



**HI-PLAINS SCHOOL DISTRICT R-23
SEIBERT, COLORADO**

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

HI-PLAINS SCHOOL DISTRICT R-23

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Hi-Plains School District R-23
Seibert, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hi-Plains School District R-23 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

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

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents and the auditor's integrity report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the auditor's integrity report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

March 18, 2026
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

Management of Hi-Plains School District R-23 offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The focus of the information is on the primary government-general fund.

The District has adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*, the District is providing a comparative analysis of the government wide information.

Financial Highlights:

- At June 30, 2025, net position of the District was \$13,050,635 which is an increase of \$141,823 from the prior year.
- The District has a negative unrestricted net position of \$48,300 as a result of showing a net pension liability related to PERA, net health care trust fund liability related to PERA, and a Bond Payable for matching funds of the BEST Grant.
- As of the close of the 2025 fiscal year, the District's governmental funds reported combined ending fund balances of \$2,567,521, an increase of \$241,083 from the previous year.
- The District had adequate funds available for all appropriations.

Overview of Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

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

The government-wide statements have only governmental activities.

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

Governmental activities - all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds - acts as a trustee, or fiduciary for student activities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

The District's total net position was \$13,050,635.

TABLE I – CONDENSED SUMMARY OF NET POSITION		
	2024	2025
Assets:		
Current Assets	\$ 3,285,014	\$ 4,000,047
Capital Assets – Net	14,204,364	13,824,471
Deferred Outflows of Resources	758,455	490,274
Capital Assets & Deferred Outflows of Financial Resources	18,247,833	18,314,792
Liabilities:		
Current Liabilities	179,681	691,528
Non-current Liabilities	4,983,255	4,055,687
Deferred Inflows of Resources	176,085	516,942
Total Liabilities & Deferred Inflows of Financial Resources	5,339,021	5,264,157
Net Position:		
Net Invested in Capital Assets	12,675,277	12,445,862
Restricted Net Position	578,537	653,073
Unrestricted Net Position	(345,002)	(48,300)
Total Net Position(Deficit)	12,908,812	13,050,635
Total Liabilities, Deferred Outflows and Net Position	\$ 18,247,833	\$ 18,314,792

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

Financial Analysis of the District as a Whole:

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. In the case of the Hi-Plains School District R-23, assets exceed liabilities by approximately \$13,050,635, an increase of \$141,823 from 2024.

Of the District’s \$17,824,518 in assets, \$13,824,471, (78%), reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The results of this year’s operations as a whole are reported in the Statement of Activities on Page 5. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District’s activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education \$1,616,386 (56%) and the property taxes assessed to District taxpayers \$1,117,818 (39%) of the total revenue. Specific Ownership Taxes were \$129,882 (5%).

Table 2 takes the information from that statement, rearranges it slightly, so you can see the total revenues for the year equals \$2,918,737.

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES		
	2024	2025
Program Revenues:		
Charges for Services	\$8,074	\$125,632
Operating Grants	571,697	332,032
Capital Grants and Contributions	0	0
Total Program Revenues	579,771	457,664
General Revenues:		
Taxes	1,088,931	1,247,700
State Equalization	1,503,964	1,616,386
Investment Earnings	45,494	47,474
Miscellaneous Revenues	28,817	7,177
Total General Revenues	2,667,206	2,918,737
Total Revenues	3,246,977	3,376,401
Expenses:		
Instruction	1,231,268	1,252,463
Supporting Services	1,994,955	1,982,115
Total Expenses	3,226,223	3,234,578
Change in Net Position	20,754	141,823
Net Position - Beginning	12,888,058	12,908,812
Net Position Ending	\$12,908,812	\$13,050,635

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

The District Funds

At June 30, 2025, the District governmental funds reported a combined fund balance of \$2,567,521 which is an increase of \$241,083. The primary reasons for this increase are:

General Fund

General Fund revenues of \$2,940,440 increased by \$631,898 and expenditures of \$2,678,323 increased by \$179,691 in comparison to the previous year. Excess of revenues over expenditures was \$262,117. The ending fund balance increased by \$97,117 primarily due to the collection of withheld property tax revenues.

Bond Redemption Fund

Revenues from the tax levy for the construction of a new school building include \$252,097, and expenditures include interest expense and principal on bonds of \$194,429. This results in an increase in fund balance of \$57,668 leaving an ending fund balance of \$375,485.

Nonmajor Governmental Funds

The nonmajor governmental funds consisting of the capital projects fund, food service fund, and student activity fund had income of \$220,222 and expenditures of \$298,924, for a decrease in fund balance of \$78,702 before an operating transfer from the General Fund of \$165,000. The ending fund balance was \$254,630.

Financial Analysis of the District's Funds:

The financial condition of the school remains strong and the collection of withheld property tax allowed the 2025 Ending Fund Balance in the General Fund to increase by \$97,117 compared to the Ending Fund Balance in 2024.

Budgets

The budget was amended in January 2025 to reappropriate revenues and expenditures due to unforeseen changes.

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

Capital Assets and Debt Administration

At June 30, 2025, the District had \$2,706,429 invested in capital assets. This represents a decrease of \$101,942 because capital purchases did not exceed depreciation expense.

	<u>Balance</u> <u>06/30/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/25</u>
Governmental activities				
Capital Assets not Being Depreciated:				
Land	\$ 107,286	\$ -	\$ -	\$ 107,286
Capital Assets Being Depreciated:				
Buildings and Improvements	2,975,182	-	-	2,975,182
Furniture and Equipment	159,846	21,720	-	181,566
Vehicles	726,466	-	115,865	610,601
Total Capital Assets Being Depreciated	<u>3,861,494</u>	<u>21,720</u>	<u>115,865</u>	<u>3,767,349</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(585,060)	(60,340)	-	(645,400)
Furniture and Equipment	(118,485)	(15,791)	-	(134,276)
Vehicles	(456,864)	(47,531)	(115,865)	(388,530)
Total Accumulated Depreciation	<u>(1,160,409)</u>	<u>(123,662)</u>	<u>(115,865)</u>	<u>(1,168,206)</u>
Capital Assets Being Depreciated, Net	<u>2,701,085</u>	<u>(101,942)</u>	<u>-</u>	<u>2,599,143</u>
Net Capital Assets	<u>\$ 2,808,371</u>	<u>\$ (101,942)</u>	<u>\$ -</u>	<u>\$ 2,706,429</u>

	<u>Balance</u> <u>06/30/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/2025</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds, Series 2012	\$ 1,529,087	\$ -	\$ 150,478	\$ 1,378,609	\$ 155,001
Accrued Compensated Absences	2,317	11,934	-	14,251	-
Total	<u>\$ 1,531,404</u>	<u>\$ 11,934</u>	<u>\$ 150,478</u>	<u>\$ 1,392,860</u>	<u>\$ 155,001</u>

Additional information on the long-term debt can be found in Note 5 of the audit report.

HI-PLAINS SCHOOL DISTRICT R-23
Seibert, Colorado
Management Discussion and Analysis
For the Year Ended June 30, 2025

Economic Factors and Next Year's Budget and Rates:

Our 2024-2025 school year has started with approximately 13 fewer students. This will decrease our state funding for the current year and the following year. The decrease of 13 students had a negative financial impact on our budget. In addition, the COVID pandemic is still affecting our funding with increased costs for goods and services.

The 2024-2025 budget was established in compliance with the Hi-Plains School District Board of Education's policy manual. The State of Colorado and the Nation are experiencing a teacher shortage which will have a direct impact on hiring new teachers to a rural area. While the state average salary for a teacher in Colorado is above \$60,000, our District is in the mid \$40,000's. It will be a challenge for us to recruit new teachers to our rural area.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Business Manager at Hi-Plains School District R-23, P.O. Box 238, Seibert, CO 80834.

BASIC FINANCIAL STATEMENTS

HI-PLAINS SCHOOL DISTRICT R-23

STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 3,200,589
Accounts Receivable	2,910
Grants Receivable	5,239
Taxes Receivable	785,720
Inventories	5,589
BEST Grant Receivable / Right-to-Use Asset	11,118,042
Capital Assets, <i>Not Being Depreciated</i>	107,286
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>2,599,143</u>
TOTAL ASSETS	<u>17,824,518</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	471,251
OPEB, <i>Net of Accumulated Amortization</i>	<u>19,023</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>490,274</u>
LIABILITIES	
Accounts Payable	19,583
Accrued Salaries and Benefits	195,430
Due to Other Governments	471,146
Unearned Revenue	1,916
Accrued Interest Payable	3,453
Noncurrent Liabilities	
Due Within One Year	155,001
Due in More Than One Year	1,237,859
Net Pension Liability	2,616,405
Net OPEB Liability	<u>46,422</u>
TOTAL LIABILITIES	<u>4,747,215</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	464,062
OPEB, <i>Net of Accumulated Amortization</i>	<u>52,880</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>516,942</u>
NET POSITION	
Net Investment in Capital Assets	12,445,862
Restricted for:	
Debt Service	502,510
Emergencies	90,000
BEST Grant Reserve	11,700
Food Service	48,863
Unrestricted	<u>(48,300)</u>
TOTAL NET POSITION	<u>\$ 13,050,635</u>

See Notes to the Financial Statements.

HI-PLAINS SCHOOL DISTRICT R-23
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction	\$ 1,252,463	\$ -	\$ 160,826	\$ (1,091,637)
Supporting Services	1,790,030	123,642	77,550	(1,588,838)
Food Services	148,511	1,990	93,656	(52,865)
Interest on Long-Term Debt	43,574	-	-	(43,574)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,234,578	\$ 125,632	\$ 332,032	(2,776,914)
GENERAL REVENUES				
Local Property Taxes				1,117,818
Specific Ownership Taxes				129,882
State Equalization				1,616,386
Investment Income				47,474
Other				7,177
TOTAL GENERAL REVENUES				2,918,737
CHANGE IN NET POSITION				141,823
NET POSITION, Beginning				12,908,812
NET POSITION, Ending				\$ 13,050,635

HI-PLAINS SCHOOL DISTRICT R-23
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS				
Cash and Investments	\$ 2,481,807	\$ 463,733	\$ 255,049	\$ 3,200,589
Accounts Receivable	2,910	-	-	2,910
Taxes Receivable	646,759	138,961	-	785,720
Grants Receivable	-	-	5,239	5,239
Inventories	-	-	5,589	5,589
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>3,131,476</u>	\$ <u>602,694</u>	\$ <u>265,877</u>	\$ <u>4,000,047</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 19,583	\$ -	\$ -	\$ 19,583
Accrued Salaries and Benefits	186,099	-	9,331	195,430
Due to Other Governments	374,415	96,731	-	471,146
Unearned Revenue	-	-	1,916	1,916
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>580,097</u>	<u>96,731</u>	<u>11,247</u>	<u>688,075</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>613,973</u>	<u>130,478</u>	<u>-</u>	<u>744,451</u>
FUND BALANCES				
Nonspendable Inventories	-	-	5,589	5,589
Restricted for:				
Debt Service	-	375,485	-	375,485
Emergencies	90,000	-	-	90,000
BEST Grant Reserve	11,700	-	-	11,700
Food Services	-	-	48,863	48,863
Assigned to:				
Capital Projects	-	-	127,449	127,449
Student Activities	-	-	72,729	72,729
Unassigned	<u>1,835,706</u>	<u>-</u>	<u>-</u>	<u>1,835,706</u>
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>1,937,406</u>	<u>375,485</u>	<u>254,630</u>	<u>2,567,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ <u>3,131,476</u>	\$ <u>602,694</u>	\$ <u>265,877</u>	\$ <u>4,000,047</u>

HI-PLAINS SCHOOL DISTRICT R-23
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	2,567,521
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,706,429
Long-term assets are not available to pay current year expenditures and, therefore, are not reported in governmental funds		
Long-term BEST grant receivable		11,118,042
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		744,451
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(3,453)
Bonds Payable		(1,378,609)
Accrued Compensated Absences		(14,251)
Net Pension Liability		(2,616,405)
Pension-Related Deferred Outflows of Resources		471,251
Pension-Related Deferred Inflows of Resources		(464,062)
Net OPEB Liability		(46,422)
OPEB-Related Deferred Outflows of Resources		19,023
OPEB-Related Deferred Inflows of Resources		(52,880)
		13,050,635
Total Net Position of Governmental Activities	\$	13,050,635

HI-PLAINS SCHOOL DISTRICT R-23
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	GENERAL	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES				
Local Sources	\$ 1,085,040	\$ 252,097	\$ 127,191	\$ 1,464,328
County Sources	13	-	-	13
State Sources	1,760,036	-	23,718	1,783,754
Federal Sources	95,351	-	69,313	164,664
TOTAL REVENUES	2,940,440	252,097	220,222	3,412,759
EXPENDITURES				
Current				
Instruction	1,302,061	-	-	1,302,061
Supporting Services	1,335,266	-	125,139	1,460,405
Food Services	-	-	155,287	155,287
Capital Outlay	40,996	-	18,498	59,494
Debt Service				
Principal	-	150,478	-	150,478
Interest and Fiscal Charges	-	43,951	-	43,951
TOTAL EXPENDITURES	2,678,323	194,429	298,924	3,171,676
EXCESS REVENUES OVER (UNDER) EXPENDITURES	262,117	57,668	(78,702)	241,083
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	165,000	165,000
Transfers Out	(165,000)	-	-	(165,000)
TOTAL OTHER FINANCING SOURCES (USES)	(165,000)	-	165,000	-
CHANGES IN FUND BALANCES	97,117	57,668	86,298	241,083
FUND BALANCES, Beginning	1,840,289	317,817	168,332	2,326,438
FUND BALANCES, Ending	<u>\$ 1,937,406</u>	<u>\$ 375,485</u>	<u>\$ 254,630</u>	<u>\$ 2,567,521</u>

HI-PLAINS SCHOOL DISTRICT R-23
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	241,083
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 follows:		
Depreciation Expense		(123,662)
Capital Outlay		21,720
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant		
Amortization of BEST grant receivable		(277,951)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.		
		(36,358)
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		150,478
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		377
Accrued Compensated Absences		(11,934)
Net Pension Liability		752,192
Pension-Related Deferred Outflows of Resources		(260,271)
Pension-Related Deferred Inflows of Resources		(332,279)
Net OPEB Liability		34,916
OPEB-Related Deferred Outflows of Resources		(7,910)
OPEB-Related Deferred Inflows of Resources		(8,578)
		<hr/>
Change in Net Position of Governmental Activities	\$	<u><u>141,823</u></u>

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Hi-Plains School District R-23 (the District) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major and non-major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, 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 accounted for in another fund.

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments (Certificates of Deposit) are reported at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

Inventories – Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Interfund Receivables and Payables – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Buildings and Site Improvements	25-50 years
Vehicles	10-12 years
Equipment	5-10 years

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Deferred Inflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – The District’s professional staff generally work on a contract basis that provides for an agreed number of working days each year. Personnel are paid at year end for any sick days accrued greater than 30 days. Sick leave is not paid out upon termination. The GASB 101 liability for sick leave likely to be used is immaterial and therefore excluded from the financial statements. Vacation accrued is paid out at termination.

Pensions – The District participates in the School Division Trust Fund (SDTF), 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 and deductions from the SDTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Postemployment Benefits Other Than Pensions (OPEB) – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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 and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and their designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the District had bank deposits of \$2,791,388 collateralized with securities held by the financial institution’s agent but not in the District’s name.

NOTE 3: Interfund Balances and Transfers

During the fiscal year ended June 30, 2025, the General Fund transferred \$100,000 to the Food Service Fund to subsidize food and labor costs, \$15,000 to the Student Activity Fund to subsidize student activities, and \$50,000 to the Capital Reserve Fund to set-aside for capital projects.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 107,286	\$ -	\$ -	\$ 107,286
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,975,182	-	-	2,975,182
Equipment	159,846	21,720	-	181,566
Vehicles	726,466	-	115,865	610,601
Total Capital Assets, Being Depreciated	3,861,494	21,720	115,865	3,767,349
Less Accumulated Depreciation:				
Buildings and Improvements	(585,060)	(60,340)	-	(645,400)
Equipment	(118,485)	(15,791)	-	(134,276)
Vehicles	(456,864)	(47,531)	(115,865)	(388,530)
Total Accumulated Depreciation	(1,160,409)	(123,662)	(115,865)	(1,168,206)
Capital Assets, Being Depreciated, Net	2,701,085	(101,942)	-	2,599,143
Capital Assets, Governmental Activities, Net	<u>\$ 2,808,371</u>	<u>\$ (101,942)</u>	<u>\$ -</u>	<u>\$ 2,706,429</u>

Depreciation expense of the governmental activities was charged to programs of the District as follows:

Instruction	\$ 55,924
Supporting Services	67,738
Total	<u>\$ 123,662</u>

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental Activities					
G.O .Bonds, Series 2012	\$ 1,529,087	\$ -	\$ 150,478	\$ 1,378,609	\$ 155,001
Compensated Absences	2,317	11,934	-	14,251	-
Total Long-Term Debt	<u>\$ 1,531,404</u>	<u>\$ 11,934</u>	<u>\$ 150,478</u>	<u>\$ 1,392,860</u>	<u>\$ 155,001</u>

In 2013, the District issued \$6,609,572 of general obligation bonds which were used for an escrow match to a BEST grant received. These bonds, along with the grant proceeds, were used to partially replace District facilities. Principal payment is due annually on December 1, through 2033. Interest accrues at a rate of 3.02% per annum due semi-annually on June 1, and December 1. Debt service is annually obligated with ad valorem taxes collected.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt (Continued)

General Obligation Bonds

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 155,001	\$ 39,110	\$ 194,111
2027	159,660	34,381	194,041
2028	164,459	29,509	193,968
2029	169,403	24,492	193,895
2030	174,495	19,323	193,818
2031-2033	555,591	25,380	580,971
Total	<u>\$ 1,378,609</u>	<u>\$ 172,195</u>	<u>\$ 1,550,804</u>

NOTE 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Benefits Provided as of December 31, 2024 – The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant’s contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of employment was terminated, whether five 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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The District’s contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District’s contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District’s contributions to the SDTF for the year ended June 30, 2025, were \$242,733 equal to the required contributions at a contribution rate of 20.38%.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

The net pension liability was measured at 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 SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the District's proportion was 0.0151632607%, which was a decrease of 0.0038862025% from its proportion measured at December 31, 2023.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,616,405
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>234,995</u>
Total	<u><u>\$ 2,851,400</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$98,799 and a revenue of (\$21,448) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 148,162	\$ -
Changes of assumptions and other inputs	19,616	-
Net difference between projected and actual earnings on plan investments	49,363	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	117,440	464,062
Contributions subsequent to the measurement date	<u>136,670</u>	<u>-</u>
Total	<u><u>\$ 471,251</u></u>	<u><u>\$ 464,062</u></u>

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

District contributions subsequent to the measurement date of \$136,670 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ 18,076
2027	37,592
2028	(149,941)
2029	<u>(35,208)</u>
Total	<u>\$ (129,481)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of 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 of Directors at their November 20, 2020, meeting.

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 of Directors 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 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. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

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

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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, PERA’s Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director’s November 15, 2019, meeting, and again at the Board’s September 22, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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 Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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, required adjustments resulting from the 2018 and 2020 AAP assessments. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,547,239	\$ 2,616,405	\$ 1,836,702

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, 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. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and 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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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, CRS § 24-51-1206(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2025, was \$12,149, equal to the required amount.

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

At June 30, 2025, the District reported a net OPEB liability of \$46,422, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at 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 the District's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0097084162%, which was a decrease of 0.0016878277% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$10,288). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,240
Changes of assumptions and other inputs	532	14,836
Net difference between projected and actual earnings on plan investments	157	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,814	27,804
Contributions subsequent to the measurement date	6,520	-
Total	\$ 19,023	\$ 52,880

District contributions subsequent to the measurement date of \$6,520 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

<u>Year Ended June 30,</u>	
2026	\$ (7,233)
2027	(4,919)
2028	(10,853)
2029	(8,565)
2030	(6,114)
2031	<u>(2,693)</u>
Total	<u>\$ (40,377)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and 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 are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

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

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.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree table using 99% of the rates for all ages.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

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 of Directors 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.

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

- Salary increases, including wage inflation for the SDTF were 4% - 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.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in 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 SDTF participate in the HCTF (Note 7).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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 PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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%.

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the HCTF's 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 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:

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 45,172</u>	<u>\$ 46,422</u>	<u>\$ 47,838</u>

** For the January 1, 2025, plan year.

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	<u>\$ 56,891</u>	<u>\$ 46,422</u>	<u>\$ 37,397</u>

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 9: Commitments and Contingencies

Claims and Judgments

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

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: Commitments and Contingencies (Continued)

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$90,000.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 10: BEST Grant/Facility Improvements

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced in 2013. The District provided an upfront match payment held in escrow of \$2,851,230. The State is contributing the BEST grant by issuing \$14,170,935 in Certificate of Participation, Tax-Exempt Series 2012H (COPs). The District will obtain title and ownership to the improvements upon the State's repayment of the COPs. Upon the State's repayment of the COPs, the District will recognize the capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

At June 30, 2025, the improvements completed by the BEST grant and local contribution totaled \$16,693,756, which have a value of \$13,355,005, net of accumulated depreciation. The remaining value of the State's contribution, which has been booked as a long-term grant receivable in the governmental activities, was \$11,118,042 as of June 30, 2025.

As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016, fiscal year. At June 30, 2025, the restricted fund balance was \$11,700.

NOTE 11: Joint Venture

The District, in conjunction with other surrounding districts, participates in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$88,466 to the BOCES. Separate financial statements for the BOCES are available at 820 2nd Street, Limon, Colorado 80828, or online at <https://www.ecboces.org/>.

REQUIRED SUPPLEMENTARY INFORMATION

HI-PLAINS SCHOOL DISTRICT R-23
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources	\$ 1,028,471	\$ 1,085,040	\$ 56,569
County Sources	-	13	13
State Grants	1,651,544	1,760,036	108,492
Federal Grants	119,865	95,351	(24,514)
TOTAL REVENUES	2,799,880	2,940,440	140,560
EXPENDITURES			
Current			
Instruction	1,144,920	1,302,061	(157,141)
Supporting Services			
Students	38,450	75,394	(36,944)
Instructional Staff	35,334	8,966	26,368
General Administration	334,694	367,207	(32,513)
School Administration	1,250	1,788	(538)
Business Services	112,924	115,910	(2,986)
Operations and Maintenance	315,771	560,078	(244,307)
Student Transportation	155,120	177,556	(22,436)
Central Support	248,592	28,367	220,225
Contingency	2,418,125	-	2,418,125
Total Supporting Services	3,660,260	1,335,266	(93,131)
Capital Outlay	1,700	40,996	(39,296)
TOTAL EXPENDITURES	4,806,880	2,678,323	(289,568)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,007,000)	262,117	2,269,117
OTHER FINANCING SOURCES (USES)			
Transfers Out	(203,000)	(165,000)	38,000
CHANGE IN FUND BALANCE	(2,210,000)	97,117	2,307,117
FUND BALANCE, Beginning	2,210,000	1,840,289	(369,711)
FUND BALANCE, Ending	\$ -	\$ 1,937,406	\$ 1,937,406

HI-PLAINS SCHOOL DISTRICT R-23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT DATE	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0151632607%	0.0190494632%	0.0171236370%	0.0206085089%
District's Proportionate Share of the Net Pension Liability	\$ 2,616,405	\$ 3,368,597	\$ 3,118,123	\$ 2,398,288
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>234,995</u>	<u>73,863</u>	<u>908,797</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u><u>2,851,400</u></u>	<u><u>3,442,460</u></u>	<u><u>4,026,920</u></u>	<u><u>2,398,288</u></u>
District's Covered Payroll	\$ 1,171,735	\$ 1,271,717	\$ 1,320,981	\$ 1,287,968
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	265%	236%	186%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	75%	75%
FISCAL YEAR-END	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 242,733	\$ 259,176	\$ 268,405	\$ 198,455
Contributions in Relation to the Statutorily Required Contribution	<u>(242,733)</u>	<u>(259,176)</u>	<u>(268,405)</u>	<u>(198,455)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's Covered Payroll	\$ 1,191,031	\$ 1,271,717	\$ 1,319,274	\$ 998,263
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.34%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.1615273426%	0.0189264264%	0.0162353479%	0.0171187537%	0.0215327883%	0.0232088690%
\$ 2,861,294	\$ 2,425,526	\$ 3,031,227	\$ 6,962,938	\$ 6,910,178	\$ 3,427,228
<u>-</u>	<u>273,018</u>	<u>364,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,861,294</u>	<u>2,698,544</u>	<u>3,395,848</u>	<u>6,962,938</u>	<u>6,910,178</u>	<u>3,427,228</u>
\$ 1,025,268	\$ 947,936	\$ 941,108	\$ 979,662	\$ 1,027,531	\$ 954,104
279%	256%	322%	711%	673%	359%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>6/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 220,676	\$ 193,417	\$ 180,034	\$ 185,048	\$ 188,852	\$ 169,238
<u>(220,676)</u>	<u>(193,417)</u>	<u>(180,034)</u>	<u>(185,048)</u>	<u>(188,852)</u>	<u>(169,238)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,110,042	\$ 998,022	\$ 941,108	\$ 979,936	\$ 1,027,531	\$ 954,104
19.88%	19.38%	19.13%	18.88%	18.38%	17.74%

HI-PLAINS SCHOOL DISTRICT R-23
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT DATE	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0097084162%	0.0113962439%	0.0130176080%	0.0134557939%
District's Proportionate Share of the Net OPEB Liability	\$ 46,422	\$ 81,338	\$ 106,286	\$ 116,030
District's Covered Payroll	\$ 1,171,735	\$ 1,271,717	\$ 1,320,981	\$ 1,287,968
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR-END	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contribution	\$ 12,149	\$ 12,972	\$ 13,457	\$ 10,182
Contributions in Relation to the Statutorily Required Contribution	<u>(12,149)</u>	<u>(12,972)</u>	<u>(13,457)</u>	<u>(10,182)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,191,031	\$ 1,271,717	\$ 1,319,274	\$ 998,263
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Information for the full 10-year period will be presented for the years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0109475099%	0.0106096724%	0.0111272715%	0.0122348396%
\$ 104,026	\$ 119,253	\$ 151,391	\$ 159,004
\$ 1,025,268	\$ 947,936	\$ 941,108	\$ 979,662
10%	13%	16%	16%
33%	24%	17%	18%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 11,322	\$ 10,180	\$ 9,599	\$ 9,993
<u>(11,322)</u>	<u>(10,180)</u>	<u>(9,599)</u>	<u>(9,993)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,110,042	\$ 998,022	\$ 941,108	\$ 979,936
1.02%	1.02%	1.02%	1.02%

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

During the fiscal year ended June 30, 2025, the General Fund actual expenditures exceeded budgeted expenditures in the amount of \$289,568. This may be a violation of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

HCTF Plan - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

HI-PLAINS SCHOOL DISTRICT R-23
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
(Continued)

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – 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%.

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

HCTF Plan – 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.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://copera.org/forms-resources/financial-reports-and-studies>.

SUPPLEMENTARY INFORMATION

HI-PLAINS SCHOOL DISTRICT R-23
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and Investments	\$ 54,871	\$ 72,729	\$ 127,449	\$ 255,049
Grants Receivable	5,239	-	-	5,239
Inventory	5,589	-	-	5,589
		-		
TOTAL ASSETS	\$ 65,699	\$ 72,729	\$ 127,449	\$ 265,877
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued Salaries and Benefits	\$ 9,331	\$ -	\$ -	\$ 9,331
Unearned Revenues	1,916	-	-	1,916
TOTAL LIABILITIES	11,247	-	-	11,247
FUND BALANCES				
Nonspendable Inventories	5,589	-	-	5,589
Restricted for Food Service	48,863	-	-	48,863
Assigned to:				
Capital Projects	-	-	127,449	127,449
Student Activities	-	72,729	-	72,729
TOTAL FUND BALANCES	54,452	72,729	127,449	254,630
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,699	\$ 72,729	\$ 127,449	\$ 265,877

HI-PLAINS SCHOOL DISTRICT R-23
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>FOOD SERVICE</u>	<u>STUDENT ACTIVITY</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 1,990	\$ 124,483	\$ 718	\$ 127,191
State Sources	23,718	-	-	23,718
Federal Sources	<u>69,313</u>	<u>-</u>	<u>-</u>	<u>69,313</u>
TOTAL REVENUES	<u>95,021</u>	<u>124,483</u>	<u>718</u>	<u>220,222</u>
EXPENDITURES				
Current				
Supporting Services	-	125,139	-	125,139
Food Services	155,287	-	-	155,287
Capital Outlay	<u>18,498</u>	<u>-</u>	<u>-</u>	<u>18,498</u>
TOTAL EXPENDITURES	<u>173,785</u>	<u>125,139</u>	<u>-</u>	<u>298,924</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,764)</u>	<u>(656)</u>	<u>718</u>	<u>(78,702)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>100,000</u>	<u>15,000</u>	<u>50,000</u>	<u>165,000</u>
CHANGES IN FUND BALANCES	21,236	14,344	50,718	86,298
FUND BALANCES, Beginning	<u>33,216</u>	<u>58,385</u>	<u>76,731</u>	<u>168,332</u>
FUND BALANCES, Ending	<u>\$ 54,452</u>	<u>\$ 72,729</u>	<u>\$ 127,449</u>	<u>\$ 254,630</u>

HI-PLAINS SCHOOL DISTRICT R-23
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 4,500	\$ 4,500	\$ 1,990	\$ (2,510)
State Grants	38,000	38,000	23,718	(14,282)
Federal Grants	<u>58,000</u>	<u>73,795</u>	<u>69,313</u>	<u>(4,482)</u>
TOTAL REVENUES		<u>116,295</u>	<u>95,021</u>	<u>(21,274)</u>
EXPENDITURES				
Current				
Salaries	57,035	57,035	55,434	1,601
Benefits	32,353	32,353	22,754	9,599
Purchased Services	1,250	1,250	134	1,116
Supplies and Materials	89,857	89,857	76,765	13,092
Other	150	15,945	200	15,745
Capital Outlay	<u>500</u>	<u>500</u>	<u>18,498</u>	<u>(17,998)</u>
TOTAL EXPENDITURES	<u>181,145</u>	<u>196,940</u>	<u>173,785</u>	<u>23,155</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(181,145)</u>	<u>(80,645)</u>	<u>(78,764)</u>	<u>1,881</u>
OTHER FINANCING SOURCES				
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>100,000</u>	<u>20,000</u>
CHANGE IN FUND BALANCE	(101,145)	(645)	21,236	21,881
FUND BALANCE, Beginning	<u>10,000</u>	<u>10,000</u>	<u>33,216</u>	<u>23,216</u>
FUND BALANCE, Ending	<u>\$ (91,145)</u>	<u>\$ 9,355</u>	<u>\$ 54,452</u>	<u>\$ 45,097</u>

HI-PLAINS SCHOOL DISTRICT R-23
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Student Activity Fees	\$ 87,000	\$ 123,642	\$ 36,642
Investment Income	-	841	841
TOTAL REVENUES	<u>87,000</u>	<u>124,483</u>	<u>37,483</u>
EXPENDITURES			
Current			
Supporting Services	160,000	125,139	34,861
Contingency	51,031	-	51,031
TOTAL EXPENDITURES	<u>211,031</u>	<u>125,139</u>	<u>85,892</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(124,031)</u>	<u>(656)</u>	<u>123,375</u>
OTHER FINANCING SOURCES			
Transfers In	73,000	15,000	(58,000)
CHANGE IN FUND BALANCE	(51,031)	14,344	(106,409)
FUND BALANCE, Beginning	51,031	58,385	7,354
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 72,729</u>	<u>\$ 72,729</u>

HI-PLAINS SCHOOL DISTRICT R-23
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Property Taxes	\$ 193,179	\$ 250,899	\$ 57,720
Investment Income	1,000	1,198	198
TOTAL REVENUES	<u>194,179</u>	<u>252,097</u>	<u>57,918</u>
EXPENDITURES			
Debt Service			
Principal	150,478	150,478	-
Interest and Fiscal Charges	43,701	43,951	(250)
Contingency	400,000	-	400,000
TOTAL EXPENDITURES	<u>594,179</u>	<u>194,429</u>	<u>399,750</u>
CHANGE IN FUND BALANCE	(400,000)	57,668	457,668
FUND BALANCE, Beginning	<u>400,000</u>	<u>317,817</u>	<u>(82,183)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 375,485</u>	<u>\$ 375,485</u>

HI-PLAINS SCHOOL DISTRICT R-23
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Investment Income	\$ 500	\$ 718	\$ 218
EXPENDITURES			
Capital Outlay	5,000	-	5,000
Contingency	155,500	-	155,500
TOTAL EXPENDITURES	160,500	-	160,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(160,000)	718	(160,282)
OTHER FINANCING SOURCES			
Transfers In	50,000	50,000	-
CHANGE IN FUND BALANCE	(110,000)	50,718	(160,282)
FUND BALANCE, Beginning	110,000	76,731	(33,269)
FUND BALANCE, Ending	\$ -	\$ 127,449	\$ 127,449

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1460 - Hi-Plains R-23
 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	1,840,289	2,775,440	2,678,323	1,937,406
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,840,289	2,775,440	2,678,323	1,937,406
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	33,216	195,020	173,784	54,452
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	58,385	139,483	125,139	72,729
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	317,567	252,098	194,179	375,485
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	76,731	50,718	0	127,449
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,326,187	3,412,759	3,171,425	2,567,522
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL