
<b>Total Deferred Outflows</b>	<b>22,656,210</b>	<b>34,977,402</b>
<b>Liabilities:</b>		
Current liabilities	5,183,314	6,420,193
Non-current liabilities:		
Bonded debt	33,761,711	41,395,895
Financing leases payable	14,974,175	15,866,779
Subscription payable	37,740	74,368
Compensated absences	1,755,494	2,177,846
Net OPEB liability	1,581,440	2,455,918
Net pension liability	89,131,303	101,711,684
<b>Total Liabilities</b>	<b>146,425,177</b>	<b>170,102,683</b>
<b>Deferred Inflows of Resources:</b>		
OPEB related	1,239,489	1,132,249
Pension related	8,293,273	8,602,034
<b>Total Deferred Inflows</b>	<b>9,532,762</b>	<b>9,734,283</b>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	46,827,723	43,710,773
Restricted for other purposes	13,448,412	13,153,097
Unrestricted	(58,985,856)	(58,244,532)
<b>Total Net Position</b>	<b>\$ 1,290,279</b>	<b>\$ (1,380,662)</b>

Of the District's total assets in 2025, 71% are capital assets (e.g., land, buildings, and equipment). The District's additions to capital assets exceeded depreciation of assets and asset deletions by \$5,073,598 for 2025. The District does not have sufficient funds to be able to keep up with depreciation of all capital assets and is now maintaining records to estimate the amount of deferred maintenance, which is increasing each year. The District uses capital assets to provide instruction and related services to its students.

Due to the implementation of GASB 68, the District was required to include the Net Pension Liability on the financial statements, which is the reason for the negative Total Net Position shown above. The Net Pension Liability takes the total assets of PERA (Public Employee Retirement Association), plus anticipated rates of return, less the anticipated amount that will be owed in the future for pension payments. The total PERA pension liability totals \$89,131,303. This represents a \$12,580,381 decrease in PERA pension liability. The change is primarily the result of PERA changing actuarial assumptions regarding discount rate and investment return.

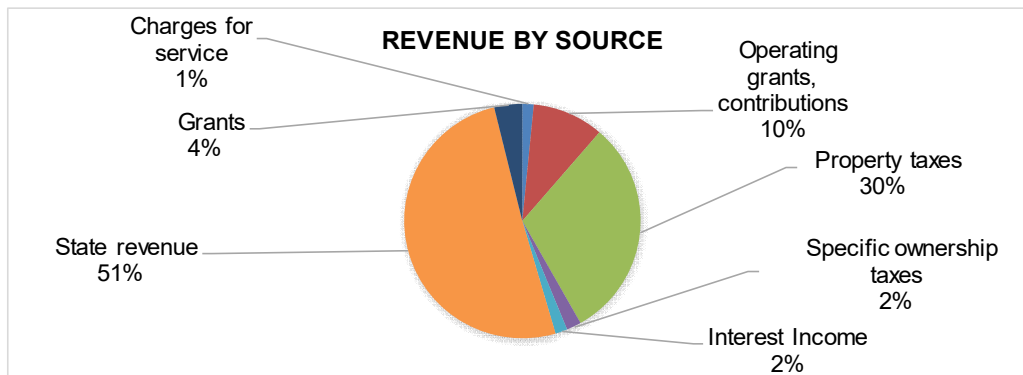
**District-wide Financial Analysis (continued)**

The Net Position Restricted for Other Purposes includes the net position of the Bond Redemption Fund, and TABOR emergency reserves in the General Fund.

	<b>Governmental Activities</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Revenues:</b>			
<i>Program revenues</i>			
Charges for services	\$ 1,293,060	\$ 1,042,212	250,848
Operating grants, contributions	8,212,475	6,964,899	1,247,576
Capital grants, contributions	9,237	-	9,237
<i>General revenues</i>			
Property taxes	25,684,735	28,349,691	(2,664,956)
Specific ownership taxes	1,681,726	1,572,881	108,845
State equalization	42,655,677	38,508,850	4,146,827
Investment income	1,392,982	1,614,681	(221,699)
Unrestricted grants	3,233,648	5,455,056	(2,221,408)
Gain on disposal of assets	23,949	-	23,949
<b>Total Revenues</b>	<b>84,187,489</b>	<b>83,508,270</b>	<b>679,219</b>
<b>Expenses:</b>			
Instructional programs	54,438,440	53,529,505	908,935
Supporting services	22,401,211	22,596,809	(195,598)
Student activities	930,271	902,555	27,716
Food services	2,103,010	2,003,190	99,820
Interest on long-term debt	1,643,616	1,987,473	(343,857)
<b>Total Expenses</b>	<b>81,516,548</b>	<b>81,019,532</b>	<b>497,016</b>
Change in net position	2,670,941	2,488,738	182,203
<b>Net position - July 1</b>	<b>(1,380,662)</b>	<b>(3,869,400)</b>	
<b>Net position - June 30</b>	<b>\$ 1,290,279</b>	<b>\$ (1,380,662)</b>	

**Governmental Activities:** Net position may serve as an indicator of the District's financial position over time. The District's total net position increased by \$2,670,941 during fiscal year 2025, which is a continued trend from fiscal year 2024, when the net position increased by \$2,488,738.

**Governmental Activities:** The Table below represents the percentage of revenue by source.



## Financial Analysis of the District's Funds

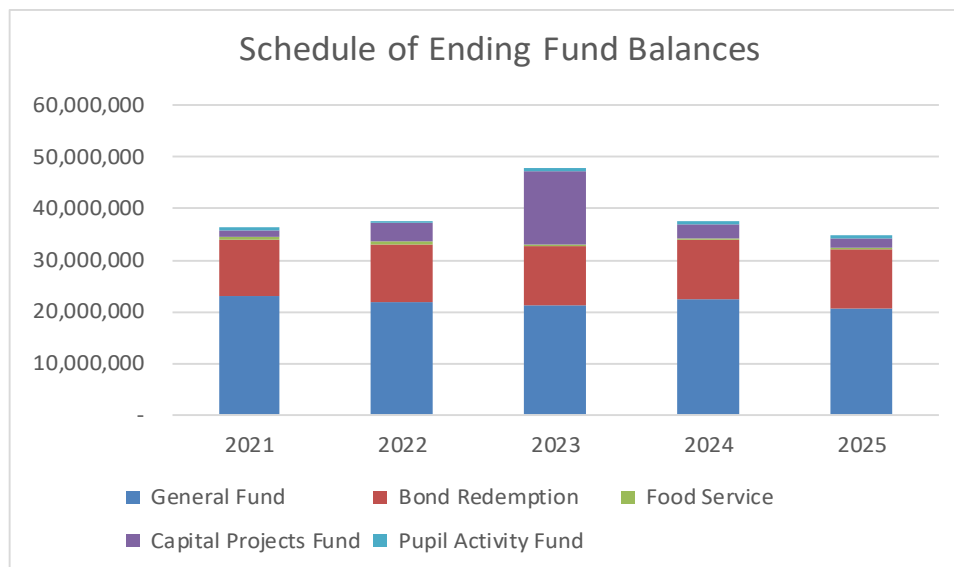
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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, unassigned fund balances may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The District saw changes in the following funds which resulted in the net decrease of \$2,673,418 in total fund balance for fiscal year 2025:

- The General Fund and other governmental funds had net revenues of \$70.4 million and \$13.1 million, respectively.
- However, these were offset by net expenditures in the General Fund and other governmental funds of \$70.9 million and \$15.2 million, respectively.

As noted above, the District's governmental funds reported combined ending fund balances of \$34,810,011 a decrease of \$2,673,418 compared to the prior year ending fund balances.



**Budget Variances in the General Fund:** The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

### Budget vs. Actual Results, General Fund:

One of the most important variances to discuss is budgeted vs. actual revenues and expenditures in the General Fund. The General Fund showed a decrease in fund balance totaling \$1,677,948. This is a favorable budget to actual variance of \$520,166.

The District monitors variances that occur during the year and includes a projection of year-end revenues and expenditures in the annual budget. All 2025 revenue and expenditure variances have been evaluated to determine whether they need to be included in the 2025 budget as a carryover or variance, to assure that the District is budgeting as closely as possible.

## Capital Assets

The District's governmental capital assets, net of accumulated depreciation and amortization, totaled \$94,901,186 as of June 30, 2025. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than \$10,000 and an estimated useful life of greater than two years. The District's investment in capital assets decreased government-wide, net of accumulated depreciation and amortization, and related liabilities, by \$5,073,598 for fiscal year 2025 primarily due to an increase in depreciation expense and reduction of construction in progress. The funds for capital asset additions are expended from the Capital Projects Fund and the General Fund.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on page D16 of this report.

## Non-Current Liabilities

As of June 30, 2025, the District's non-current liabilities totaled \$141,241,863 which consists primarily of represents bonded debt, financing lease, and net pension and OPEB liabilities.

Colorado School law limits the amount of bonded indebtedness to the greater of 20% of the most current valuation for assessment of the taxable property in the District as certified by the County Assessor's Office, or 6% of the most recent actual valuation of the taxable property in the District, as certified by the County Assessor's Office. The District's legal bonded debt limit as of June 30, 2025 is \$191,433,090 which represents 20% of the certified assessed value of property within the District.

Additional information, as well as a detailed classification of the District's total long-term liabilities, can be found in the Notes to the Financial Statements on pages D17 – D43 of this report.

## Economic Factors

The Public-School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school district based upon a formula that takes into account cost of living, number of students, district size, personnel vs. non-personnel costs, number of at-risk students, amongst other factors. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

*Total Program Funding = local property taxes + general specific ownership taxes + state equalization*

School district finance is also significantly affected by Amendment 23, which was approved by the voters in November 2000. This state constitutional amendment requires that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window expires, the state must increase funding at the rate of inflation. This funding calculation attempts to align Colorado districts to inflation-adjusted funding levels of 1988. The formula will also increase the District's reliance upon the state and decrease the District's reliance upon local funding over time.

Due to the two "black swan" events of the 2008 economic recession coupled with competing state constitutional funding amendments and the 2020 Covid-19 Pandemic, for a prolonged period of time the state has not been able to fund school districts at the level required by Amendment 23 of the Colorado Constitution. During Fiscal Year 2024-25, the State eliminated the budget stabilization factor and started to phase in a new funding formula based on student needs. Furthermore, downward pricing pressure on natural gas and oil resources also negatively impacts assessed property values within Garfield County and the District, but currently residential valuations are increasing at a faster pace.

## Economic Factors (continued)

The majority of the revenue in the District's General Fund, approximately 72%, comes from the State's funding formula. We will focus on that funding stream, since it accounts for such a large percentage of the District's revenue.

Most school district operating revenue comes from the School Finance Act of 1994 (SFA). Under this act, the District received \$11,289 per funded pupil in fiscal year 2025 with a funded pupil count of 4,493. SFA funding comes from general fund property taxes, specific ownership taxes, and state equalization. The District received 73% of SFA funding from the state and 27% from property taxes and specific ownership tax. Below is a graph that summarizes what has happened to SFA funding fiscal year 2016 to present, including student count data by year.

The annual funded student count and per student funding from fiscal year 2016 to fiscal year 2025 is as follow:

Funded Student Count and Funding by Year		
Year	Funded Student Count	Per Student Funding
2015-16	4,700	\$7,072
2016-17	4,761	\$7,203
2017-18	4,715	\$7,394
2018-19	4,741	\$7,836
2019-20	4,837	\$8,190
2020-21	4,745	\$7,865
2021-22	4,698	\$8,729
2022-23	4,664	\$9,277
2023-24	4,505	\$10,242
2024-25	4,493	\$11,289

The District's total program per pupil funding was \$11,289 for fiscal year 2025, a 10.22% increase from fiscal year 2024 to fiscal year 2025. The District's K-12 per pupil funding (PPR) for 2026 increased to \$11,913 with a funded pupil count of 4,468 students.

The State of Colorado is currently reviewing its 2027 budget. The State's economic outlook will have an impact on next year's budget that is yet to be determined.

**Next Year's Budget and Rates:** The District's General Fund balance at the end of fiscal year June 30, 2025 totaled \$20,770,889. Currently the school board targets its "Board Mandated" fund balance at a minimum of \$8 million to be able to sustain the District during low cash flow months without the need to borrow from the state on a short-term basis.

## Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Garfield School District No. Re-2, District Finance Director, 839 Whiteriver Avenue, Rifle, Colorado 81650.

Garfield School District RE-2

Basic Financial Statements



*"Our vision is to encourage, nurture and challenge every student, every day."*

**GARFIELD SCHOOL DISTRICT RE-2**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 37,266,433
Accounts and taxes receivable	604,534
Due from other governments	1,785,339
Inventory	34,516
Capital assets not being depreciated	16,604,429
Capital assets, net of accumulated depreciation/amortization	78,296,757
<b>Total Assets</b>	<b>134,592,008</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Charge on refunding	700,163
Pension related	21,438,174
OPEB related	517,873
<b>Total Deferred Outflows of Resources</b>	<b>22,656,210</b>
<b>LIABILITIES</b>	
Accounts and other payables	157,274
Accrued salaries and benefits	3,548,940
Accrued interest	500,581
Unearned revenue	976,519
Noncurrent liabilities:	
Due within one year:	
Bonds	7,600,000
Certificates of participation	283,957
Subscriptions payable	37,740
Compensated absences	1,755,494
Due in more than one year:	
Bonds	26,161,711
Certificates of participation	14,690,218
Net OPEB liability	1,581,440
Net pension liability	89,131,303
<b>Total Liabilities</b>	<b>146,425,177</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pension related	8,293,273
OPEB related	1,239,489
<b>Total Deferred Inflows of Resources</b>	<b>9,532,762</b>
<b>NET POSITION</b>	
Net investment in capital assets	46,827,723
Restricted for:	
TABOR	1,840,000
Multi-year contracts & Capital projects	390,058
Debt service	11,218,354
Unrestricted	(58,985,856)
<b>Total Net Position</b>	<b>\$ 1,290,279</b>

The notes to information are an integral part to these financial statements.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>and Changes</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>in Net Position</u>
					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental Activities:					
Direct instruction	\$ 45,570,370	\$ 460,596	\$ 5,456,487	\$ 9,237	\$ (39,644,050)
Indirect instruction	8,868,070	-	76,212	-	(8,791,858)
Transportation	2,674,701	-	347,089	-	(2,327,612)
Custodial and maintenance	8,038,011	-	-	-	(8,038,011)
Support services	5,564,912	-	500	-	(5,564,412)
General administration	5,878,518	-	-	-	(5,878,518)
Community service	245,069	-	-	-	(245,069)
Student activities	930,271	822,898	215,273	-	107,900
Food service	2,103,010	9,566	2,116,914	-	23,470
Interest	1,643,616	-	-	-	(1,643,616)
<b>Total</b>	<b>\$ 81,516,548</b>	<b>\$ 1,293,060</b>	<b>\$ 8,212,475</b>	<b>\$ 9,237</b>	<b>(72,001,776)</b>
<b>General revenues:</b>					
Taxes:					
					17,385,824
					8,298,911
					1,681,726
					42,655,677
					3,233,648
					1,392,982
					23,949
					<u>74,672,717</u>
					2,670,941
					(1,380,662)
					<u>\$ 1,290,279</u>

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

**GARFIELD SCHOOL DISTRICT RE-2**

**Balance Sheet  
Governmental Funds  
June 30, 2025**

	<b>General Fund</b>	<b>Bond Redemption Fund</b>	<b>Designated Purpose Grants Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 23,342,760	\$ 11,110,729	\$ -	\$ 1,662,886	\$ 1,150,058	\$ 37,266,433
Accounts and taxes receivable	370,864	171,733	-	2,672	59,265	604,534
Due from other governments	476,146	-	1,265,164	-	44,029	1,785,339
Inventories	-	-	-	-	34,516	34,516
Due from other funds	1,191,970	-	-	-	-	1,191,970
<b>Total Assets</b>	<b>\$ 25,381,740</b>	<b>\$ 11,282,462</b>	<b>\$ 1,265,164</b>	<b>\$ 1,665,558</b>	<b>\$ 1,287,868</b>	<b>\$ 40,882,792</b>
<b>LIABILITIES:</b>						
Accounts and other current payables	\$ 138,594	\$ -	\$ 385	\$ -	\$ 18,295	\$ 157,274
Accrued compensation	3,436,323	-	61,724	-	50,893	3,548,940
Due to other funds	-	-	1,191,970	-	-	1,191,970
Unearned revenue	901,964	-	11,085	-	63,470	976,519
<b>Total Liabilities</b>	<b>4,476,881</b>	<b>-</b>	<b>1,265,164</b>	<b>-</b>	<b>132,658</b>	<b>5,874,703</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable property taxes	133,970	64,108	-	-	-	198,078
<b>FUND BALANCES:</b>						
Nonspendable:						
Inventory	-	-	-	-	34,516	34,516
Restricted:						
TABOR	1,840,000	-	-	-	-	1,840,000
Multi-year contracts	-	-	-	390,058	-	390,058
Debt service	-	11,218,354	-	-	-	11,218,354
Assigned	-	-	-	1,275,500	1,120,694	2,396,194
Unassigned	18,930,889	-	-	-	-	18,930,889
<b>Total fund balances</b>	<b>20,770,889</b>	<b>11,218,354</b>	<b>-</b>	<b>1,665,558</b>	<b>1,155,210</b>	<b>34,810,011</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 25,381,740</b>	<b>\$ 11,282,462</b>	<b>\$ 1,265,164</b>	<b>\$ 1,665,558</b>	<b>\$ 1,287,868</b>	<b>\$ 40,882,792</b>

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2025**

Governmental Funds Total Fund Balance		\$ 34,810,011
 <i>Add:</i>		
Property taxes receivable will be collected this calendar year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred inflows in the funds.		198,078
 Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets, at cost	218,874,981	
Subscription assets	114,689	
Accumulated depreciation	(124,002,467)	
Accumulated amortization	<u>(86,017)</u>	94,901,186
 Charges such as refunding costs on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position.		
Refunding costs		700,163
 <i>Less:</i>		
Long-term liabilities, including bonds payable, premiums and discounts on bonds, long-term leases payable, accrued compensated absences, net pension liability, and accrued interest are not due and payable in the current period and therefore, are not reported in the funds. This is the amount of District long-term liabilities.		
Bonded debt	(33,120,001)	
Certificates of participation payable	(14,974,175)	
Subscriptions payable	(37,740)	
Accrued compensated absences	(1,755,494)	
Net other post employment benefits	(1,581,440)	
Net pension liability	(89,131,303)	
Premiums and discounts on bonded debt	(641,710)	
Accrued interest	<u>(500,581)</u>	(141,742,444)
 Changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members.		
Unamortized other post employment benefits deferred outflows	517,873	
Unamortized other post employment benefits deferred inflow	(1,239,489)	
Unamortized pension-related deferred outflows	21,438,174	
Unamortized pension-related deferred inflows	<u>(8,293,273)</u>	<u>12,423,285</u>
Governmental Activities Net Position		<u>\$ 1,290,279</u>

The accompanying notes are an integral part of these statements.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General Fund	Bond Redemption Fund	Designated Purpose Grants Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Local sources:						
Taxes:						
Property taxes	\$ 17,482,712	\$ 8,334,335	\$ -	\$ -	\$ -	\$ 25,817,047
Specific ownership taxes	1,681,726	-	-	-	-	1,681,726
Investment income	1,345,392	-	-	47,590	-	1,392,982
Tuition	359,041	-	-	-	-	359,041
Other	579,334	-	1,401	-	1,047,903	1,628,638
Intermediate sources	144,729	-	-	-	-	144,729
State sources	47,074,484	-	297,864	5,000	533,970	47,911,318
Federal sources	1,707,582	-	1,178,544	47,231	1,582,779	4,516,136
Total revenues	<u>70,375,000</u>	<u>8,334,335</u>	<u>1,477,809</u>	<u>99,821</u>	<u>3,164,652</u>	<u>83,451,617</u>
<b>EXPENDITURES</b>						
Current:						
Direct instruction	39,602,337	-	390,915	-	-	39,993,252
Indirect instruction	8,122,948	-	883,317	-	-	9,006,265
Transportation	2,561,071	-	-	-	-	2,561,071
Custodial and maintenance	8,061,416	-	95,385	87,157	-	8,243,958
Support services	4,662,294	-	-	20,000	1,211	4,683,505
General administration	6,057,719	-	-	-	-	6,057,719
Community service	137,443	-	99,975	-	-	237,418
Student activities	-	-	-	-	975,539	975,539
Food service	1,475	-	-	-	2,111,958	2,113,433
Debt service:						
Principal	892,603	7,225,000	-	-	-	8,117,603
Interest	678,403	1,230,843	-	-	-	1,909,246
Other	-	13,235	-	-	-	13,235
Capital outlay	99,188	-	8,217	2,128,177	1,158	2,236,740
Total expenditures	<u>70,876,897</u>	<u>8,469,078</u>	<u>1,477,809</u>	<u>2,235,334</u>	<u>3,089,866</u>	<u>86,148,984</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(501,897)</u>	<u>(134,743)</u>	<u>-</u>	<u>(2,135,513)</u>	<u>74,786</u>	<u>(2,697,367)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of general capital assets	23,949	-	-	-	-	23,949
Transfers in (out)	(1,200,000)	-	-	1,200,000	-	-
Total other financing sources (uses)	<u>(1,176,051)</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>	<u>23,949</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,677,948)	(134,743)	-	(935,513)	74,786	(2,673,418)
<b>FUND BALANCES, BEGINNING</b>	<u>22,448,837</u>	<u>11,353,097</u>	<u>-</u>	<u>2,601,071</u>	<u>1,080,424</u>	<u>37,483,429</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 20,770,889</u>	<u>\$ 11,218,354</u>	<u>\$ -</u>	<u>\$ 1,665,558</u>	<u>\$ 1,155,210</u>	<u>\$ 34,810,011</u>

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

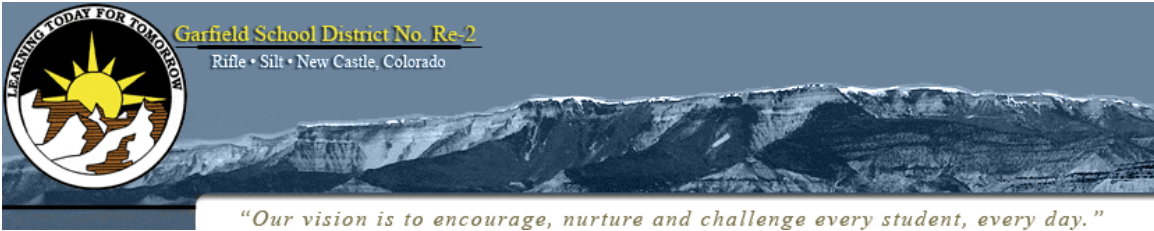
**GARFIELD SCHOOL DISTRICT RE-2**  
**Reconciliation of Revenues, Expenditures and Change in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**June 30, 2025**

Governmental Funds Change in Fund Balances		\$ (2,673,418)
<i>Add:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays reported as expenditures in the governmental funds.		2,082,224
Debt principal payments and transfer to refunding escrow result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments and refunding of bond premium as reductions against long-term liabilities.		8,117,604
Payment of long-term subscription-based information technology arrangements (SBITAs) payables are expenditures in governmental funds, but result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments as reductions against long-term liabilities.		36,628
Unavailable property tax revenues do not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is the change in the property tax recognized in the Statement of Activities.		(132,312)
The costs of advanced refunding of bonds is expensed on the funds, but is capitalized and amortized over the life of the bonds on the government-wide financial statements. Also, accrued interest is recorded as incurred instead of when paid on the funds. This is the impact on interest expense from these items.		265,630
Changes in the District's net post-employment health benefits obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment health benefits related deferrals.		552,903
The net pension liability and related deferrals reported in the Statement of Activities do not require the use of current financial resources. This is the difference between employer contributions to the pension plan and the change in the pension liability and amortization of pension deferrals.		1,155,153
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and amortization expense. This represents the total depreciation expense, including amortization expense on leased and intangible assets, reported as an expenditure in the governmental activities' functions.		
Deprecation expense	(7,117,593)	
Amortization expense	(38,230)	(7,155,823)
Governmental Activities Change in Net Position		\$ 2,670,941

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

Garfield School District RE-2

Notes to the Basic Financial Statements



*"Our vision is to encourage, nurture and challenge every student, every day."*

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**

**I. Summary of Significant Accounting Policies**

Garfield School District RE-2 (the “District”) is one of three public school districts within Garfield County, Colorado. The District provides academic and vocational curriculum, student transportation, food services, athletic and cultural extracurricular activities, maintenance and general administrative services. The District’s boundaries include the towns of New Castle, Silt and Rifle. The District’s mission is to *“provide engaging, authentic and rigorous educational experiences in a safe environment.”* The District operates the following schools:

<b>Elementary Schools</b>	<b>Elementary Schools</b>	<b>Elementary Schools</b>
Wamsley Elementary Kathryn Senor Elementary Cactus Valley Elementary Highland Elementary Graham Mesa Elementary Elk Creek Elementary	Riverside Middle School Rifle Middle School	Rifle High School Coal Ridge High School

The District’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Financial Reporting Entity**

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District and its component units, entities for which the District is considered financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon the above criteria, the District is not financially accountable for any other organization. No additional separate governmental units, agencies or nonprofit organizations are included in the financial statements of the District.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Government-wide financial statements report information on all the activities of the District. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District has no business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of the District's governmental functions. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the governmental function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's operations.

The financial transactions of the District are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. Expenditures include all costs assisted with the daily operation of the schools, except for certain programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations, and other pupil activities.

The *Bond Redemption Fund* accounts for transactions related to the District's general obligation bonds and interest.

The *Designated-Purpose Grant Fund* accounts for all federal, state, and local grants which are restricted as to the type of expenditures for which they may be used.

The *Capital Projects Fund* accounts for acquisitions of capital items.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

The governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flow.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred.

The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recorded only when payment is due.

Property taxes, charges for services, and interest 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. Expenditure-driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

Cash equivalents are both readily convertible to cash and are so near their maturity they present insignificant risk of change in value due to interest rate changes.

**2. Investments**

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concertation risk criteria in which local governments may invest, which include (with applicable minimum NRSRO credit rating restrictions):

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**3. Receivables**

All property tax and other receivables are shown net of an allowance for uncollectible accounts. At June 30, 2025, the District deems all receivables collectable and therefore does not have an allowance for uncollectible accounts established.

Property taxes are levied in December and attach as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes previously levied and collected in the following fiscal year are reported as a receivable at June 30, net of an estimated uncollectible portion. The portion of the property taxes receivable not collected within 60 days after June 30 is recorded as deferred inflow of resources, since such tax collections are not available to pay liabilities of the fiscal year ended June 30.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**4. Prepaid Items**

The District uses the consumption method to account for prepaid items. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

**5. Inventories**

Inventory is valued at lower of cost or market, using the first-in, first-out method. Inventory in the Food Services Fund consists of food and non-food items purchased in advance of consumption. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**6. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. If the receivable or payable is not expected to be liquidated after one year, it is classified as "advances to other funds" or "advances from other funds".

**7. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, equipment, and vehicles, are reported in the governmental column in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Costs related to the construction of assets including engineering, legal, surveying, and landscaping that were incurred from the beginning of construction until the assets were substantially complete are capitalized. Interest is expensed as incurred.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Capital Assets (continued)**

Buildings and improvements, equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 50
Equipment	5 - 20
Vehicles	10

**8. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has three items, charge on refunding, pension, and other post-employment related deferred outflows, which qualify for reporting under this category on the Statement of Net Position. A charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, pension and other post-employment related deferred inflows, reported in the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

See Note III.G and Note III.H below for discussion on pension and other post-employment benefits (OPEB), respectively, related deferred outflows and inflows.

**9. Pensions**

The District participates in the School Division Trust Fund ("SCHDTF"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SCHDTF. 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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**10. Post-Employment Benefits**

The District participates in the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer defined benefit other post-employment benefit plan (“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 and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**11. Compensated Absences**

The District allows its employees to accumulate vacation days off, personal days off, and sick days off based on the employee’s position. Vacation days off can be accrued up to a maximum of 240 hours. Personal days off can be accrued up to a maximum of 45 hours. Vacation and personal days off are paid out upon termination up to the maximum accrual at the employees current hourly rate. The District also allows employees to accumulate sick leave. Sick leave can accumulate up to 108 hours, and is paid out at a rate of \$8.67 an hour.

The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it, which is the General Fund. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activity’s column in the Government-wide financial statements.

**12. Long-term obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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, are reported as debt service expenditures in the fund financial statements.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**13. Subscription-Based Information Technology Arrangements (SBITAs)**

The District is a subscriber for a noncancellable agreement for software access. The District recognizes an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$10,000 or more.

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

Key estimates and judgments related to subscriptions include how the District determines the following:

*Discount Rate:* When the interest rate charged by the provider is not provided, the District uses their incremental borrowing rate at the date of the subscription's commencement to discount the expected subscription payments to present value.

*Subscription Term:* The subscription term includes the noncancellable period of the subscription and extended term(s) that the District is reasonably certain to exercise.

*Subscription Payments:* Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

**14. Fund Balance Classifications**

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**14. Fund Balance Classifications (continued)**

The District classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Education. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Education platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board of Education via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after the Board of Education approval, must be presented via a public process and again approval by the Board of Education.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education or its management designee.

*Unassigned* – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has a formal minimum fund balance policy requiring \$8,000,000 of total fund balance for the General Fund, including the required emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR). However, the District's budget includes a calculation of targeted reserve positions, and the Administration calculates targets and reports them annually to the Board of Education.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**14. Fund Balance Classifications (continued)**

In addition to the above note disclosure, GASB 54 requires disclosure of the following fund definitions:

General Fund – The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**15. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**16. State Equalization Aid**

State equalization aid is revenue received from the State of Colorado computed in accordance with a funding formula as defined by State statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

**17. Reclassification of Prior Year Amounts**

Certain prior year amounts have been reclassified in order to conform to the current year presentation. These reclassifications were made to enhance comparability and consistency of financial reporting and presentation. The reclassifications had no effect on the previously reported total net position, changes in net position, or fund balances.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Credit Risk**

The receivables of the various funds of the District are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

**II. Stewardship, Compliance, and Accountability**

**A. Bond Trustee**

Colorado state statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with The Bank of New York Mellon Trust Company, N.A. in order to meet this requirement.

**B. Budgetary Information**

Budgets are adopted on a basis consistent with GAAP, unless noted otherwise. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2025.

1. The proposed budget was submitted to the Board of Education by May 31 of the year preceding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any District taxpayer may file objections prior to the adoption of the budget.
3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
4. The final budget was adopted prior to June 30, along with an appropriation resolution.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**B. Budgetary Information (continued)**

During the year, supplemental appropriation resolutions were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. At year end June 30, 2025, the District's actual expenditures exceeded budgeted expenditures as follows, which may be a violation of state statute:

	<b>Final Budget Including Transfers Out</b>	<b>Actual</b>	<b>Expenditures in excess of budget</b>
General Fund	\$ 71,001,348	\$ 71,346,242	\$ 344,894
Food Service Fund	2,075,031	2,113,116	38,085
Bond Redemption Fund	8,435,260	8,469,078	33,818

**C. TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. The District has reserved \$1,840,000 of its June 30, 2025 fund balances for this purpose.

In 1998, the District's electorate approved the following ballot question: *"Without any increase in its property tax mill levy, shall Garfield School District No. Re-2 be authorized to collect, retain, and expend all revenues and other funds collected in this fiscal year and in each fiscal year hereafter from any source, including without limitation the full revenue authorized under the Colorado Public School Finance Act of 1994, as amended, or under any successor act, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution?"*

The District believes it is in compliance with the requirements of the TABOR Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible depositories. The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (“FDIC”) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits.

*Fair Value of Investments*

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

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2025, the District had the following recurring fair value measurements:

<b>Investments by Fair Value Level</b>	<b>Total</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Marketable securities	\$ 10,006,550	\$ -	\$ 10,006,550	\$ -
U.S. Treasuries	730,329	730,329	-	-
Government bonds	1,330,182	-	1,330,182	-
Total	<u>\$ 12,067,061</u>	<u>\$ 730,329</u>	<u>\$ 11,336,732</u>	<u>\$ -</u>
<b>Investments Measured at Net Asset Value</b>		<b>Total</b>		
ColoTrust		\$ 4,714,467		
<b>Investments Measured at Amortized Cost</b>		<b>Total</b>		
CSAFE		\$ 17,167,889		

*Interest Rate Risk* – The District limits investments maturities as required by state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes require the District to limit maturities to five years from the date of purchase. Maturities of investments held at June 30, 2025 are provided in the previous schedule. The District coordinates its investment maturities to closely match cash flow needs.

*Concentration of Credit Risk.* The District diversifies its investments by security type and institution. The District places no limit on the amount it may invest in any one issuer.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*Credit Risk* – Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers’ acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District’s general investment policy is to apply the prudent-person rule; prudence and protection of District funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of June 30, 2025, the District’s investments in Colorado Government Liquid Asset Trust (“COLOTRUST”) and C-SAFE were rated AAAM by Standard and Poor’s.

*Local Government Investment Pools* – At June 30, 2025, the District had invested \$4,714,467, or 14% of its total investment portfolio in COLOTRUST, and \$17,167,889, or 50% of its total investment portfolio in C-SAFE, referred to as the Trusts . The Trusts are investment vehicles established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by the Trusts. The Trusts investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in the Trusts at June 30, 2025, the District had invested in COLOTRUST PLUS+ and C-SAFE, which operates similarly to money market funds and each share is equal in value to \$1.

The District’s cash and investments at June 30, 2025 had the following maturities:

<u>Type:</u>	<u>Standard &amp; Poors Rating</u>	<u>Balance</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Petty cash	Not rated	\$ 1,000	\$ 1,000	\$ -
Checking accounts	Not rated	3,099,099	3,099,099	-
<i>Investments:</i>				
Investment pools	AAAM	21,882,356	21,882,356	-
Marketable securities	Not rated	10,006,550	10,006,550	-
U.S. Treasuries	AA+	730,329	730,329	-
Government bonds	A+	1,330,182	1,330,182	-
Cash with fiscal agent	Not rated	216,917	216,917	-
		<u>\$ 37,266,433</u>	<u>\$ 37,266,433</u>	<u>\$ -</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
(continued)

**III. Detailed Notes on All Funds (continued)**

**B. Receivables and Unavailable Revenue**

Receivables as of year-end for the District's major and non-major funds, including applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Bond Redemption Fund</b>	<b>Designated Purpose Grants Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>
Receivables:					
Taxes	\$ 358,886	\$ 171,733	\$ -	\$ -	\$ -
Accounts	1,759	-	-	481	59,265
Other	10,219	-	-	2,191	-
Intergovernmental	476,146	-	1,265,164	-	44,029
Gross receivables	<u>857,228</u>	<u>171,733</u>	<u>1,265,164</u>	<u>2,672</u>	<u>103,294</u>
Less: allowance for uncollectible	-	-	-	-	-
<b>Net Receivables</b>	<b><u>\$ 857,228</u></b>	<b><u>\$ 171,733</u></b>	<b><u>\$ 1,265,164</u></b>	<b><u>\$ 2,672</u></b>	<b><u>\$ 103,294</u></b>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes unavailable revenue for property taxes levied in fiscal year 2025 but not available until 2026.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
(continued)

**III. Detailed Notes on All Funds (continued)**

**C. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,105,238	\$ -	\$ -	\$ 1,105,238
Construction in progress	16,858,628	574,427	(1,933,864)	15,499,191
Total capital assets, not being depreciated	<u>17,963,866</u>	<u>574,427</u>	<u>(1,933,864)</u>	<u>16,604,429</u>
Other capital assets:				
Buildings and improvements	188,211,147	2,540,913	-	190,752,060
Vehicles	5,161,956	664,425	(531,671)	5,294,710
Equipment	6,085,821	236,323	(98,362)	6,223,782
Subscription assets	114,689	-	-	114,689
Total other capital assets	<u>199,573,613</u>	<u>3,441,661</u>	<u>(630,033)</u>	<u>202,385,241</u>
Total capital assets - Cost	<u>217,537,479</u>	<u>4,016,088</u>	<u>(2,563,897)</u>	<u>218,989,670</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(108,840,894)	(6,546,984)	-	(115,387,878)
Vehicles	(4,117,155)	(214,825)	531,671	(3,800,309)
Equipment	(4,556,859)	(355,784)	98,363	(4,814,280)
Subscription assets	(47,787)	(38,230)	-	(86,017)
Total accumulated depreciation and amortization	<u>(117,562,695)</u>	<u>(7,155,823)</u>	<u>630,034</u>	<u>(124,088,484)</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 99,974,784</u>	<u>\$ (3,139,735)</u>	<u>\$ (1,933,863)</u>	<u>\$ 94,901,186</u>

The District had the following capital outlay and depreciation expense for the following functions:

	<u>Capital Outlay</u>	<u>Depreciation and Amortization Expense</u>
<b>Governmental activities:</b>		
Direct instruction	\$ 1,296,327	\$ 6,193,956
Student activities	-	65,476
Transportation	306,960	153,587
Food service	-	9,521
Support services	478,937	733,283
<b>Total governmental activities</b>	<u>\$ 2,082,224</u>	<u>\$ 7,155,823</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Interfund Receivables, Payables, and Transfers**

The District had the following interfund receivables and payables as of June 30, 2025:

	<b>Due from</b>	<b>Due to</b>
General Fund	\$ (1,191,970)	\$ -
Grant Fund	-	1,191,970
	\$ (1,191,970)	\$ 1,191,970

Transfers for fiscal year 2025 were as follows:

<b>Transfer In (Out)</b>	<b>Amount</b>	<b>Transfer Purpose</b>
General Fund	\$ (1,200,000)	To fund District projects
Capital Projects Fund	1,200,000	To help fund capital acquisitions
<b>Total</b>	<b>\$ -</b>	

**E. Long-term Debt**

All general obligation bonds outstanding are serviced by the Bond Redemption Fund.

**1. General Obligation Bonds, Series 2009**

On January 28, 2009, the District issued General Obligation Bonds, Series 2009 in the amount of \$9,700,000. The issuance also included \$285,000 of supplemental interest coupons. Proceeds from the bonds were used to finance the acquisition, construction, installation and equipping of upgrades to District buildings. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 4.15% to 5.00% and are subject to early redemption on or after December 1, 2019. The District's debt matures in 2028. These bonds were refunded through issuance of General Obligation Refunding Bonds, Series 2019.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**2. General Obligation Refunding Bonds, Series 2009B**

On December 29, 2009, the District issued General Obligation Refunding Bonds, Series 2009B in the amount of \$16,065,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2001, 2002, and 2003. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 2.50% to 5.00% and are not subject to early redemption. The District's debt matures in 2021. A portion of the 2005 General Obligation Bonds were redeemed via a refunding through the issuance of General Obligation Refunding Bonds, Series 2016.

**3. General Obligation Refunding Bonds, Series 2010**

On July 29, 2010, the District issued General Obligation Refunding Bonds, Series 2010 in the amount of \$13,865,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2003. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 2.00% to 4.00%. Certain bonds are subject to early redemption, without premium, at the option of the District. The District's debt matures in 2025. A portion of the 2010 General Obligation Refunding Bonds were redeemed via a refunding through the issuance of General Obligation Refunding Bonds, Series 2020.

**4. General Obligation Refunding Bonds, Series 2012**

On February 20, 2012, the District issued General Obligation Refunding Bonds, Series 2012 in the amount of \$17,195,000. Net proceeds, after issuance costs, from the bonds were deposited with an escrow agent to be used to refund a portion of the General Obligation Refunding Bonds, Series 2006. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 2.00% to 5.00%. Certain bonds are subject to early redemption, without premium, at the option of the District. The debt matures in 2024.

**5. General Obligation Refunding Bonds, Series 2013A&B**

On January 15, 2013, the District issued General Obligation Refunding Bonds, Series 2013A&B. The Series A bonds were issued in the amount of \$9,445,000. The Series B bonds were issued in the amount of \$11,360,000 and are taxable general obligation refunding bonds. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 2.00% to 3.05%. The bonds maturing on and before December 1, 2022 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2027.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**6. General Obligation Refunding Bonds, Series 2015**

On February 11, 2015, the District issued General Obligation Refunding Bonds, Series 2014. The bonds were issued in the amount of \$8,820,000 and the proceeds were used to partially refund General Obligation Bonds, Series 2006 and 2007. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 1.5% to 4.0%. The bonds maturing on and before December 1, 2025 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2027.

**7. General Obligation Refunding Bonds, Series 2016**

On January 6, 2016, the District issued General Obligation Refunding Bonds, Series 2016. The bonds were issued in the amount of \$8,900,000 and the proceeds were used to partially refund General Obligation Bonds, Series 2005 and 2009. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 2.0% to 4.0%. The bonds maturing on and before December 1, 2018 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2028.

**8. General Obligation Refunding Bonds, Series 2019**

On June 12, 2019 the District issued General Obligation Refunding Bonds, Series 2019. The bonds were issued in the amount of \$1,980,000 and the proceeds were used to refund the General Obligation Bond, series 2009. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 3.0% to 4.0%. The bonds maturing on and before December 1, 2028 are not subject to early redemption prior to their respective maturity dates. The debt matures in 2028

**9. General Obligation Refunding Bonds, Series 2020**

On October 28, 2020 the District issued General Obligation Refunding Bonds, Series 2020. The bonds were issued in the amount of \$11,800,000 and the proceeds were used to partially refund the General Obligation Bond, Series 2010. The bonds are issued in denominations of \$5,000 and bear interest rates ranging from 1.00% to 5.00%. The bonds are not subject to early redemption prior to their respective maturity dates. The debt matures in 2025. The refunding provided the District an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,388,905.

**10. Defeasance of Debt**

As noted above, proceeds of the 2009B, 2010, 2012, 2013A&B, 2014, 2015, 2016, 2019, and 2020 refunding bond issuances were used to purchase U.S. government securities to retire previous bond issues. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The amount of the District's defeased debt is not readily determinable.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**11. 2023 Certificates of Participation**

The District issued \$15,866,779 in Certificates of Participation, Series 2023 on June 6, 2023. The Certificates were issued to perform energy savings improvements and equipment upgrades. The Certificates mature on June 1, 2043 and bear interest at 3.7% per annum.

**12. Schedule of Future Payments**

The District's aggregate annual debt service requirements at June 30, 2025, are as follows:

<b>Fiscal Year Ending</b>	<b>Bonded Debt and COP's</b>	
	<b>Principal</b>	<b>Interest</b>
2026	\$ 7,883,957	\$ 1,505,113
2027	8,558,948	1,241,765
2028	8,907,752	993,037
2029	9,179,774	692,116
2030	468,060	501,316
2031 - 2035	3,130,886	2,209,678
2036 - 2040	4,816,555	1,514,578
2041 - 2043	5,148,243	468,870
	<b>\$ 48,094,175</b>	<b>\$ 9,126,473</b>

**13. Subscription-Based Information Technology Arrangements (SBITAs)**

Related to intangible assets, the District has the following outstanding agreements as of June 30, 2025:

Alio – In 2023, the District entered into a 39-month master agreement with EMS LINQ, LLC for subscription services. The agreement calls for monthly payments totaling \$3,099.71, and bears interest of 3.19%

The District made principal and interest payments of \$36,628 and \$2,372, respectively, during the fiscal year ending June 30, 2025.

Future SBITA payment requirements at June 30, 2025 were as follows:

<b>Fiscal Year Ending</b>	<b>Subscription Payable</b>	
	<b>Total Principal</b>	<b>Total Interest</b>
2026	\$ 37,740	\$ 1,204

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**14. Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance June 30, 2025</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Refunding Bonds, 2012	\$ 3,100,000	\$ -	\$ (3,100,000)	\$ -	\$ -
Refunding Bonds, 2013	8,575,000	-	(85,000)	8,490,000	85,000
Taxable Refunding Bonds, 2013	9,885,000	-	(145,000)	9,740,000	3,430,000
Refunding Bonds, 2015	3,765,000	-	(885,000)	2,880,000	920,000
Refunding Bonds, 2016	7,175,000	-	-	7,175,000	-
Refunding Bonds, 2019	1,760,000	-	(45,000)	1,715,000	45,000
Refunding Bonds, 2020	6,085,000	-	(2,965,000)	3,120,000	3,120,000
Deferred amounts:					-
2012 bonds issuance premium	47,047	-	(47,047)	-	-
2013 bonds issuance premium	86,628	-	(27,157)	59,471	-
2015 bonds issuance premium	102,157	-	(40,044)	62,113	-
2016 bonds issuance premium	397,018	-	(79,403)	317,615	-
2019 bonds issuance premium	135,065	-	(28,469)	106,596	-
2020 bonds issuance premium	282,980	-	(187,064)	95,916	-
Total General Obligation Bonds, net	<u>41,395,895</u>	<u>-</u>	<u>(7,634,184)</u>	<u>33,761,711</u>	<u>7,600,000</u>
2023 Certificates of Participation	15,866,779	-	(892,604)	14,974,175	283,957
Subscription payable	74,368	-	(36,628)	37,740	37,740
Accrued compensated absences*	2,177,846	-	(422,352)	1,755,494	1,755,494
Net OPEB liability	2,455,918	-	(874,478)	1,581,440	-
Net pension liability	101,711,684	-	(12,580,381)	89,131,303	-
<b>Total</b>	<u>\$163,682,490</u>	<u>\$ -</u>	<u>\$ (22,440,627)</u>	<u>\$141,241,863</u>	<u>\$ 9,677,191</u>

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

The general obligation bonds are paid from the Bond Redemption Fund. The certificates of participations and subscription payable are paid from General Fund.

The compensated absences liability is paid from the following funds from which employees' salaries are paid: General Fund, Designated-Purpose Grant Fund, and Food Service Fund.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Debt (continued)**

**14. Changes in Long-term Debt (continued)**

In 2005, the District signed a Debt Service Forward Delivery Agreement with JP Morgan Trust Company. The agreement provided for a one-time payment to the District for \$615,000. The agreement proceeds were utilized for the construction of District school buildings. The agreement effectively allows for the sale of a portion of District future investment income through July 1, 2025. Future pledged revenue amounts due under this agreement are as follows:

Fiscal Year Ending	Total
2026	\$ 12,817

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

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

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

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Benefits provided as of December 31, 2024 (continued):*

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.

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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

	<b>July 1, 2024 Through June 30, 2025</b>
Employer Contribution Rate	11.40%
Amount of the 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 Trust Fund	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as presented in C.R.S 24-51-411	5.50%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>20.38%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$8,386,850 for the year ended June 30, 2025.

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

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Pension Liabilities (continued)*

At June 30, 2025, the District reported a liability of \$89,131,303 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 District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 89,131,303
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	7,345,650
<b>Total</b>	<b>\$ 96,476,953</b>

At December 31, 2024, the District's proportion was 0.5166%, which was a decrease of 0.0586% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense (revenue) of \$7,231,697 and revenue (expense) of \$730,654 for support from the State as a nonemployer contributing entity.

*Deferred Outflows of Resources and Deferred Inflows of Resources:* At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 5,047,372	\$ -
Net difference between projected and actual earnings on pension plan investments	1,681,660	-
Changes in proportionate share of contributions	9,753,767	8,293,273
Contributions subsequent to the measurement date	4,287,147	-
<b>Total</b>	<b>\$ 21,438,174</b>	<b>\$ 8,293,273</b>

\$4,287,147 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 measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2026	\$ 7,627,652
2027	6,038,608
2028	(3,609,150)
2029	(1,199,356)
	<b>\$ 8,857,754</b>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*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%
Future 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 <sup>1</sup>	Financed by the Annual Increase Reserve ("AIR")

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

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

	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial Assumptions (continued):*

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
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 Disabled	Pub-2010 Contingent Survivor PubNS-2010 Disabled Retiree	Males: 92% of the rates for all ages Females: 100% of the rates for all ages 95% of the rates for all ages

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every 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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of</b>
Global equity	51.00%	5.00%
Fixed income	23.00%	2.60%
Private equity	10.00%	7.60%
Real estate	10.00%	4.10%
Alternatives	6.00%	5.20%
	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%.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Discount rate:* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied 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.
- 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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Defined Benefit Pension – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Discount rate (continued)*

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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension liability	\$120,841,390	\$ 89,131,303	\$ 62,569,674

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

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

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

*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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Benefits provided (continued):*

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

*DPS Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$419,754 for the year ended June 30, 2025.

*Liabilities:* At June 30, 2025, the District reported a liability of \$1,581,440 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 used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on District contributions to HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.3307%, which was a decrease of 0.0134% from its proportion measured as of December 31, 2023.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:* For the year ended June 30, 2025, the District recognized OPEB expense of \$133,149. At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 348,834
Changes of assumptions or other inputs	18,134	505,507
Net difference between projected and actual earnings on pension plan investments	5,361	-
Changes in proportionate share of contributions	279,816	353,211
Difference between actual and reported contributions recognized	-	31,937
Contributions subsequent to the measurement date	214,562	-
<b>Total</b>	<b>\$ 517,873</b>	<b>\$ 1,239,489</b>

\$214,562 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 benefits 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:

<b>Year ended June 30:</b>		
2026	\$	(263,959)
2027		(198,156)
2028		(232,614)
2029		(107,167)
2030		(78,414)
2031		(55,868)
	\$	(936,178)

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans <sup>1</sup>			16.00% in 2024, then 6.75% in 2025 gradually decreasing to 4.50% in 2034	
Medicare Part A premiums			105.00% in 2024, then 8.55% in 2025, gradually increasing to 4.50% in 2034	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

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

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

**Age-Related Mobility Assumptions**

<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
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%

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
(continued)

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A 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 Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A 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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

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

Year	PERACARE		Medicare Part A
	Medicare Plans	MAPD PPO #2	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%

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
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

<b>Post-Retirement (Retiree), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	Males: 94% of the rates prior to age 80/90% of the rates 80 and older Females: 87% of the rates prior to age 85/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	Males: 112% of the rates prior to age 80/94% of the rates 80 and older Females: 83% of the rates prior to age 85/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
<b>Post-Retirement (Beneficiary), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
<b>Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

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

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

	<u>State Division</u>	<u>School Division</u>	<u>Local Government Division</u>	<u>Judicial Division</u>
Salary Increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

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.

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

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

<b>Pre-Retirement</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
State and Local Government		
Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
<b>Post-Retirement (Retiree), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
State and Local Government		
Divisions (members other than Safety Officers)	PubG-2010 Employee	Males: 94% of the rates prior to age 80/90% of the rates 80 and older Females: 87% of the rates prior to age 85/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	Males: 112% of the rates prior to age 80/94% of the rates 80 and older Females: 83% of the rates prior to age 85/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
<b>Post-Retirement (Beneficiary), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
<b>Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Members other than Safety Officers		
Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial assumptions (continued):*

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of</b>
Global equity	51.00%	5.00%
Fixed income	23.00%	2.60%
Private equity	10.00%	7.60%
Real estate	10.00%	4.10%
Alternatives	6.00%	5.20%
	<u>100.00%</u>	

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

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Actuarial Assumptions (continued):*

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

	<b>1% Decrease in Trend</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of net OPEB liability	\$ 1,538,833	\$ 1,581,440	\$ 1,629,661

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**III. Detailed Notes on All Funds (continued)**

**G. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)**

*Discount rate (continued):*

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

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

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the 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	\$ 1,938,080	\$ 1,581,440	\$ 1,273,974

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

**IV. Other Information**

**A. Insurance**

All District employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage must pay the District for premiums from the termination date of coverage and monthly thereafter. No cost to the District is recognized as employees reimburse 100% of their premium costs.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**IV. Other Information (continued)**

**B. Risk Management**

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

**C. Jointly Governed Organization - BOCES**

The District, together with other school districts, participates in the Colorado River BOCES (the "BOCES"). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. Administrative costs are borne equally by the districts. Administrative costs and services by BOCES are charged to each district based upon individual needs and the student population.

The Board of the BOCES consists of one member of the board of education of each participating district. Each district has equal voting rights in the decisions of the BOCES. The BOCES has issued its own audited financial statements for the year ended June 30, 2024, the latest available data. The following summary information is presented:

Assets and Deferred Outflows	\$ 10,145,722
Liabilities and Deferred Inflows	(13,294,816)
Net Position	\$ (3,149,094)
Revenues	\$ 12,665,818
Expenses	(13,394,990)
Change in Net Position	(729,172)
Net Position - Beginning	(2,419,922)
Net Position - Ending	\$ (3,149,094)

For the years ending June 30, 2025 **and 2024**, the District made operating contributions of \$1,731,526 and \$1,267,270, respectively.

**D. Claims and Contingencies**

**1. Legal Claims**

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2025.

**2. Federal Programs**

Funds received from Federal grants are subject to audit and disallowance of ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2025.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**IV. Other Information (continued)**

**E. Defined Contribution Pension Plan – Voluntary Investment Program**

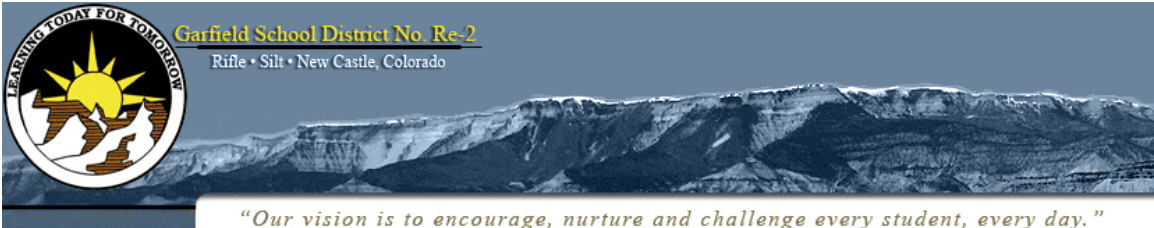
*Plan Description:* Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the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

*Funding Policy:* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contribution and investment earnings. At year end June 30, 2025, member contributions were \$279,497.

**F. Implementation of Accounting Standard**

Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences (“GASB 101”), which requires that the District recognize a liability for all forms of compensated absences, including those not paid upon an employee’s separation from service, such as sick leave. Under GASB 101, the compensated absence liability is estimated based on historical data about the accumulation and forfeiture of leave balances, rather than solely on termination payouts. The implementation of GASB 101 was applied retroactively, but the adoption of this standard resulted in no change or restatement to the District’s net position for governmental activities.

Garfield School District RE-2  
Required Supplementary Information



*"Our vision is to encourage, nurture and challenge every student, every day."*

**GARFIELD SCHOOL DISTRICT RE-2**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	2025			Variance to Final Budget Positive (Negative)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Local sources:					
Taxes:					
Property taxes	\$ 19,511,880	\$ 17,527,854	\$ 17,482,712	\$ (45,142)	\$ 19,608,365
Specific ownership taxes	1,418,933	1,418,933	1,681,726	262,793	1,572,881
Investment income	1,433,617	1,594,622	1,345,392	(249,230)	1,338,308
Tuition	182,417	181,812	359,041	177,229	223,922
Other	1,103,215	608,948	579,334	(29,614)	1,115,951
Intermediate sources	428,248	148,888	144,729	(4,159)	390,854
State sources	39,721,768	45,943,492	46,343,829	400,337	40,302,778
Federal sources	1,600,000	1,378,685	1,707,582	328,897	4,043,301
<b>Total Revenues</b>	<u>65,400,078</u>	<u>68,803,234</u>	<u>69,644,345</u>	<u>841,111</u>	<u>68,596,360</u>
<b>EXPENDITURES</b>					
Current:					
Direct instruction	37,204,372	38,270,635	39,159,903	(889,268)	37,879,043
Indirect instruction	7,321,147	7,323,030	8,032,855	(709,825)	6,897,647
Transportation	2,761,219	2,734,527	2,533,973	200,554	2,249,384
Custodial and maintenance	8,666,364	8,600,812	8,006,337	594,475	8,010,990
Support services	4,862,535	4,985,484	4,634,229	351,255	4,194,149
General administration	6,002,053	5,966,175	5,988,097	(21,922)	5,526,025
Community service	165,504	163,924	119,179	44,745	223,829
Food service	-	-	1,475	(1,475)	1,900
Debt service:					
Principal	(520,037)	929,231	892,603	36,628	-
Interest	676,031	676,031	678,403	(2,372)	897
Capital outlay	156,735	151,499	99,188	52,311	176,613
<b>Total Expenditures</b>	<u>67,295,923</u>	<u>69,801,348</u>	<u>70,146,242</u>	<u>(344,894)</u>	<u>65,160,477</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,895,845)</u>	<u>(998,114)</u>	<u>(501,897)</u>	<u>496,217</u>	<u>3,435,883</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of general capital assets	-	-	23,949	23,949	-
Transfers in (out)	(1,200,000)	(1,200,000)	(1,200,000)	-	(2,300,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,176,051)</u>	<u>23,949</u>	<u>(2,300,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,095,845)	(2,198,114)	(1,677,948)	520,166	1,135,883
<b>FUND BALANCE, BEGINNING - BUDGET BASIS</b>	<u>22,719,678</u>	<u>22,448,837</u>	<u>22,448,837</u>	<u>-</u>	<u>21,312,954</u>
<b>FUND BALANCE, ENDING - BUDGET BASIS</b>	<u>\$ 19,623,833</u>	<u>\$ 20,250,723</u>	<u>20,770,889</u>	<u>520,166</u>	<u>22,448,837</u>
<b>RECONCILIATION TO GAAP BASIS:</b>					
Adjustments:					
Pension direct distribution - Special Funding			730,655		169,922
Pension expense - Special Funding			(730,655)		(169,922)
<b>FUND BALANCE, ENDING - GAAP BASIS</b>			<u>\$ 20,770,889</u>		<u>\$ 22,448,837</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Designated Purpose Grants Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	2025			Variance to Final Budget Positive (Negative)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Local sources	\$ 225,000	\$ 225,000	\$ 1,401	\$ (223,599)	\$ 49,810
State sources	392,627	392,627	297,864	(94,763)	354,420
Federal sources	1,287,373	1,287,373	1,178,544	(108,829)	1,290,930
<b>Total Revenues</b>	<u>1,905,000</u>	<u>1,905,000</u>	<u>1,477,809</u>	<u>(427,191)</u>	<u>1,695,160</u>
<b>EXPENDITURES</b>					
Current:					
Direct instruction	730,621	730,621	390,915	339,706	417,594
Indirect instruction	888,049	888,049	883,317	4,732	983,344
Custodial and maintenance	135,311	135,311	95,385	39,926	95,309
Community service	105,471	105,471	99,975	5,496	168,275
Capital outlay	45,548	45,548	8,217	37,331	30,638
<b>Total Expenditures</b>	<u>1,905,000</u>	<u>1,905,000</u>	<u>1,477,809</u>	<u>427,191</u>	<u>1,695,160</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>	-	-	-	\$ -	-
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years**

<b>For the measurement date of December 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net pension liability	0.5166%	0.5752%	0.4152%	0.5331%	0.6234%
District's proportionate share of the net pension liability	\$ 89,131,303	\$ 101,711,684	\$ 75,612,163	\$ 62,043,319	\$ 94,250,870
States proportionate share of net pension liability as a nonemployer contributing entity associated with the District	\$ 7,345,650	\$ 2,182,382	\$ 17,062,082	\$ 6,380,977	\$ -
Total proportionate share of net pension liability associated with the District	<u>\$ 96,476,953</u>	<u>\$ 103,894,066</u>	<u>\$ 92,674,245</u>	<u>\$ 62,802,666</u>	<u>\$ 94,250,870</u>
District's covered payroll	\$ 39,916,676	\$ 38,024,486	\$ 31,968,066	\$ 33,319,231	\$ 31,989,972
District's proportionate share of the net pension liability as a percentage of its covered payroll	223%	267%	237%	186%	295%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%	66.99%
<b>For the measurement date of December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.5286%	0.5646%	0.5710%	0.5745%	0.5716%
District's proportionate share of the net pension liability	\$ 78,972,174	\$ 182,586,661	\$ 170,006,079	\$ 87,866,198	\$ 77,470,936
States proportionate share of net pension liability as a nonemployer contributing entity associated with the District	\$ 758,663	\$ 694,123	\$ -	\$ -	\$ -
Total proportionate share of net pension liability associated with the District	<u>\$ 79,730,837</u>	<u>\$ 183,280,784</u>	<u>\$ 170,006,079</u>	<u>\$ 87,866,198</u>	<u>\$ 77,470,936</u>
District's covered payroll	\$ 30,525,765	\$ 25,639,367	\$ 25,627,091	\$ 25,036,690	\$ 23,945,915
District's proportionate share of the net pension liability as a percentage of its covered payroll	259%	712%	663%	351%	324%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.13%	59.16%	62.84%

See the accompanying notes to the Required Supplementary Information.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Schedule of District Contributions**  
**Colorado Public Employees' Retirement Association School Division Trust Fund**  
**Last 10 Fiscal Years**

<b>Fiscal year-ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Contractually required contribution	\$ 8,386,850	\$ 7,879,869	\$ 7,053,606	\$ 6,380,314	\$ 6,545,074
Contributions in relation to the contractually required contribution	\$ (8,386,850)	\$ (7,879,869)	\$ (7,053,606)	\$ (6,380,314)	\$ (6,545,074)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 41,152,354	\$ 38,664,716	\$ 34,592,906	\$ 32,103,430	\$ 31,989,972
Contributions as a percentage of covered payroll	20.38%	20.38%	20.39%	19.87%	20.46%
<b>Fiscal year-ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 5,981,385	\$ 5,076,369	\$ 4,852,460	\$ 4,646,192	\$ 4,338,863
Contributions in relation to the contractually required contribution	\$ (5,981,385)	\$ (5,076,369)	\$ (4,852,460)	\$ (4,646,192)	\$ (4,338,863)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 30,525,765	\$ 29,299,506	\$ 25,639,367	\$ 25,627,091	\$ 25,036,690
Contributions as a percentage of covered payroll	19.59%	17.33%	18.93%	18.13%	17.33%

See the accompanying notes to the Required Supplementary Information.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Schedule of District's Proportionate Share of the OPEB Liability**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

<b>For the measurement date of December 31,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net OPEB liability	0.3307%	0.3441%	0.3150%	0.3481%	0.3603%
District's proportionate share of the net OPEB liability	1,581,440	2,455,918	2,572,147	3,001,654	3,423,299
District's covered payroll	\$ 39,916,676	\$ 38,024,486	\$ 31,968,066	\$ 33,319,231	\$ 31,989,972
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%	10.70%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%
<b>For the measurement date of December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	
District's proportion of the net OPEB liability	0.3456%	0.3138%	0.3208%	0.3246%	
District's proportionate share of the net OPEB liability	3,884,091	4,268,731	4,169,507	4,079,034	
District's covered payroll	\$ 30,525,765	\$ 25,639,367	\$ 25,627,091	\$ 25,036,690	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.72%	16.65%	16.27%	16.29%	
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Schedule of District's OPEB Contributions**  
**Colorado Public Employees' Retirement Association Health Care Trust Fund**  
**Last 10 Fiscal Years \***

<b>Fiscal year-ended June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Contractually required contribution	\$ 419,754	\$ 394,380	\$ 352,848	\$ 327,455	\$ 326,298
Contributions in relation to the contractually required contribution	<u>\$ (419,754)</u>	<u>\$ (394,380)</u>	<u>\$ (352,848)</u>	<u>\$ (327,455)</u>	<u>\$ (326,298)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 41,152,354	\$ 38,664,716	\$ 34,592,906	\$ 32,103,430	\$ 31,989,972
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
<b>Fiscal year-ended June 30,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Contractually required contribution	\$ 311,363	\$ 298,855	\$ 261,522	\$ 261,396	
Contributions in relation to the contractually required contribution	<u>\$ (311,363)</u>	<u>\$ (298,855)</u>	<u>\$ (261,522)</u>	<u>\$ (261,396)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 30,525,765	\$ 29,299,506	\$ 25,639,367	\$ 25,627,091	
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	

\* Information is only available beginning in fiscal year 2017.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**

**I. Notes to the Required Supplementary Information – PERA**

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

**1. Changes since the December 31, 2024 actuarial valuation:**

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$486,000 and \$20,000, respectively.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

**2. Changes since the December 31, 2023 actuarial valuation:**

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and HCTF were \$24,967,000 and \$1,033,000, respectively.
- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225,000,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in C.R.S. § 24-51-416, plus \$10,000,000 from the General Fund, totaling \$14,561,000.
- SB 23-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**3. Changes since the December 31, 2022 actuarial valuation:**

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190,000,000 to \$35,000,000. The July 1, 2024, direct distribution will not be reduced from \$225,000,000 due to a negative investment return in 2022.
- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**4. Changes since the December 31, 2021 actuarial valuation:**

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**5. Changes since the December 31, 2020 actuarial valuation:**

- HB 20-1379, enacted on June 29, 2020, suspended the \$225,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.
- HB 20-1394, enacted on June 29, 2020, requires 5.0% of the Judicial Division base employer contributions rate to be paid by the members of the Judicial Division for the State's 2020-21 and 2021-22 fiscal years. This does not apply to the employer or member contribution rates for judges employed by the Denver County Court.
- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of "State Trooper" under Colorado law as follows: ▪ Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
- New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**5. Changes since the December 31, 2020 actuarial valuation: (continued)**

- New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**6. Changes since the December 31, 2019 actuarial valuation:**

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
  - Member contribution rates increase by 0.50%.
  - Employer contribution rates increase by 0.50%.
  - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**7. Changes since the December 31, 2018 actuarial valuation:**

- The following changes were made to the plan provisions as part of SB 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
  - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
  - An annual direct distribution of \$225,000,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
  - AI cap is lowered from 2.00% per year to 1.50% per year. ▪ Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.
  - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**8. Changes since the December 31, 2017 actuarial valuation:**

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.
- Pursuant to HB 17-1265, the amortization equalization disbursement (AED) and supplemental amortization equalization disbursement (SAED) contribution rates are adjusted for employers in the Judicial Division as follows:
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(4.5) increased the AED payment to 3.40% of PERA-includable salary and requires the AED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the AED payment will be 5.00% of PERA-includable salary.
  - For the calendar year beginning in 2019, C.R.S. § 24-51-411(7.5) increased the SAED payment to 3.40% of PERA-includable salary and requires the SAED payment to increase by 0.40% at the start of each of the following four calendar years through 2023 at which time the SAED payment will be 5.00% of PERA-includable salary.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**9. Changes since the December 31, 2016 actuarial valuation:**

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

**10. Changes since the December 31, 2015 actuarial valuation:**

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.
- As required under C.R.S. § 24-51-401(1.7)(e), PERA calculated and provided to the Colorado General Assembly an adjustment to the DPS Division's employer contribution rate to assure the equalization of the School Division's and the DPS Division's ratios of unfunded actuarial accrued liability to payroll as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**B. Changes to assumptions or other inputs**

**1. Changes since the December 31, 2024 actuarial valuation:**

- 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%.

**2. Changes since the December 31, 2023 actuarial valuation:**

- There were no changes made to the actuarial methods or assumptions.

**3. Changes since the December 31, 2022 actuarial valuation:**

- There were no changes made to the actuarial methods or assumptions.

**4. Changes since the December 31, 2021 actuarial valuation:**

- There were no changes made to the actuarial methods or assumptions.

**5. Changes since the December 31, 2020 actuarial valuation:**

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

**6. Changes since the December 31, 2019 actuarial valuation:**

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**B. Changes to assumptions or other inputs (continued)**

**6. Changes since the December 31, 2019 actuarial valuation:**

- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

**7. Changes since the December 31, 2018 actuarial valuation:**

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

**8. Changes since the December 31, 2017 actuarial valuation:**

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

**9. Changes since the December 31, 2016 actuarial valuation:**

- The single equivalent interest rate (“SEIR”) was lowered from 5.26% to 4.78% to reflect the changes to the projection’s valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86% on the prior measurement date to 3.43% on the measurement date.

**8. Changes since the December 31, 2015 actuarial valuation:**

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and Denver Public School (“DPS”) Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**I. Notes to the Required Supplementary Information – PERA (continued)**

**B. Changes to assumptions or other inputs (continued)**

**8. Changes since the December 31, 2015 actuarial valuation: (continued)**

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

**II. Notes to the Required Supplementary Information – OPEB**

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

**1. Changes since the December 31, 2024 actuarial valuation:**

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (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 \$20,000 and \$486,000, respectively.

**2. Changes since the December 31, 2023 actuarial valuation:**

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000,000 payment received on December 4, 2023 and a \$2,000,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033,000 and \$24,967,000, respectively.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**II. Notes to the Required Supplementary Information – OPEB (continued)**

**A. Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (continued)**

**3. Changes since the December 31, 2022 actuarial valuation:**

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

**4. Changes since the December 31, 2021 actuarial valuation:**

- 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.

**5. Changes since the December 31, 2020 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**6. Changes since the December 31, 2019 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**7. Changes since the December 31, 2018 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**8. Changes since the December 31, 2017 actuarial valuation:**

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159,000 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063,000 and \$96,000, respectively.

**Garfield School District RE-2**  
**Notes to Required Supplementary Information**  
**June 30, 2025**  
**(continued)**

**II. Notes to the Required Supplementary Information – OPEB (continued)**

**B. Changes to assumptions or other inputs.**

**1. Changes since the December 31, 2024 actuarial valuation:**

- 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.

**2. Changes since the December 31, 2023 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**3. Changes since the December 31, 2022 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**4. Changes since the December 31, 2021 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**5. Changes since the December 31, 2020 actuarial valuation:**

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.B.5. above.

**6. Changes since the December 31, 2019 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**7. Changes since the December 31, 2018 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

**8. Changes since the December 31, 2017 actuarial valuation:**

- There were no change made to the actuarial methods or assumptions.

Garfield School District RE-2

Supplementary Information



*"Our vision is to encourage, nurture and challenge every student, every day."*

**GARFIELD SCHOOL DISTRICT RE-2**  
**Debt Service Fund**  
**Bond Redemption Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	2025			Variance to Final Budget Positive (Negative)	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes:					
Property taxes	\$ 8,435,260	\$ 8,435,260	\$ 8,334,335	\$ (100,925)	\$ 8,493,083
<b>Total Revenues</b>	<u>8,435,260</u>	<u>8,435,260</u>	<u>8,334,335</u>	<u>(100,925)</u>	<u>8,493,083</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	6,881,044	6,881,044	7,225,000	(343,956)	6,880,000
Interest	1,545,540	1,545,540	1,230,843	314,697	1,545,306
Other	8,676	8,676	13,235	(4,559)	8,676
<b>Total Expenditures</b>	<u>8,435,260</u>	<u>8,435,260</u>	<u>8,469,078</u>	<u>(33,818)</u>	<u>8,433,982</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(134,743)	(134,743)	59,101
<b>FUND BALANCE, BEGINNING</b>	<u>11,454,655</u>	<u>11,353,097</u>	<u>11,353,097</u>	-	<u>11,293,996</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 11,454,655</u>	<u>\$ 11,353,097</u>	<u>\$ 11,218,354</u>	<u>\$ (134,743)</u>	<u>\$ 11,353,097</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	<u>2025</u>			<b>Variance to Final Budget Positive (Negative)</b>	<u>2024</u>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Actual Amounts</b>
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Local sources:					
Investment income	\$ -	\$ -	\$ 47,590	\$ 47,590	\$ 276,373
Intermediate sources	-	-	-	-	3,465
State sources	-	-	5,000	5,000	-
Federal sources	-	-	47,231	47,231	752,769
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>99,821</u>	<u>99,821</u>	<u>1,032,607</u>
<b>EXPENDITURES</b>					
Custodial and maintenance	70,000	70,000	87,157	(17,157)	24,179
Support services	20,000	20,000	20,000	-	-
Capital outlay:					
Buildings	275,000	266,767	252,755	14,012	1,103,033
Major renovations	1,089,828	1,078,957	977,249	101,708	12,406,633
Capital equipment	193,000	201,233	50,253	150,980	831,893
Other vehicles	-	-	-	-	11,447
Vehicles	695,000	695,000	664,425	30,575	475,692
Furniture / fixtures	-	-	-	-	39,200
Other equipment / services	134,000	134,000	161,025	(27,025)	37,373
Infrastructure	580,000	580,000	22,470	557,530	-
<b>Total Expenditures</b>	<u>3,056,828</u>	<u>3,045,957</u>	<u>2,235,334</u>	<u>810,623</u>	<u>14,929,450</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,056,828)	(3,045,957)	(2,135,513)	910,444	(13,896,843)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	1,200,000	1,200,000	1,200,000	-	2,300,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>2,300,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,856,828)	(1,845,957)	(935,513)	910,444	(11,596,843)
<b>FUND BALANCE, BEGINNING</b>	<u>1,883,893</u>	<u>2,601,071</u>	<u>2,601,071</u>	<u>-</u>	<u>14,197,914</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 27,065</u>	<u>\$ 755,114</u>	<u>\$ 1,665,558</u>	<u>\$ 910,444</u>	<u>\$ 2,601,071</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	<b>Pupil Activity Fund</b>	<b>Food Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 705,059	\$ 444,999	\$ 1,150,058
Accounts and taxes receivable	-	59,265	59,265
Due from other governments	-	44,029	44,029
Inventories	-	34,516	34,516
<b>Total Assets</b>	<b>\$ 705,059</b>	<b>\$ 582,809</b>	<b>\$ 1,287,868</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts and other current payables	\$ 16,372	\$ 1,923	\$ 18,295
Accrued compensation	5,047	45,846	50,893
Unearned revenue	-	63,470	63,470
<b>Total Liabilities</b>	<b>21,419</b>	<b>111,239</b>	<b>132,658</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	-	34,516	34,516
Assigned	683,640	437,054	1,120,694
<b>Total Fund Balances</b>	<b>683,640</b>	<b>471,570</b>	<b>1,155,210</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 705,059</b>	<b>\$ 582,809</b>	<b>\$ 1,287,868</b>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2025**

	<b>Pupil Activity Fund</b>	<b>Food Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>REVENUES</b>			
Local sources	\$ 1,038,171	\$ 9,732	\$ 1,047,903
State sources	-	533,970	533,970
Federal sources	-	1,582,779	1,582,779
<b>Total Revenues</b>	<u>1,038,171</u>	<u>2,126,481</u>	<u>3,164,652</u>
<b>EXPENDITURES</b>			
Current:			
Support services	1,211	-	1,211
Student activities	975,539	-	975,539
Food service	-	2,111,958	2,111,958
Capital outlay	-	1,158	1,158
<b>Total Expenditures</b>	<u>976,750</u>	<u>2,113,116</u>	<u>3,089,866</u>
<b>NET CHANGE IN FUND BALANCES</b>	61,421	13,365	74,786
<b>FUND BALANCES, BEGINNING</b>	<u>622,219</u>	<u>458,205</u>	<u>1,080,424</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 683,640</u></u>	<u><u>\$ 471,570</u></u>	<u><u>\$ 1,155,210</u></u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Pupil Activity Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	<b>2025</b>			<b>Variance with Final Budget- Positive (Negative)</b>	<b>2024</b>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>			
<b>REVENUES</b>					
Taxes:					
Student activities	\$ 1,039,370	\$ 1,039,370	\$ 1,038,171	\$ (1,199)	\$ 1,008,596
<b>Total Revenues</b>	<u>1,039,370</u>	<u>1,039,370</u>	<u>1,038,171</u>	<u>(1,199)</u>	<u>1,008,596</u>
<b>EXPENDITURES</b>					
Current:					
Support services	835	1,112	1,211	(99)	883
Student activities	899,165	1,118,888	975,539	143,349	957,483
<b>Total Expenditures</b>	<u>900,000</u>	<u>1,120,000</u>	<u>976,750</u>	<u>143,250</u>	<u>958,366</u>
<b>NET CHANGE IN FUND BALANCE</b>	139,370	(80,630)	61,421	142,051	50,230
<b>FUND BALANCE, BEGINNING</b>	<u>695,021</u>	<u>622,219</u>	<u>622,219</u>	<u>-</u>	<u>571,989</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 834,391</u>	<u>\$ 541,589</u>	<u>\$ 683,640</u>	<u>\$ 142,051</u>	<u>\$ 622,219</u>

**GARFIELD SCHOOL DISTRICT RE-2**  
**Food Services Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual (GAAP Basis)**  
**For the Year Ended June 30, 2025**  
**(With Comparative Actual Amounts for 2024)**

	<u>2025</u>			<b>Variance with Final Budget- Positive (Negative)</b>	<u>2024</u>
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Actual Amounts</b>
	<u>Original</u>	<u>Final</u>			
<b>REVENUES</b>					
Local sources:					
Food and Ala carte sales	\$ 60,931	\$ 60,931	\$ 9,130	\$ (51,801)	\$ 30,803
Donations from private sources	3,717	3,717	602	(3,115)	3,356
State sources	871,606	871,606	533,970	(337,636)	786,939
Federal sources:					
Federal government meal reimbursement	1,212,791	1,212,791	1,413,907	201,116	1,109,334
USDA Commodity contribution	138,564	138,564	168,872	30,308	125,104
<b>Total Revenues</b>	<u>2,287,609</u>	<u>2,287,609</u>	<u>2,126,481</u>	<u>(161,128)</u>	<u>2,055,536</u>
<b>EXPENDITURES</b>					
Salaries and employee benefits	1,320,031	1,320,031	1,225,673	94,358	1,130,370
Purchased services	65,000	65,000	28,863	36,137	18,809
Supplies	32,216	32,216	41,885	(9,669)	43,370
Food costs:					
Purchased food	691,000	691,000	646,665	44,335	621,404
Donated commodities	(22,216)	(22,216)	168,872	(191,088)	125,104
Internal catering and other	(11,000)	(11,000)	-	(11,000)	-
Capital outlay	-	-	1,158	(1,158)	-
<b>Total Expenditures</b>	<u>2,075,031</u>	<u>2,075,031</u>	<u>2,113,116</u>	<u>(38,085)</u>	<u>1,939,057</u>
<b>NET CHANGE IN FUND BALANCE</b>	212,578	212,578	13,365	(199,213)	116,479
<b>FUND BALANCE, BEGINNING</b>	<u>713,789</u>	<u>458,205</u>	<u>458,205</u>	<u>-</u>	<u>341,726</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 926,367</u>	<u>\$ 670,783</u>	<u>\$ 471,570</u>	<u>\$ (199,213)</u>	<u>\$ 458,205</u>



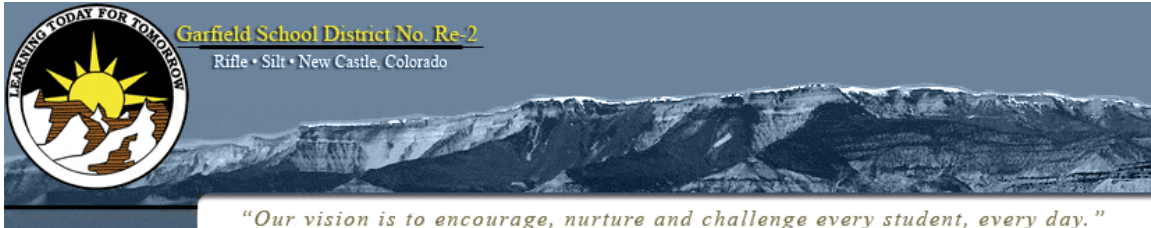
**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1195 - Garfield Re-2  
 Fiscal Year 2024-25  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

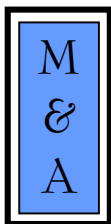
Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	22,448,837	69,198,948	70,876,896	20,770,890
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>22,448,837</b>	<b>69,198,948</b>	<b>70,876,896</b>	<b>20,770,890</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	458,205	2,126,480	2,113,116	471,569
22 Govt Designated-Purpose Grants Fund	0	1,477,809	1,477,809	0
23 Pupil Activity Special Revenue Fund	622,220	1,038,171	976,750	683,641
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	11,353,098	8,334,335	8,469,078	11,218,355
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,601,071	1,299,821	2,235,334	1,665,559
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>37,483,431</b>	<b>83,475,565</b>	<b>86,148,982</b>	<b>34,810,014</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

Garfield School District RE-2  
Single Audit Reports and Schedules



*"Our vision is to encourage, nurture and challenge every student, every day."*



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

---

WEB SITE: [www.McMAHANCPA.COM](http://www.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

**To the Board of Education  
Garfield School District RE-2  
Rifle, Colorado**

### ***Opinion on Each Major Federal Program***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Garfield School District RE-2 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2025.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion of the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Education**  
**Garfield School District RE-2**  
**Rifle, Colorado**

***Compliance and Other Matters***

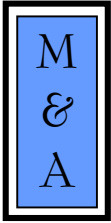
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**December 18, 2025**



# McMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

---

WEB SITE: [www.McMAHANCPA.COM](http://www.McMAHANCPA.COM)

MAIN OFFICE: (970) 845-8800

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Education  
Garfield School District RE-2  
Rifle, Colorado**

### ***Opinion on Each Major Federal Program***

We have audited Garfield School District RE-2's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT  
To the Board of Education  
Garfield School District RE-2  
Rifle, Colorado**

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITOR'S REPORT  
To the Board of Education  
Garfield School District RE-2  
Rifle, Colorado**

***Report on Internal Control Over Compliance (continued)***

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based in the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
December 18, 2025**

**Garfield School District RE-2**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2025**

**Part I – Summary of Auditor’s Results**

*Financial Statements:*

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

*Federal Awards:*

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs:	ALN:
Child Nutrition Cluster	10.553, 10.555, 10.559
Title I Grants to Local Educational Agencies	84.010
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

**Part II – Findings Related to Financial Statements**

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

**Part III – Findings Related to Federal Awards**

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

**Garfield School District RE-2**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2025**

**Reference number:** 2024-001

**Finding:** Reporting

**Federal Assistance Listing 84.425U COVID-19 - Elementary and Secondary School Emergency Relief Fund - ESSER III**  
**Department of Education**

**Criteria:** The Compliance Supplement 2024 requires local education agencies to perform special reporting on an annual basis and submit specific data that includes expenditures, planned expenditures, subrecipients, and uses of funds including for mandatory reservations. This reporting is required to be sent to the state educational agency.

**Condition:** Garfield School District RE-2 (the "District") did not complete the required reporting for ESSER III expenditures to the fiscal year ending June 30, 2024.

**Questioned Costs:** None.

**Context:** We requested specific close-out reporting for the described federal award; the reporting had not been completed.

**Effect:** The District could be limited from obtaining future federal awards if non-compliance continues.

**Cause:** The District had not been aware of required special reporting associated with specific federal award.

**Identification as a repeat finding:** Not applicable.

**Recommendation:** The District should complete all incomplete reporting for ESSER III and should implement a system to ensure reporting for future federal awards happens in accordance to federal guidelines.

**Views of Responsible Officials and Planned Corrective Action:** The District agrees with the finding. See separate auditee document for planned corrective action.

**GARFIELD SCHOOL DISTRICT RE-2**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

Program Title	Federal Assistance Listing Number	Grant Project Code	Expenditures
<b>Department of Education:</b>			
<b>Passed through Colorado Department of Education:</b>			
Title I, Part A - Improving Basic Programs Operated by Schools	84.010	4010	\$ 814,075
Title II, Part A - Supporting Effective Instruction	84.367	4367	136,642
Title III, Part A - English Language Acquisition, Competitive	84.365A	4365 / 7365	55,567
Title IV, Part A - Student Support and Academic Enrichment	84.424A	4424	86,294
Every Student Succeeds Acts (ESSA), Title I, Part A, School Improvement and Turnaround	84.010	5010	46,385
COVID-19 - Elementary and Secondary School Emergency Relief Fund			
ESSER III - ARP 9.5% State Set-Aside Rapid Request Learning Loss	84.425U	4462	90,000
COVID-19 - Elementary and Secondary School Emergency Relief Fund			
ESSER III - 9.5% State Set-Aside, Early-Service Educator Mentoring Program	84.425U	4436	20,707
<i>Education Stabilization Fund Total</i>			<u>110,707</u>
<b>Passed through the Colorado Community College System (CCCS):</b>			
Career and Technical Education	84.048	4048	14,876
<b>Total Department of Education</b>			<u>1,264,546</u>
<b>United States Treasury:</b>			
<b>Passed through Colorado Department of Education:</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)			
Emerging and Expanding Child Care (SB 22-213)	21.027	7132	47,231
<b>Total United States Treasury</b>			<u>47,231</u>
<b>Department of Agriculture:</b>			
<b>Passed through Colorado Department of Education:</b>			
School Breakfast Program	10.553	4553	267,972 <b>A</b>
Summer Food Service Program for Children	10.559	4559	79,575 <b>A</b>
National School Lunch Program	10.555	4555	1,066,360 <b>A</b>
<b>Passed through Colorado Department of Human Services:</b>			
Food Distribution, Commodities	10.555	4555	168,872 <b>A</b>
<i>Subtotal - National School Lunch Program</i>			<u>1,235,232</u>
<b>Passed through Garfield County Colorado</b>			
Forest Service Schools and Roads	10.665	7665	119,032 <b>B</b>
<b>Total Department of Agriculture</b>			<u>1,701,811</u>
<b>Department of Health and Human Services:</b>			
<b>Passed through Colorado Department of Education:</b>			
Cooperative Agreement for Emergency Response, CDE Nursing Workforce	93.354	4354	4,000
<b>Total Department of Health and Human Services</b>			<u>4,000</u>
<b>Total Expenditures</b>			<u>\$ 3,017,588</u>
<b>Additional Information for Clusters:</b>			
<b>A</b> Child Nutrition Cluster	\$ 1,582,779		
<b>B</b> Forest Service Schools and Roads Cluster	119,032		

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2025**

**Note 1. Basis of Presentation:**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Garfield School District RE-2 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the general purpose financial statements.

**Note 2. Determining the Value of Non-cash Awards Expended:**

Food Commodities: Fair market value of commodities at the time recipient receives award and the assessed value provided by the federal agency.

**Note 3. Indirect Facilities and Administration Costs**

The District does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs. Instead, the District prepares an annual cost allocation plan to allocate indirect costs.

**Note 4. Sub recipients:**

The District had no sub-recipients as of June 30, 2025