



**LIMON SCHOOL DISTRICT
RE-4J**

**LIMON SCHOOL DISTRICT RE-4J
LIMON, COLORADO**

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

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

LIMON SCHOOL DISTRICT RE-4J

TABLE OF CONTENTS

June 30, 2025

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position 4
Statement of Activities 5

Governmental Funds Financial Statements

Balance Sheet 6
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position 7
Statement of Revenues, Expenditures and Changes in Fund Balances 8
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities 9

Notes to the Financial Statements 10

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 32
Schedule of Proportionate Share of the Net Pension Liability and Contributions 33
Schedule of Proportionate Share of the Net OPEB Liability and Contributions 35
Notes to the Required Supplementary Information 37

Nonmajor Combining and Individual Fund Statements and Budgetary Comparison Schedules

Combining Balance Sheet - Nonmajor Governmental Funds 39
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Governmental Funds 40

Budgetary Comparison Schedules
Food Service Fund 41
Student Activity Fund 42
Debt Service Fund 43
Capital Projects Fund 44

COMPLIANCE SECTION

State Compliance

Auditor’s Integrity Report 45

INDEPENDENT AUDITOR'S REPORT

Board of Education
Limon School District RE-4J
Limon, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Limon School District RE-4J (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 nonmajor combining and individual fund statements, budget comparison schedules, and the auditor's integrity report listed in the table of contents 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

December 18, 2025
Bailey, Colorado

LIMON SCHOOL DISTRICT RE-4J
912 Badger Way
PO Box 249
Limon, CO 80828

MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025

This Management’s Discussion and Analysis (MD&A) of Limon School District RE-4J is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement no. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2025. The intent of this report is to look at the District’s financial performance as a whole; readers should review the information presented here in conjunction with the District’s financial statements following this section.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$361,851. The following chart shows the trend for the past eight years.

Year	Other Post-employment Benefits
2018	\$361,851
2019	\$379,747
2020	\$312,232
2021	\$272,651
2022	\$250,360
2023	\$235,210
2024	\$198,056
2025	\$128,135

Under GASB 75 the District’s proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund, administered by the Public Employees Retirement Association, is recorded as a liability of the District.

FINANCIAL HIGHLIGHTS

The District’s total combined assets and deferred flows (for governmental activities) exceeded the total liabilities by \$18,245,786 at June 30, 2025.

The General Fund reported a fund balance of \$3,921,396 at the close of the fiscal year 2025 which was higher than the previous year balance of \$3,085,155 for an increase of \$836,241. The district strives to limit the spending of the reserves, which will eventually deplete the reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Limon School District RE-4J's basic financial statements. The basic financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities that the district operates like businesses. As of July 1, 2014, the Food Service Fund is presented as a special revenue fund in the governmental activities. In accordance with instructions from the Colorado Department of Education, the District was also required to change its Food Service Fund from a proprietary fund in 2014 to a special revenue governmental fund in 2015. As a special revenue fund certain assets and liabilities had to be reclassified to fund balance. Prior to this it was presented in the business type activities. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and how they relate to one another.

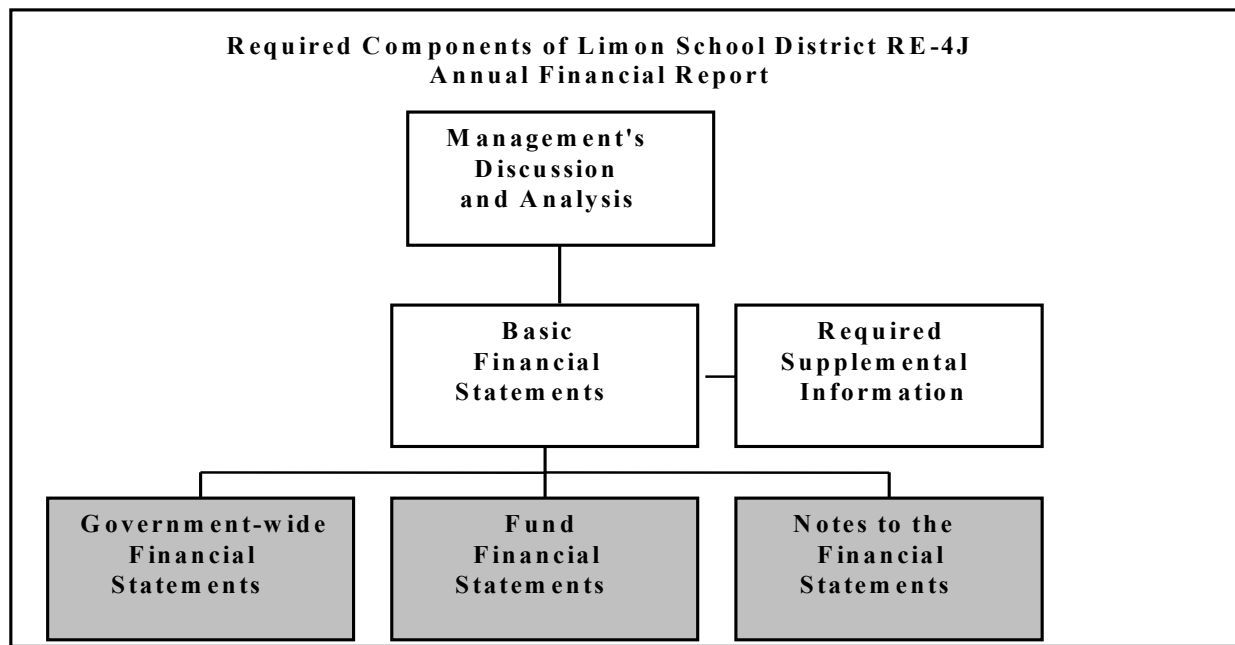


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of the overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Limon School District RE-4J Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds and the districts component units)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs	Activities the District operate similar to private businesses	Instances in which the District is the trustee or agent for someone else’s resources.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Fund Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets, liabilities and deferred flows, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the Districts funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. They consist of two statements:

The statement of net position presents information on all of the District’s assets, liabilities and deferred flows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District.

The statement of activities presents information reporting how the District’s net position changed during the fiscal year 2024-2025. All changes in net position are reported as soon as the underlying event giving

rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The government-wide financial statements of the District are reported in two categories:

Governmental Activities - This category includes the District's basic instructional services, such as elementary, junior high, and high school educational programs, support services (executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, speech, music, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.

Business-type Activities - The district currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the District's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

Limon School District RE-4J maintains five individual governmental funds. Information is presented separately in the governmental fund - balance sheet and in the governmental fund - statement of revenues, expenditures and changes in fund balances for the (1) General Fund (2) Bond Redemption fund (3) Special Revenue funds and (4) Capital Project funds. Also included in the supplementary information section is budget-to-actual information as required by law.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements. Information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law. A budgetary comparison schedule has been provided for the General, Capital Projects, Food Service, Student Activity and Debt Service funds to demonstrate compliance.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The statement of net position reports all financial and capital resources. The statement presents the assets, liabilities and deferred flows in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the district, consisting of compensated absences payable, early retirement benefits payable and capital outlay certificates payable have been reported in this manner on the statement of net position. The difference between the district's assets, liabilities and deferred flows is its net position.

The table on the next page provides a statement of the district's net position as of June 30, 2025, and June 30, 2024. A comparison between the two years highlights a few items:

- The total liabilities decreased in 2025 by \$1,517,457 compared to the year 2024.
- The total assets increased by \$277,420 in 2025.
- Ending net position increased by \$872,733 in 2025 from 2024.

Limon School District RE-4J
STATEMENT OF NET POSTITION

	June 30, 2025 Governmental Activities	June 30, 2024 Governmental Activities
Assets:		
Cash	6,152,854	5,043,928
Investments		
Accounts receivable	12,646	13,763
Accrued revenue	0	443,477
Property taxes receivable	170,327	174,099
Inventories	19,392	14,696
Capital assets Net	23,229,120	23,616,956
Total Assets	29,584,339=	29,306,919
Deferred Outflows of Resources		
Deferred Refunding - Debt	2,826	2,826
Deferred Pension Cost – Plan	1,443,391	2,223,856
Deferred Pension Cost - Entity	21,843	31,744
Total Deferred Outflows	1,468,060	2,258,426
Liabilities :		
Accounts payable	70,708	80,323
Accrued salaries and benefits	560,742	532,206
Other Liabilities		
Grant funds received, not yet earned	7,393	8,461
Accrued interest payable	13,409	15,256
Noncurrent liabilities:		
Compensated absences		242,374
Bond payments due within one year	594,480	515,801
Bonds payments due in more than one year	3,523,069	3,842,268
Net Pension Liability	7,221,783	8,202,431
Net OPEB Liability	128,135	198,056
Total Liabilities	12,119,719	13,637,176
Deferred Inflow of Resources:		
Pension	602,129	482,128
Other Post-Employment Benefits	84,765	72,988
Total Deferred Inflows	686,894	555,116
Net Position:		
Invested in capital assets	19,326,424	19,258,887
Restricted for:		
Tabor Reserve	230,000	211,000
Food Service	32,587	39,317
Preschool		990
Debt Service	1,016,464	1,152,458
Unrestricted	(2,359,689)	(3,289,599)
Total Net Position	18,245,786	17,373,053

Changes in Net Position

This section will show condensed financial comparison of revenues and expenses. Some of the highlights comparing the two years are:

Financial Comparison of Revenues and Expenses

	June 30, 2025 Governmental Activities	June 30, 2024 Governmental Activities
Revenues		
Charges for Services	390,755	386,848
Operating Grants	1,143,614	1,646,674
Property/Ownership Taxes	2,997,888	2,902,369
Capital Grants		
Earnings on investments	117,686	82,916
Other local sources	49,179	112,060
State Equalization	3,652,281	3,241,727
Transfers		
Total Revenues	8,351,403	8,372,594
Expenses		
Instructional Services	4,687,373	5,165,500
Supporting Services	2,397,307	2,613,766
Interest, amortization	173,267	197,127
Food Service	220,723	232,128
Pension/OPEB Cost		Re-Allocated
Capital Outlay		
Total Expenses	7,478,670	8,208,521
Increase (Decrease) in net position	872,733	164,073
Beginning net position	17,373,053	17,208,980
Total Net Position	18,245,786	17,373,053

The District's general revenues totaled \$6,817,034 in 2025. Approximately 36 percent of the District's revenue came from property and other taxes, with 44 percent coming from state equalization.

The total cost of all programs and services in 2025 was \$7,478,670, a decrease of \$729,851 from 2024. The District's expenses cover a range of services, encompassing instruction, supporting services, and food services.

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$11,959.82 per funded student. In fiscal year 2024-2025, the funded average pupil count was 450.5. Funding for the School Finance act comes from property taxes, specific ownership taxes and state equalization.

The attached table in this section demonstrates the changes by year for governmental activities by major function.

	2025		2024	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Instructional services	4,687,373	4,065,623	5,165,500	4,064,335
Supporting Services	2,397,307	1,701,363	2,613,766	1,906,752
Interest	173,267	173,267	197,127	197,127
Food Service	220,723	4,048	232,128	6,785
Total:	7,478,670	6,072,817	8,208,521	6,174,999

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. The School Board approves a budget in June based on enrollment projections for the following school year.

Actual revenues for the General fund totaled \$7,254,601, which was \$421,957 more than the final budget. The actual expenditures of \$6,495,174 were below budget by \$133,952. The District increased the General Fund's fund balance from the previous year by \$836,241. The \$3,921,396 fund balance as of June 30, 2025 includes \$230,000 restricted for the TABOR reserve requirement. The budgetary basis differs from generally accepted accounting principles (GAAP) in the treatment of accrued salaries, benefits and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

Bond Redemption Fund

A General Obligation Refunding issue in the amount of \$1,575,000 was issued in 2014. The corresponding activity was recorded in this fund as well as the levy and receipt of taxes to pay principal and interest on this debt as well as Matching Money Bonds.

Food Service Fund

This fund is used to account for all activity in the school lunch and breakfast program. Revenues come from meal charges as well as federal and state grants. The ending fund balance was \$51,979.

Capital Projects Fund.

This fund replaces the Capital Reserve Fund. The revenue is primarily from funds allocated from the general fund or from any grants designated specifically for building projects. The Capital Projects Fund transferred \$47,800 to the General Fund resulting in an ending fund balance of \$333,360.

Insurance Reserve Funds (combined with General Fund)

The Insurance Reserve fund includes revenues and expenses relating to property, general liability, and workers’ compensation insurance. Employee insurance programs and unemployment is expensed throughout the General Fund. Insurance policies cost \$279,292, leaving a fund balance of \$229. This fund is combined with the General Fund for financial statement reporting.

Student Activity Fund

The Student Activity Fund is established to account for monies related to student clubs, class monies and athletics. The general fund transferred \$50,000 to subsidize student activities. The deposits held for this fund for the various clubs at the close of the year was \$339,246.

BUDGETARY HIGHLIGHTS

The final fiscal year 2024-2025 budget adopted by the Board of Education for the District as a whole totaled appropriation of \$12.7 million including: General Fund appropriations of \$9.5 million, Insurance Reserve Fund appropriations of \$280,000, Bond Redemption Fund appropriations of \$1.7 million and Capital Building Project appropriations of \$454,000.

CAPITAL ASSET ADMINISTRATION

By the end of 2025, the District had invested \$32.4 million in a broad range of government-wide capital assets, including, land, buildings, various machinery and equipment. Assets are shown before accumulated depreciation of \$9,240,536.

Limon School District RE-4J

Capital Assets – Governmental Activities

	June 30, 2025	June 30, 2024
Land	90,000	90,000
Construction in Progress	-0-	-0-
Buildings	29,810,327	29,686,676
Site Improvements	852,492	724,692
Vehicles	1,114,631	1,114,631
Equipment	524,708	485,953
Right-to-Use Lease Assets	77,498	
Total Funds Capital Assets	32,379,656	32,101,952

GENERAL OBLIGATION DEBT

In 2013, the District issued \$1,575,000 in General Obligation Refunding Bonds to defease outstanding Limited Tax Certificates of Participation. Additionally, \$6,973,015 of Matching Money Bonds were issued to provide the District's match in a \$31,992,337 BEST construction project. Outstanding General Obligation debt at June 30, 2025, was \$3,902,696.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

Information from the 2024-2025 student enrollment "October count" shows that Limon School District RE-4J has decreased over the last year. The district's enrollment for the last five years has been as follows:

	24/25 FY	23/24 FY	22/23 FY	21/22 FY	20/21 FY
At Risk Count	206	255	223	199	187
Oct. 1 FTE Count	450.5	471	467	454	437
Average Funded Pupil Count	450.5	470.5	467	462.1	481.9

The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues may be adversely impacted. The District may also have to reduce its future expenditures to maintain its fund balance.

Colorado issues School Performance Frame Works for every public school in the state. The report rates each school based upon student performance on the Transitional Colorado Assessment Program (TCAP). The TCAP is administered to all three through tenth grade students. The elementary, middle schools and the high school of the District received the highest performance rating. Schools placed on a turnaround plan for three straight years face a possible state take over and/or conversion to a charter school. The district was accredited by the state.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Limon School District RE-4J, PO Box 249, 912 Badger Way, Limon, CO 80828

Respectfully submitted,

Kimberly Steinhart
Director of Business Services

BASIC FINANCIAL STATEMENTS

LIMON SCHOOL DISTRICT RE-4J

STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Cash Equivalents	\$ 6,152,854
Accounts Receivable	12,646
Taxes Receivable	170,327
Inventories	19,392
Capital Assets, <i>Not Being Depreciated</i>	90,000
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>23,139,120</u>
TOTAL ASSETS	<u>29,584,339</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding, <i>Net of Accumulated Amortization</i>	2,826
Pensions, <i>Net of Accumulated Amortization</i>	1,443,391
OPEB, <i>Net of Accumulated Amortization</i>	<u>21,843</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,468,060</u>
LIABILITIES	
Accounts Payable	70,708
Accrued Salaries and Benefits	560,742
Unearned Revenue	7,393
Accrued Interest Payable	13,409
Long-Term Liabilities	
Due Within One Year	594,480
Due in More Than One Year	3,523,069
Net Pension Liability	7,221,783
Net OPEB Liability	<u>128,135</u>
TOTAL LIABILITIES	<u>12,119,719</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	602,129
OPEB, <i>Net of Accumulated Amortization</i>	<u>84,765</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>686,894</u>
NET POSITION	
Net Investment in Capital Assets	19,326,424
Restricted for:	
Debt Service	1,016,464
Emergencies	230,000
Food Services	32,587
Unrestricted	<u>(2,359,689)</u>
TOTAL NET POSITION	<u>\$ 18,245,786</u>

LIMON SCHOOL DISTRICT RE-4J
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION PRIMARY GOVERNMENT
PRIMARY GOVERNMENT		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction	\$ 4,687,373	\$ 16,514	\$ 605,236	\$ (4,065,623)
Supporting Services	2,397,307	357,842	338,102	(1,701,363)
Food Services	220,723	16,399	200,276	(4,048)
Interest on Long-Term Debt	173,267	-	-	(173,267)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 7,478,670	\$ 390,755	\$ 1,143,614	(5,944,301)
		GENERAL REVENUES		
				2,690,918
				306,970
				3,652,281
				49,179
				117,686
				6,817,034
				CHANGE IN NET POSITION
				872,733
				NET POSITION, Beginning
				17,373,053
				NET POSITION, Ending
				\$ 18,245,786

LIMON SCHOOL DISTRICT RE-4J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 4,416,895	\$ 1,004,194	\$ 731,765	\$ 6,152,854
Accounts Receivable	6,558	-	6,088	12,646
Taxes Receivable	144,648	25,679	-	170,327
Interfund Receivables	7,462	-	-	7,462
Inventories	-	-	19,392	19,392
	<u>4,575,563</u>	<u>1,029,873</u>	<u>757,245</u>	<u>6,362,681</u>
TOTAL ASSETS	\$ <u>4,575,563</u>	\$ <u>1,029,873</u>	\$ <u>757,245</u>	\$ <u>6,362,681</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 70,708	\$ -	\$ -	\$ 70,708
Accrued Salaries and Benefits	542,937	-	17,805	560,742
Interfund Payables	-	-	7,462	7,462
Unearned Revenue	-	-	7,393	7,393
	<u>613,645</u>	<u>-</u>	<u>32,660</u>	<u>646,305</u>
TOTAL LIABILITIES	<u>613,645</u>	<u>-</u>	<u>32,660</u>	<u>646,305</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	40,522	10,156	-	50,678
	<u>40,522</u>	<u>10,156</u>	<u>-</u>	<u>50,678</u>
FUND BALANCES				
Nonspendable Inventories	-	-	19,392	19,392
Restricted for:				
Debt Service	-	1,019,717	-	1,019,717
Emergencies	230,000	-	-	230,000
Food Services	-	-	32,587	32,587
Committed to Capital Projects	-	-	333,360	333,360
Assigned to Student Activities	-	-	339,246	339,246
Unassigned	3,691,396	-	-	3,691,396
	<u>3,921,396</u>	<u>1,019,717</u>	<u>724,585</u>	<u>5,665,698</u>
TOTAL FUND BALANCES	<u>3,921,396</u>	<u>1,019,717</u>	<u>724,585</u>	<u>5,665,698</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	\$ <u>4,575,563</u>	\$ <u>1,029,873</u>	\$ <u>757,245</u>	\$ <u>6,362,681</u>

LIMON SCHOOL DISTRICT RE-4J
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	\$	5,665,698
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		23,229,120
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.		50,678
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Loss on Refunding		2,826
Accrued Interest Payable		(13,409)
Bonds Payable		(3,902,696)
Accrued Compensated Absences		(214,853)
Net Pension Liability		(7,221,783)
Pension-Related Deferred Outflows of Resources		1,443,391
Pension-Related Deferred Inflows of Resources		(602,129)
Net OPEB Liability		(128,135)
OPEB-Related Deferred Outflows of Resources		21,843
OPEB-Related Deferred Inflows of Resources		(84,765)
		18,245,786
Total Net Position of Governmental Activities	\$	18,245,786

LIMON SCHOOL DISTRICT RE-4J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
REVENUES				
Local Sources	\$ 2,658,482	\$ 564,271	\$ 386,458	\$ 3,609,211
State Sources	4,429,132	-	51,574	4,480,706
Federal Sources	<u>166,487</u>	<u>-</u>	<u>148,702</u>	<u>315,189</u>
TOTAL REVENUES	<u>7,254,601</u>	<u>564,271</u>	<u>586,734</u>	<u>8,405,606</u>
EXPENDITURES				
Current				
Instruction	3,699,390	-	381,038	4,080,428
Supporting Services	2,696,878	-	-	2,696,878
Food Services	-	-	218,709	218,709
Capital Outlay	77,498	-	-	77,498
Debt Service				
Principal	18,586	515,801	-	534,387
Interest and Fiscal Charges	<u>2,822</u>	<u>172,292</u>	<u>-</u>	<u>175,114</u>
TOTAL EXPENDITURES	<u>6,495,174</u>	<u>688,093</u>	<u>599,747</u>	<u>7,783,014</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>759,427</u>	<u>(123,822)</u>	<u>(13,013)</u>	<u>622,592</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	79,014	-	-	79,014
Transfers In	47,800	-	50,000	97,800
Transfers Out	<u>(50,000)</u>	<u>-</u>	<u>(47,800)</u>	<u>(97,800)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>76,814</u>	<u>-</u>	<u>2,200</u>	<u>79,014</u>
CHANGES IN FUND BALANCES	836,241	(123,822)	(10,813)	701,606
FUND BALANCES, Beginning	<u>3,085,155</u>	<u>1,143,539</u>	<u>735,398</u>	<u>4,964,092</u>
FUND BALANCES, Ending	<u>\$ 3,921,396</u>	<u>\$ 1,019,717</u>	<u>\$ 724,585</u>	<u>\$ 5,665,698</u>

LIMON SCHOOL DISTRICT RE-4J
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	\$	701,606
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		(755,540)
Capital Outlay		367,704
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.		
		(54,203)
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.		
		534,387
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items as follows:		
Lease Proceeds		(79,014)
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		1,847
Accrued Compensated Absences		27,521
Net Pension Liability		980,648
Pension-Related Deferred Outflows of Resources		(780,465)
Pension-Related Deferred Inflows of Resources		(120,001)
Net OPEB Liability		69,921
OPEB-Related Deferred Outflows of Resources		(9,901)
OPEB-Related Deferred Inflows of Resources		(11,777)
Change in Net Position of Governmental Activities	\$	<u><u>872,733</u></u>

LIMON SCHOOL DISTRICT RE-4J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Limon School District RE-4J (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.

LIMON SCHOOL DISTRICT RE-4J
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 are reported at fair value.

Receivables – 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 – 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.

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.

Site Improvements	15 years
Buildings	40 years
Vehicles	10 years
Equipment	5 years

LIMON SCHOOL DISTRICT RE-4J
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)

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.

Unearned Revenues – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

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

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 – Employees may accrue an unlimited amount of personal and vacation leave. Upon termination of employment at the District, employees may receive compensation at a rate equal to their base pay times a percentage based on their years of service.

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.

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.

LIMON SCHOOL DISTRICT RE-4J
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)

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 Cash Equivalents

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

Deposits	\$ 5,148,659
Cash Held by Third Party	<u>1,004,195</u>
Total	<u><u>\$ 6,152,854</u></u>

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 \$4,990,452 collateralized with securities held by the financial institution’s agent but not in the District’s name.

Cash Held by Third-Party

At June 30, 2025, the District had cash of \$1,004,195 held in trust by the Lincoln County Treasurer to collect property taxes and make debt service payments.

NOTE 3: Interfund Balances and Transfers

During the fiscal year ended June 30, 2025, the General Fund transferred \$50,000 to the Student Activity Fund to subsidize student activities and the Capital Projects Fund transferred \$47,800 to the General Fund to reimburse costs related to capital projects. In addition, at June 30, 2025, the General Fund temporarily subsidized the Food Service Fund. The Food Service Fund repaid the General Fund after year-end.

LIMON SCHOOL DISTRICT RE-4J
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 / Amortized:				
Land	\$ 90,000	\$ -	\$ -	\$ 90,000
Capital Assets, Being Depreciated / Amortized:				
Buildings	29,686,676	123,651	-	29,810,327
Site Improvements	724,692	127,800	-	852,492
Vehicles	1,114,631	-	-	1,114,631
Equipment	485,953	38,755	-	524,708
Right-to-Use Lease Assets	-	77,498	-	77,498
Total Capital Assets, Being Depreciated / Amortized	32,011,952	367,704	-	32,379,656
Less Accumulated Depreciation / Amortization:				
Buildings	(7,018,146)	(632,188)	-	(7,650,334)
Site Improvements	(403,073)	(36,019)	-	(439,092)
Vehicles	(799,394)	(38,876)	-	(838,270)
Equipment	(264,383)	(29,082)	-	(293,465)
Right-to-Use Lease Assets	-	(19,375)	-	(19,375)
Total Accumulated Depreciation / Amortization	(8,484,996)	(755,540)	-	(9,240,536)
Total Capital Assets, Being Depreciated / Amortized, Net	23,526,956	(387,836)	-	23,139,120
Capital Assets, Governmental Activities, Net	\$ 23,616,956	\$ (387,836)	\$ -	\$ 23,229,120

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

Instruction	\$ 704,261
Supporting Services	44,670
Food Services	6,609
Total	<u>\$ 755,540</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. Refunding Bonds, Series 2013	\$ 170,000	\$ -	\$ 170,000	\$ -	\$ -
G.O. Bonds, Series 2013	4,188,069	-	345,801	3,842,268	360,283
Right-to-Use Lease Liability	-	79,014	18,586	60,428	19,344
Compensated Absences	242,374	-	27,521	214,853	214,853
Total	<u>\$ 4,600,443</u>	<u>\$ 79,014</u>	<u>\$ 561,908</u>	<u>\$ 4,117,549</u>	<u>\$ 594,480</u>

LIMON SCHOOL DISTRICT RE-4J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt (Continued)

On November 12, 2013, the District issued General Obligation Refunding Bonds, Series 2013, in the amount of \$1,575,000 to advance refund \$1,700,000 Public Building Authority Limited Tax Certificates of Participation, Series 2014, with an average interest rate of 5.5%. Refunding proceeds and District funds totaling \$1,797,040 were deposited with an escrow agent to provide debt service payments of \$1,700,000 principal and \$439,091 in interest on the 2004 certificates. The bonds were refunded to create an economic gain by reducing interest costs. The refunded debt was defeased. As a result of the reacquisition price and carrying amount of the old debt, a deferred refunding was recorded in the amount of \$153,511. It is being amortized against interest costs of the refunding issue. Principal payments are due annually on December 1, through 2024. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at rates ranging from 0.78% to 4.52% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

On December 9, 2013, the District issued General Obligation Bonds, Series 2013, in the amount of \$6,973,015 to match \$25,019,362 in State of Colorado BEST (Building Excellent Schools Today) Program grant as required under the program. Principal payments are due annually on December 1, through 2034. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at an interest rate of 4.18% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	360,283	153,363	513,646
2027	375,371	137,959	513,330
2028	391,091	121,910	513,001
2029	407,469	105,189	512,658
2030-2034	2,308,054	249,568	2,557,622
Total	<u>\$ 3,842,268</u>	<u>\$ 767,989</u>	<u>\$ 4,610,257</u>

Lease Agreement

On July 19, 2023, the District entered into a lease agreement for the right-to-use thirteen copiers originally valued at \$79,014. Payments are made monthly in the amount of \$1,784 for a period of 60 months, with an implicit interest rate at 4.00% per annum. During fiscal year ending June 30, 2025, the District paid \$21,409, including principal and interest of \$18,587 and \$2,822, respectively. At June 30, 2025, the right-to-use asset cost and accumulated amortization were \$77,498 and \$19,375, respectively, with an annual amortization expense of \$7,110.

Lease payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	19,344	2,065	21,409
2027	20,132	1,277	21,409
2028	20,952	457	21,409
Total	<u>\$ 60,428</u>	<u>\$ 3,799</u>	<u>\$ 64,227</u>

LIMON SCHOOL DISTRICT RE-4J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

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://www.copera.org/forms-resources/financial-reports-and-studies>.

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.

LIMON SCHOOL DISTRICT RE-4J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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 \$645,736, equal to the required contributions at a contribution rate of 20.38%.

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.

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

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 0.0418535223%, which was a decrease of 0.0045313384% from its proportion measured at December 31, 2023.

LIMON SCHOOL DISTRICT RE-4J
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)

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	\$ 7,221,783
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	648,631
Total	\$ 7,870,414

For the year ended June 30, 2025, the District recognized pension expense of \$565,554 and a revenue of (\$59,201) 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	\$ 408,961	\$ -
Changes of assumptions and other inputs	54,143	-
Net difference between projected and actual earnings on plan investments	136,254	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	518,024	602,129
Contributions subsequent to the measurement date	326,009	-
Total	\$ 1,443,391	\$ 602,129

District contributions subsequent to the measurement date of \$326,009 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:

Year Ended June 30,	
2026	\$ 468,824
2027	431,591
2028	(287,985)
2029	(97,177)
Total	\$ 515,253

LIMON SCHOOL DISTRICT RE-4J
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)

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 of 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.
- 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.

LIMON SCHOOL DISTRICT RE-4J
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)

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.

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 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

LIMON SCHOOL DISTRICT RE-4J
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)

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

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.
- 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.

LIMON SCHOOL DISTRICT RE-4J
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 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	\$ 9,791,064	\$ 7,221,783	\$ 5,069,651

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://www.copera.org/forms-resources/financial-reports-and-studies>.

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://www.copera.org/forms-resources/financial-reports-and-studies>.

LIMON SCHOOL DISTRICT RE-4J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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.

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 \$32,318, equal to the required amount.

LIMON SCHOOL DISTRICT RE-4J
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

At June 30, 2025, the District reported a net OPEB liability of \$128,135, 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 0.0267970954%, which was a decrease of 0.0009524586% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$15,926). 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	\$ -	\$ 28,265
Changes of assumptions and other inputs	1,469	40,958
Net difference between projected and actual earnings on plan investments	436	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,622	15,542
Contributions subsequent to the measurement date	16,316	-
Total	\$ 21,843	\$ 84,765

District contributions subsequent to the measurement date of \$16,316 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:

<u>Year Ended June 30,</u>			
2026		\$	(20,276)
2027			(14,022)
2028			(19,070)
2029			(12,618)
2030			(8,827)
2031			(4,425)
Total		\$	(79,238)

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.

LIMON SCHOOL DISTRICT RE-4J
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)

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.

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%

LIMON SCHOOL DISTRICT RE-4J
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)

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

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 reflect the estimated impact of the Inflation Reduction Act for that plan option.

LIMON SCHOOL DISTRICT RE-4J
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 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. Mortality assumptions used were as follows:

- 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 PubS-2010 Disabled Retiree Table using 99% of the rates for all ages.

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.

LIMON SCHOOL DISTRICT RE-4J
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 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.
- 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 PubS-2010 Disabled Retiree Table using 99% 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.

LIMON SCHOOL DISTRICT RE-4J
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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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 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.

LIMON SCHOOL DISTRICT RE-4J
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)

- 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 employer disaffiliation payment and receivable 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:

	<u>1% Decrease</u> <u>in Trend Rates</u>	<u>Current Trend</u> <u>Rates (7.25%)</u>	<u>1% Increase</u> <u>in Trend Rates</u>
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 124,683</u>	<u>\$ 128,135</u>	<u>\$ 132,042</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:

LIMON SCHOOL DISTRICT RE-4J
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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 157,031	\$ 128,135	\$ 103,223

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://www.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.

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 \$230,000.

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: Joint Venture

The District is a member of the East Central Board of Cooperative Services (the BOCES), a joint venture of local school districts. The BOCES is governed by a board formed of one board member from each member district. The participants oversee budgeting and finance. During the fiscal year ended June 30, 2025, the District contributed \$180,496 to the BOCES. Additional information regarding the BOCES is available on www.ecboces.org/.

REQUIRED SUPPLEMENTARY INFORMATION

LIMON SCHOOL DISTRICT RE-4J
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 2,913,050	\$ 2,680,424	\$ 2,658,482	\$ (21,942)
State Grants	3,808,313	4,007,970	4,429,132	421,162
Federal Grants	140,050	144,250	166,487	22,237
TOTAL REVENUES	6,861,413	6,832,644	7,254,601	421,957
EXPENDITURES				
Current				
Instruction	4,034,197	3,858,636	3,699,390	159,246
Supporting Services				
Students	316,060	316,060	314,972	1,088
Instructional Staff	125,135	125,135	142,726	(17,591)
General Administration	280,310	280,310	276,561	3,749
School Administration	388,215	388,215	380,588	7,627
Business Services	295,030	295,030	189,601	105,429
Operations and Maintenance	922,830	945,830	993,688	(47,858)
Student Transportation	220,450	223,450	216,882	6,568
Central Support	149,010	149,010	151,829	(2,819)
Community Services	-	-	528	(528)
Facilities Acquisition	37,450	47,450	29,503	17,947
Capital Outlay	-	-	77,498	(77,498)
Total Supporting Services	2,734,490	2,770,490	2,774,376	(3,886)
Debt Service				
Principal	-	-	18,586	(18,586)
Interest	-	-	2,822	(2,822)
Total Debt Service	-	-	21,408	(21,408)
TOTAL EXPENDITURES	6,768,687	6,629,126	6,495,174	133,952
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	92,726	203,518	759,427	288,005
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	79,014	79,014
Transfers In	-	-	47,800	47,800
Transfers Out	(155,000)	(160,000)	(50,000)	110,000
TOTAL OTHER FINANCING SOURCES (USES)	(155,000)	(160,000)	76,814	236,814
CHANGE IN FUND BALANCE	(62,274)	43,518	836,241	524,819
FUND BALANCE, Beginning	2,510,747	3,085,155	3,085,155	-
FUND BALANCE, Ending	<u>\$ 2,448,473</u>	<u>\$ 3,128,673</u>	<u>\$ 3,921,396</u>	<u>\$ 792,723</u>

LIMON SCHOOL DISTRICT RE-4J
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 YEAR	<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	0.0418535223%	0.0463848607%	0.0378901429%	0.0444672839%
District's Proportionate Share of the Net Pension Liability	\$ 7,221,783	\$ 8,202,431	\$ 5,174,821	\$ 7,503,106
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>648,631</u>	<u>179,855</u>	<u>593,227</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 7,870,414</u>	<u>\$ 8,382,286</u>	<u>\$ 5,768,048</u>	<u>\$ 7,503,106</u>
District's Covered Payroll	\$ 3,234,215	\$ 3,066,458	\$ 2,853,569	\$ 2,770,522
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	181%	271%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	66%	75%	67%
FISCAL YEAR	<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	\$ 645,736	\$ 657,729	\$ 600,169	\$ 567,290
Contributions in Relation to the Statutorily Required Contribution	<u>(645,736)</u>	<u>(657,729)</u>	<u>(600,169)</u>	<u>(567,290)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,168,477	\$ 3,227,323	\$ 2,944,891	\$ 2,853,569
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	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>
0.0496303395%	0.0425087283%	0.0429403230%	0.0490028903%	0.0470645716%	0.0461365548%
\$ 6,350,712	\$ 7,603,466	\$ 15,845,793	\$ 14,012,943	\$ 7,056,260	\$ 6,550,479
<u>805,506</u>	<u>1,039,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,156,218</u>	<u>\$ 8,643,134</u>	<u>\$ 15,845,793</u>	<u>\$ 14,012,943</u>	<u>\$ 7,056,260</u>	<u>\$ 6,550,479</u>
\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616	\$ 2,058,864	\$ 2,003,098
244%	315%	688%	639%	343%	327%
65%	57%	44%	43%	59%	63%
<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 550,780	\$ 504,226	\$ 461,134	\$ 434,960	\$ 402,979	\$ 365,188
<u>(550,780)</u>	<u>(504,226)</u>	<u>(461,134)</u>	<u>(434,960)</u>	<u>(402,979)</u>	<u>(365,188)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,770,522	\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616	\$ 2,058,864
19.88%	19.38%	19.13%	18.88%	18.39%	17.74%

LIMON SCHOOL DISTRICT RE-4J
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 YEAR	<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	0.0267970954%	0.0277495540%	0.0288077983%	0.0290337551%
District's Proportionate Share of the Net OPEB Liability	\$ 128,135	\$ 198,056	\$ 250,360	\$ 272,651
District's Covered Payroll	\$ 3,234,215	\$ 3,066,458	\$ 2,853,569	\$ 2,770,522
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	3.96%	6.46%	8.77%	9.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	39.40%	32.78%
FISCAL YEAR	<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	\$ 32,318	\$ 32,919	\$ 30,038	\$ 29,106
Contributions in Relation to the Statutorily Required Contribution	<u>(32,318)</u>	<u>(32,919)</u>	<u>(30,038)</u>	<u>(29,106)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 3,168,477	\$ 3,227,323	\$ 2,944,891	\$ 2,853,569
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. Until information for the full 10-year period is available, presentation will be shown 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>
0.0286932826%	0.0277786714%	0.0279114284%	0.0278432395%
\$ 312,232	\$ 379,747	\$ 361,851	\$ 346,849
\$ 2,601,859	\$ 2,410,530	\$ 2,303,311	\$ 2,191,616
12.00%	15.75%	15.71%	15.83%
24.49%	17.03%	17.53%	16.71%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 28,259	\$ 26,539	\$ 24,588	\$ 23,493
<u>(28,259)</u>	<u>(26,539)</u>	<u>(24,588)</u>	<u>(23,493)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 2,770,522	\$ 2,601,859	\$ 2,410,530	\$ 2,303,311
1.02%	1.02%	1.02%	1.02%

LIMON SCHOOL DISTRICT RE-4J
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

At June 30, 2024, the District's Student Activity Fund actual expenditures/expenses exceeded budgeted appropriations by \$121,038. 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.

LIMON SCHOOL DISTRICT RE-4J
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://www.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://www.copera.org/forms-resources/financial-reports-and-studies>.

SUPPLEMENTARY INFORMATION

LIMON SCHOOL DISTRICT RE-4J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 59,159	\$ 339,246	\$ 333,360	\$ 731,765
Accounts Receivable	6,088	-	-	6,088
Inventories	19,392	-	-	19,392
TOTAL ASSETS	\$ 84,639	\$ 339,246	\$ 333,360	\$ 757,245
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued Salaries and Benefits	\$ 17,805	\$ -	\$ -	\$ 17,805
Interfund Payable	7,462	-	-	7,462
Unearned Revenues	7,393	-	-	7,393
TOTAL LIABILITIES	32,660	-	-	32,660
FUND BALANCES				
Nonspendable Inventories	19,392	-	-	19,392
Restricted for Food Services	32,587	-	-	32,587
Committed to Capital Projects	-	-	333,360	333,360
Assigned to Student Activities	-	339,246	-	339,246
TOTAL FUND BALANCES	51,979	339,246	333,360	724,585
TOTAL LIABILITIES AND FUND BALANCES	\$ 84,639	\$ 339,246	\$ 333,360	\$ 757,245

LIMON SCHOOL DISTRICT RE-4J
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	\$ 16,399	\$ 357,842	\$ 12,217	\$ 386,458
State Sources	51,574	-	-	51,574
Federal Sources	<u>148,702</u>	<u>-</u>	<u>-</u>	<u>148,702</u>
TOTAL REVENUES	<u>216,675</u>	<u>357,842</u>	<u>12,217</u>	<u>586,734</u>
EXPENDITURES				
Current				
Instruction	-	381,038	-	381,038
Food Services	218,709	-	-	218,709
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>218,709</u>	<u>381,038</u>	<u>-</u>	<u>599,747</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,034)</u>	<u>(23,196)</u>	<u>12,217</u>	<u>(13,013)</u>
OTHER FINANCING SOURCES				
Transfers Out	-	-	(47,800)	(47,800)
Transfers In	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>50,000</u>	<u>(47,800)</u>	<u>2,200</u>
CHANGE IN FUND BALANCES	(2,034)	26,804	(35,583)	(10,813)
FUND BALANCES, Beginning	<u>54,013</u>	<u>312,442</u>	<u>368,943</u>	<u>735,398</u>
FUND BALANCES, Ending	<u>\$ 51,979</u>	<u>\$ 339,246</u>	<u>\$ 333,360</u>	<u>\$ 724,585</u>

LIMON SCHOOL DISTRICT RE-4J
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Fees	\$ 90,850	\$ 90,850	\$ 16,082	\$ (74,768)
Miscellaneous	-	-	317	317
State Grants	3,000	3,000	51,574	48,574
Federal Grants	105,200	105,200	148,702	43,502
TOTAL REVENUES	199,050	199,050	216,675	17,625
EXPENDITURES				
Current				
Salaries	86,500	86,500	99,599	(13,099)
Benefits	26,830	26,830	25,484	1,346
Purchased Services	1,650	1,650	618	1,032
Supplies and Materials	99,550	104,550	91,239	13,311
Other	11,700	11,700	1,769	9,931
TOTAL EXPENDITURES	226,230	231,230	218,709	12,521
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,180)	(32,180)	(2,034)	30,146
OTHER FINANCING SOURCES				
Transfers In	5,000	10,000	-	(10,000)
CHANGE IN FUND BALANCE	(22,180)	(22,180)	(2,034)	20,146
FUND BALANCE, Beginning	48,508	39,317	54,013	14,696
FUND BALANCE, Ending	<u>\$ 26,328</u>	<u>\$ 17,137</u>	<u>\$ 51,979</u>	<u>\$ 34,842</u>

LIMON SCHOOL DISTRICT RE-4J
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 150,000	\$ 150,000	\$ 357,842	\$ 207,842
EXPENDITURES				
Current				
Supporting Services	260,000	260,000	381,038	(121,038)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(110,000)	(110,000)	(23,196)	86,804
OTHER FINANCING SOURCES				
Transfers In	70,000	70,000	50,000	(20,000)
CHANGE IN FUND BALANCE	(40,000)	(40,000)	26,804	86,804
FUND BALANCE, Beginning	288,426	312,442	312,442	-
FUND BALANCE, Ending	\$ 248,426	\$ 272,442	\$ 339,246	\$ 66,804

LIMON SCHOOL DISTRICT RE-4J
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 551,000	\$ 551,000	\$ 548,286	\$ (2,714)
Investment Income	2,000	2,000	15,985	13,985
TOTAL REVENUES	553,000	553,000	564,271	11,271
EXPENDITURES				
Debt Service				
Principal	476,500	476,500	515,801	(39,301)
Interest	230,000	230,000	171,992	58,008
Fees and Charges	600	600	300	300
TOTAL EXPENDITURES	707,100	707,100	688,093	19,007
CHANGE IN FUND BALANCE	(154,100)	(154,100)	(123,822)	30,278
FUND BALANCE, Beginning	1,288,951	1,143,539	1,143,539	-
FUND BALANCE, Ending	<u>\$ 1,134,851</u>	<u>\$ 989,439</u>	<u>\$ 1,019,717</u>	<u>\$ 30,278</u>

LIMON SCHOOL DISTRICT RE-4J
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Investment Income	\$ 5,000	\$ 5,000	\$ 12,217	\$ 7,217
EXPENDITURES				
Capital Outlay	210,000	210,000	-	210,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(205,000)	(205,000)	12,217	217,217
OTHER FINANCING SOURCES				
Transfers Out	-	-	(47,800)	(47,800)
Transfers In	80,000	80,000	-	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	80,000	80,000	(47,800)	(127,800)
CHANGE IN FUND BALANCE	(125,000)	(125,000)	(35,583)	89,417
FUND BALANCE, Beginning	363,855	368,943	368,943	-
FUND BALANCE, Ending	\$ 238,855	\$ 243,943	\$ 333,360	\$ 89,417

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1790 - Limon RE-4J
 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	3,083,644	7,048,035	6,211,501	3,920,177
18 Risk Mgmt Sub-Fund of General Fund	521	279,000	279,292	229
19 Colorado Preschool Program Fund	990	0	0	990
Sub-Total	3,085,155	7,327,035	6,490,793	3,921,396
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	54,014	216,674	218,709	51,979
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	312,442	407,842	381,038	339,246
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,143,539	564,271	688,093	1,019,717
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	368,942	-35,582	0	333,360
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	4,964,092	8,480,240	7,778,634	5,665,698
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