

**HOLLY SCHOOL DISTRICT RE-3
HOLLY, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

**HOLLY SCHOOL DISTRICT RE-3
ROSTER OF SCHOOL OFFICIALS**

JUNE 30, 2025

BOARD OF EDUCATION

Jesse Frey - President
Bradley Simon - Vice President
Alicia Schenck - Secretary
Craig Schwab - Treasurer
Dustin Heck - Director

ADMINISTRATIVE STAFF

Shelbie Schenck
Superintendent of Schools

Aly Fellows – JH/HS Principal
Laura Biggs – Elementary Principal

Kayla Gomez
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

**HOLLY SCHOOL DISTRICT RE-3
MANAGEMENT'S DISCUSSION & ANALYSIS**

This section of the Holly School District RE-3's financial report offers readers of the district's financial statements its discussion and analysis of the district's financial performance during the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

The District's net pension liability was \$740,981 Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. Ending net position of governmental activities decreased by \$(520,065) to \$20,515,852.

Financial Highlights

The assets of Holly School District RE-3 exceeded its liabilities at the close of June 30, 2025 by \$20,515,852 (net position) as reported in the government-wide financial statements.

Expenses of \$5,126,673 were offset by program specific charges, grants and contributions of 172,598. General revenues from amounted to \$4,478,756.

The General Fund reported a fund balance of \$7,106,223 at the close of June 30, 2025. Fund balance decreased by \$73,214 over the prior year. This District strives to adopt a balanced budget, which will both meet and exceed the needs of the students and still help provide a stable foundation for the District.

Overview of the Financial Statements

The Holly School District RE-3 basic financial statements are comprised of three components

1. Government wide financial statements - focusing on long-term and short-term information about the District's overall financial status including the General Fund, Food Service Fund, Capital Project Funds, and Bond Fund.
2. Fund financial statements - focusing on individual parts of the government, reporting the District's operations in more detail than the government wide-statements
3. Notes to the financial statements - required supplemental information that further explain and supports the information in the financial statements

Government-wide Statements

The financial statements provided are designed to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students. The statement of net position includes all of the government's assets, liabilities and deferred flows. All of the current year revenues and expenses are accounted for in the statement of activities.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, liabilities and deferred flows, is one indicator of the District's financial health. Over time, increases or decreases in the District's net position measures whether the financial health is improving or deteriorating. Readers also need to consider additional non-fictional factors in rating the district overall such as changes in the District's tax base, student enrollment, and overall condition of buildings.

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Current Assets	\$ 8,005,639	\$ 7,965,604
Other Assets	<u>18,903,107</u>	<u>19,816,480</u>
Total Assets	<u>26,908,746</u>	<u>27,782,084</u>
Deferred Outflows of Financial Resources	<u>1,430,450</u>	<u>2,087,328</u>
Current Liabilities	882,517	781,039
Long-Term Liabilities	<u>6,199,846</u>	<u>7,455,599</u>
Total Liabilities	<u>7,082,363</u>	<u>8,236,638</u>
Deferred Inflows of Financial Resources	<u>740,981</u>	<u>1,377,896</u>
Net Investment in Capital Assets	17,580,873	18,303,116
Restricted Net Position	1,154,251	1,105,545
Unrestricted Net Position	<u>1,780,728</u>	<u>1,627,256</u>
Total Net Position (Deficit)	<u>\$ 20,515,852</u>	<u>\$ 21,035,917</u>

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services are included within the governmental activities, such as instruction, support, general administration, food service, and capital outlay. The statements also indicate that funding for these services come primarily from state equalization, property tax, and grant sources.

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Program Revenues:		
Charges for Services	\$ 171,754	\$ 235,103
Operating Grants	577,140	919,742
Capital Grants	<u>(576,296)</u>	<u>(576,296)</u>
Total Program Revenues	<u>172,598</u>	<u>578,549</u>
General Revenues:		
Taxes	1,191,385	1,194,681
State Equalization	3,218,276	2,828,004
Investment Income	260,715	205,790
Miscellaneous	<u>(191,620)</u>	<u>106,806</u>
Total General Revenues	<u>4,478,756</u>	<u>4,335,281</u>
Total Revenues	<u>4,651,354</u>	<u>4,913,830</u>
Expenses		
Instruction	2,899,460	2,896,053
Supporting Services	<u>2,227,213</u>	<u>2,206,470</u>
Total Expenses	<u>5,126,673</u>	<u>5,102,523</u>
Change in Net Position	<u>(475,319)</u>	<u>(188,693)</u>
Net Position - Beginning	21,035,917	21,332,851
Prior Period Restatement	<u>(44,746)</u>	<u>(108,241)</u>
Net Position - Beginning (Restated)	20,991,171	21,224,610
Net Position (Deficit) - Ending	<u>\$ 20,515,852</u>	<u>\$ 21,035,917</u>

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Holly School District uses fund accounting to guarantee and prove compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances. Such information is used to evaluate the District's short-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Comparison of the governmental funds with the government-wide funds may allow a better understanding of the long-term impact of the District's near-term financing decisions.

Holly School District maintains the following fund types:

General Fund - accounts for all financial resources except for those legally required to be accounted for separately.

Colorado Preschool Project Fund (CPP) - reported as part of the General Fund)- accounts for all financial resources related to preschool students identified by the CPP program.

Pupil Activity Agency Fund - accounts for all financial resources held by special interest groups such as clubs, organizations, and classes.

Food Service Fund - accounts for all financial resources related to the operation of the school lunch program.

Bond Fund- tracks the tax income from the bonds and the payments to the holding company.

Capital Reserve/Capital Project Fund - accounts for resources to be used for capital items.

Notes to the Basic Financial Statements

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

Required Supplementary Information

The district adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. Also the remaining governmental funds budgetary comparisons are reported as other supplemental information.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Holly School District, assets exceeded liabilities by \$20,515,852 at the close of business on June 30, 2025.

Holly School District reported assets consisting of current assets of \$8,005,639 and net capital assets of \$18,903,107. Current assets include cash and cash equivalents primarily in the General Fund. The ratio of current assets to current liabilities of 12 to 1 indicates the district's ability to meet current obligations.

The district's total net position on June 30, 2025 was \$20,515,582. Of the District's net position, \$17,580,873 reflects investment in capital assets (land, buildings, infrastructure, machinery, and equipment, net debt). The District uses capital assets to provide services to students. Thus these assets are not available for future spending. The unrestricted net position of \$ 1,780,728 may be used to meet the District's ongoing financial obligations.

	Balance 07/01/24	Additions	Deletions	Balance 06/30/25
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Capital assets being depreciated:				
Buildings	3,301,255	-	560,000	2,741,255
Equipment	3,133,439	-	1,272,474	1,860,965
Food Service equipment	11,942	-	-	11,942
Transportation equipment	989,338	125,586	144,135	970,789
Land Improvements	799,223	-	642,245	156,978
Subscription assets	15,729	-	-	15,729
Total capital assets being depreciated	<u>8,250,926</u>	<u>125,586</u>	<u>2,618,854</u>	<u>5,757,658</u>
Accumulated Depreciation				
Buildings	(1,702,086)	(64,136)	(536,000)	(1,230,222)
Equipment	(3,009,232)	(17,815)	(1,272,474)	(1,754,573)
Food Service equipment	(11,942)	-	-	(11,942)
Transportation equipment	(538,097)	(62,302)	(132,442)	(467,957)
Land Improvements	(420,954)	(12,924)	(380,919)	(52,959)
Subscription assets	(5,462)	(3,633)	-	(9,095)
Total accumulated depreciation	<u>(5,687,773)</u>	<u>(160,810)</u>	<u>(2,321,835)</u>	<u>(3,526,748)</u>
Net Capital Assets	<u>\$ 2,673,153</u>	<u>\$ (35,224)</u>	<u>\$ 297,019</u>	<u>\$ 2,340,910</u>

The District also has three lease agreements for copy machines. The junior high/senior high and elementary copier leases are with Canon Financial Services, and the administrative copier lease is with Business Solutions. All are operating leases.

Long-term Debt

The District issued \$3,417,833 in General Obligation Bonds in 2010 as matching money for a BEST construction grant. The outstanding balance at year-end was \$1,322,234.

	Balance 07/01/24	Advances	Payments	Balance 06/30/25	Current Portion
General obligation bonds, Series 2010	\$ 1,513,364	\$ -	\$ 191,130	\$ 1,322,234	\$ 198,932
Accrued compensated absences	59,540	-	17,518	42,023	-
Total	<u>\$ 1,572,904</u>	<u>\$ -</u>	<u>\$ 208,648</u>	<u>\$ 1,364,257</u>	<u>\$ 198,932</u>

General Fund Budgetary Highlights

Holly School District Re-3 adopted a budget of \$7,684,183 in the 2024-2025 fiscal year. The final budget and budget resolution was adopted on January 13, 2025. The revised budget was \$7,651,978.

The district was able to hire a full-time counselor to meet the needs of students. The district used REAP funds to help purchase new projectors for classrooms and new MacBooks for teachers. The district purchased a Chevrolet Trax to meet the needs of the transportation department. New curriculums for high school science and math were purchased, as well as professional development for the elementary English curriculum.

Next Year's Budget and Future Economic Status of the District

The district plans to create a spend down plan for any reserves in excess of 13 months operating costs. The district plans to purchase and update curriculum in history with the reserves and purchase a new math curriculum for grades K-3.. The district updated the gym floor and will finish the paint project throughout the school.

Requests for Information

This financial report is designed to demonstrate accountability and provide the District's citizens, taxpayers, customers, and creditors a general overview of the District's finances. Questions or comments concerning this report may be sent to Shelbie Schenck, Superintendent of Schools, PO Box 608, Holly, CO 81047 or call 719-537-6616.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Holly School District RE-3
Holly, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Holly School District RE-3, as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Holly School District RE-3's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the remaining fund information of the Holly School District RE-3 as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Holly School District RE-3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the 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 Holly School District RE-3'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.

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Holly School District RE-3'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 Holly School District RE-3'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.

Report on Summarized Comparative Information

We have previously audited the Holly School District RE-3's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 15 to the financial statements, the 2024 financial statements have been restated to reflect certain payroll costs of the Food Service Fund that had not been reimbursed to the General Fund as of June 30, 2024. These costs were also not recorded as a receivable from the Food Service Fund at year end and were instead incorrectly expensed in the General Fund. In addition, the District has adopted GASB Statement 101 – Compensated Absences which required restatement of the prior year accrued leave liability. Our opinion is not modified with respect to these matters.

Required Supplementary Information

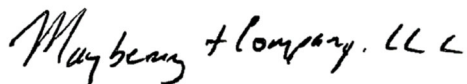
Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents be presented to supplement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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Holly School District RE-3's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.



Englewood, Colorado
December 11, 2025

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2025.

HOLLY SCHOOL DISTRICT RE-3
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 7,588,165
Cash with Fiscal Agent	22,607
Taxes Receivable	56,892
Interfund Accounts Receivable	285,226
Grants Receivable	14,395
Other Accounts Receivable	36,915
Inventory	1,439
Total Current Assets	<u>8,005,639</u>
Noncurrent Assets	
Capital Assets, not being depreciated	110,000
Capital Assets, being depreciated	2,230,908
Long-Term BEST Grant Receivable	16,562,199
Total Noncurrent Assets	<u>18,903,107</u>
TOTAL ASSETS	<u>26,908,746</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	1,417,026
Net Deferred Outflows OPEB	13,424
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>1,430,450</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 28,339,196</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Interfund Accounts Payable	285,226
Accounts Payable	\$ 155,342
Accrued Interest	4,498
Accrued Salaries & Benefits	436,521
Unearned Revenue	930
Total Current Liabilities	<u>882,517</u>
Noncurrent Liabilities	
Due Within One Year	198,932
Due In More Than One Year	6,000,914
Total Noncurrent Liabilities	<u>6,199,846</u>
TOTAL LIABILITIES	<u>7,082,363</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Net Deferred Inflows Pensions	693,943
Net Deferred Inflows OPEB	47,038
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>740,981</u>
NET POSITION	
Net Investment in Capital Assets	17,580,873
Restricted Net Position	1,173,122
Unrestricted Net Position	1,761,857
TOTAL NET POSITION	<u>20,515,852</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 28,339,196</u>

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

HOLLY SCHOOL DISTRICT RE-3
Balance Sheet
Governmental Funds
June 30, 2025
(With Comparative Totals for June 30, 2024)

	<u>Debt Service</u>			<u>Totals</u>	
	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Other Governmental Funds</u>	<u>2025</u>	<u>Restated 2024</u>
ASSETS					
Cash and Investments	\$ 6,575,620	\$ 839,294	\$ 173,251	\$ 7,588,165	\$ 7,519,412
Cash with Fiscal Agent	16,986	5,621	-	22,607	18,704
Taxes Receivable	42,489	14,403	-	56,892	105,776
Interfund Accounts Receivable	10,979	-	274,247	285,226	289,041
Grants Receivable	3,416	-	10,979	14,395	-
Other Accounts Receivable	36,915	-	-	36,915	14,169
Inventory	-	-	1,439	1,439	1,002
Prepaid Expenses	-	-	-	-	17,500
TOTAL ASSETS	<u>\$ 6,686,405</u>	<u>\$ 859,318</u>	<u>\$ 459,916</u>	<u>\$ 8,005,639</u>	<u>\$ 7,965,604</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 274,247	\$ -	\$ 10,979	\$ 285,226	\$ 289,041
Accounts Payable	155,342	-	-	155,342	80,006
Accrued Salaries & Benefits	417,981	-	18,540	436,521	390,762
Unearned Revenue	-	-	930	930	1,288
Total Liabilities	<u>847,570</u>	<u>-</u>	<u>30,449</u>	<u>878,019</u>	<u>761,097</u>
Deferred Inflows of Financial Resources					
Deferred Revenue	<u>15,704</u>	<u>5,693</u>	<u>-</u>	<u>21,397</u>	<u>25,070</u>
Fund Balance					
Nonspendable Fund Balance	-	-	1,439	1,439	1,002
Restricted Fund Balance					
Restricted for Debt Service	-	853,625	-	853,625	805,658
Restricted for TABOR Emergency	156,000	-	-	156,000	148,000
Restricted for Universal Preschool	33,895	-	-	33,895	48,422
Restricted for BEST Capital Reserve	128,163	-	-	128,163	102,463
Committed Fund Balance					
Committed for Fund Purposes	-	-	105,089	99,069	106,085
Assigned Fund Balance					
Assigned for Fund Purpose	-	-	328,959	328,959	328,658
Unassigned Fund Balance	<u>5,505,073</u>	<u>-</u>	<u>(6,020)</u>	<u>5,505,073</u>	<u>5,639,149</u>
Total Fund Balance	<u>5,823,131</u>	<u>853,625</u>	<u>429,467</u>	<u>7,106,223</u>	<u>7,179,437</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 6,686,405</u>	<u>\$ 859,318</u>	<u>\$ 459,916</u>	<u>\$ 8,005,639</u>	<u>\$ 7,965,604</u>

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

HOLLY SCHOOL DISTRICT RE-3
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2025

Fund Balance - Governmental Funds		\$ 7,106,223
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 110,000	
Capital assets, being depreciated	5,757,658	
Accumulated depreciation	<u>(3,526,750)</u>	2,340,908
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Long-Term BEST Grant Receivable	16,562,199	
Deferred Revenues	<u>21,397</u>	16,583,596
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
PERA Pension		
Net pension deferred outflows	1,417,026	
Net pension liability	(4,751,288)	
Net pension deferred inflows	<u>(693,943)</u>	(4,028,205)
PERA Health Care Trust Fund (OPEB)		
Net OPEB deferred outflows	13,424	
Net OPEB liability	(84,301)	
Net OPEB deferred inflows	<u>(47,038)</u>	(117,915)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,322,234)	
Accrued interest payable	(4,498)	
Accrued compensated absences	<u>(42,023)</u>	<u>(1,368,755)</u>
Total Net Position - Governmental Activities		<u>\$ 20,515,852</u>

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

HOLLY SCHOOL DISTRICT RE-3
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>Debt Service</u>			<u>Totals</u>	
	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Other Governmental Funds</u>	<u>2025</u>	<u>Restated 2024</u>
REVENUES					
Local Sources	\$ 1,285,559	\$ 297,022	\$ 146,609	\$ 1,729,190	\$ 1,839,612
Intermediate Sources	4,869	-	-	4,869	4,885
State Sources	3,483,306	-	35,197	3,518,503	3,211,851
Federal Sources	201,668	-	117,913	319,581	438,612
TOTAL REVENUES	<u>4,975,402</u>	<u>297,022</u>	<u>299,719</u>	<u>5,572,143</u>	<u>5,494,960</u>
EXPENDITURES					
Instruction	2,869,509	-	126,783	2,996,292	2,574,027
Pupil Support	200,071	-	-	200,071	267,170
Staff Support	43,335	-	-	43,335	77,855
General Administration	321,998	-	-	321,998	205,473
School Administration	238,228	-	-	238,228	163,397
Business Services	99,752	50	-	99,802	82,005
Operations and Maintenance	842,635	-	-	842,635	688,931
Transportation	394,421	-	-	394,421	455,098
Food Service	-	-	219,214	219,214	240,034
Community Support	40,106	-	-	40,106	38,327
Facilities	250	-	-	250	250
Debt Service	-	249,005	-	249,005	249,157
TOTAL EXPENDITURES	<u>5,050,305</u>	<u>249,055</u>	<u>345,997</u>	<u>5,645,357</u>	<u>5,041,724</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(74,903)	47,967	(46,278)	(73,214)	453,236
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	(40,000)	-	40,000	-	-
CHANGE IN FUND BALANCE	(114,903)	47,967	(6,278)	(73,214)	453,236
BEGINNING FUND BALANCE	<u>5,938,034</u>	<u>805,658</u>	<u>435,745</u>	<u>7,179,437</u>	<u>6,726,201</u>
ENDING FUND BALANCE	<u>\$ 5,823,131</u>	<u>\$ 853,625</u>	<u>\$ 429,467</u>	<u>\$ 7,106,223</u>	<u>\$ 7,179,437</u>

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

HOLLY SCHOOL DISTRICT RE-3
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2025

Change in Fund Balance - Governmental Funds \$ (73,214)

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$ 125,586	
Depreciation Expense	(160,810)	
Gain (Loss) on Asset Disposals	<u>(297,019)</u>	(332,243)

The long term BEST grant receivable is being amortized due to depreciation on the underlying building that is the basis of grant.

Amortization of BEST grant receivable		(581,130)
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Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds

Change in Deferred Revenue		(3,673)
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Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

PERA Pension

Change in deferred pension outflows	(631,650)	
Change in net pension liability	288,224	
Change in deferred pension inflows	<u>614,642</u>	271,216

PERA Health Care Trust Fund (OPEB)

Change in deferred OPEB outflows	(25,228)	
Change in net OPEB liability	37,383	
Change in deferred OPEB inflows	<u>22,273</u>	34,428

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Principal payments on bonds payable	191,130	
Change in accrued interest payable	650	
Change in accrued compensated absences	<u>17,517</u>	<u>209,297</u>

Change in Net Position - Governmental Activities \$ (475,319)

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Holly School District RE-3 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity."

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Jointly Governed Organizations

The District is a participant among fourteen districts in a jointly governed organization to operate the Southeastern Colorado Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 703 South 3rd Street, Lamar, CO 81052. The District paid total assessments of \$50,619 to the BOCES for the year ended June 30, 2025.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not present any business type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service (Bond Redemption) – This fund is used to account for the repayment of the District's general obligation indebtedness.

The District also reports the following nonmajor governmental funds:

Special Revenue (Food Service and Pupil Activity) Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

Capital Project (Capital Reserve) – This fund accounts for the District's routine capital projects.

The District does not maintain any fiduciary funds.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools 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 Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

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

Inventories – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the disbursement and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation has been provided over the estimated useful lives of the underlying asset in the government-wide presentation. Depreciation is computed on a straight-line basis based on the following useful lives:

Buildings and Site Improvements	10-80 years
Vehicles	10-25 years
Other Equipment	5-15 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2024 property taxes were both measurable and available at June 30, 2025, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2025 but not collected by June 30, 2025. For those amounts not received within 60 days subsequent to year end, a deferred inflow was reported at the fund level.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. As the District only allows a carryover of 10 days of unused sick leave that is not paid upon termination, no liability has been recorded in the financial statements.

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

Long-Term Debt – The District’s general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 7 and 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pension and OPEB liabilities as further described in Note 7 and 9 as well as deferred inflows for property taxes at the fund level.

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

Net Position/ Fund Balance and Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash components on the balance sheet to the cash categories in this footnote are as follows:

Deposits and On Hand	\$ 5,068,556
Investments	<u>2,519,609</u>
Total	<u>\$ 7,588,165</u>
Government-wide - unrestricted	<u>\$ 7,588,165</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2025, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 1,000,000	\$ 1,000,000
PDPA Collateralized (not in District Name)	4,117,534	4,066,941
Cash on Hand	<u>-</u>	<u>1,615</u>
Total Cash Deposits and On Hand	<u>\$ 5,117,534</u>	<u>\$ 5,068,556</u>

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The District invested in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of Colotrust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by Colotrust. The fair value of the position in the pool is the same as the valuation of the pool shares.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2025, the District did not have any investments requiring disclosure. At June 30, 2025, the District's investment in the Colorado Government Liquid Assets Trust (Colotrust) was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2025, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory of \$1,439 as of June 30, 2025, consisted of \$251 of non-food inventory and \$1,188 of purchased food and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	Balance 07/01/24	Additions	Deletions	Balance 06/30/25
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Capital assets being depreciated:				
Buildings	3,301,255	-	560,000	2,741,255
Equipment	3,133,439	-	1,272,474	1,860,965
Food Service equipment	11,942	-	-	11,942
Transportation equipment	989,338	125,586	144,135	970,789
Land Improvements	799,223	-	642,245	156,978
Subscription assets	15,729	-	-	15,729
Total capital assets being depreciated	<u>8,250,926</u>	<u>125,586</u>	<u>2,618,854</u>	<u>5,757,658</u>
Accumulated Depreciation				
Buildings	(1,702,086)	(64,136)	(536,000)	(1,230,222)
Equipment	(3,009,232)	(17,815)	(1,272,474)	(1,754,573)
Food Service equipment	(11,942)	-	-	(11,942)
Transportation equipment	(538,097)	(62,302)	(132,442)	(467,957)
Land Improvements	(420,955)	(12,924)	(380,919)	(52,960)
Subscription assets	(5,463)	(3,633)	-	(9,096)
Total accumulated depreciation	<u>(5,687,775)</u>	<u>(160,810)</u>	<u>(2,321,835)</u>	<u>(3,526,750)</u>
Net Capital Assets	<u>\$ 2,673,151</u>	<u>\$ (35,224)</u>	<u>\$ 297,019</u>	<u>\$ 2,340,908</u>

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation has been allocated to the District’s operations in the activity level presentation as follows:

Instruction	\$ 89,284
Supporting services	<u>71,526</u>
Total depreciation	<u>\$ 160,810</u>

NOTE 5: 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, as of June 30, 2025 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$ 417,981
Food Service Fund	<u>18,540</u>
Total Accrued Salaries and Benefits	<u>\$ 436,521</u>

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2025:

	<u>Balance</u> <u>07/01/24</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/25</u>	<u>Current</u> <u>Portion</u>
General obligation bonds, Series 2010	\$ 1,513,364	\$ -	\$ 191,130	\$ 1,322,234	\$ 198,932
Accrued compensated absences	<u>59,540</u>	<u>-</u>	<u>17,518</u>	<u>42,023</u>	<u>-</u>
Total	<u>\$ 1,572,904</u>	<u>\$ -</u>	<u>\$ 208,648</u>	<u>\$ 1,364,257</u>	<u>\$ 198,932</u>

An interest summary of the District’s long-term debt is as follows:

	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Paid</u>	<u>Interest</u> <u>Expense</u>
General obligation bonds, Series 2010	<u>\$ 4,498</u>	<u>\$ 57,875</u>	<u>\$ 57,225</u>

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: LONG-TERM DEBT (Continued)

In 2010, the District issued \$3,417,833 of general obligation bonds to refund bonds issued in 1999. Principal is due annually on December 1, and interest at rates from 1.50% to 3.30% is due semiannually on June 1 and December 1. The District realized \$45,385 of net present value savings on this refinancing. Payments are made through the Bond Redemption Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 198,932	\$ 49,913	\$ 248,845
2027	207,053	41,627	248,680
2028	215,504	33,003	248,507
2029	224,301	24,026	248,327
2030	233,457	14,684	248,141
2031	242,987	4,959	247,946
Total	<u>\$ 1,322,234</u>	<u>\$ 168,212</u>	<u>\$ 1,490,446</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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

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

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

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

	7/1/24- 6/30/25
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	10.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$433,651 for the year ended June 30, 2025.

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

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

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

At June 30, 2025, the District reported a liability of \$4,751,288 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (4,751,288)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (391,572)
Total	\$ (5,142,860)

At December 31, 2024, the District's proportion was .027536%, which was a decrease of .00096% from its proportion measured as of December 31, 2023.

HOLLY SCHOOL DISTRICT RE-3
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)

For the year ended June 30, 2025 the District recognized pension expense of \$451,398 and revenue of \$38,949 of 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	Deferred Inflows
Difference between expected and actual experience	\$ 269,058	\$ -
Changes of assumptions or other inputs	\$ 35,621	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 783,587	\$ (693,943)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 85,575	\$ -
Contributions subsequent to the measurement date	\$ 243,185	\$ -
Total	\$ 1,417,026	\$ (693,943)

\$243,185 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2026	\$ 314,584
2027	\$ 377,702
2028	\$ (148,455)
2029	\$ (63,933)
Total	\$ 479,898

HOLLY SCHOOL DISTRICT RE-3
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 December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately with each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

HOLLY SCHOOL DISTRICT RE-3
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 actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

Salary increases, including wage inflation:	4.00%- 13.40%
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Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

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

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

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

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

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

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

HOLLY SCHOOL DISTRICT RE-3
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)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

HOLLY SCHOOL DISTRICT RE-3
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)

Sensitivity of the Holly School District RE-3 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (6,441,646)	\$ (4,751,288)	\$ (3,335,378)

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

Subsequent Events

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the Holly School District RE-3 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program (PERAPlus 401(k) Plan)

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2025 program members contributed \$11,948.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$21,704 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$84,301 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was .01763%, which was a decrease of .0006% from its proportion measured as of December 31, 2023.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB income of \$9,753. 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	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (18,595)
Changes of assumptions or other inputs	\$ 967	\$ (26,947)
Net difference between projected and actual earnings on pension plan investments	\$ 286	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (1,496)
Contributions subsequent to the measurement date	\$ 12,171	\$ -
Total	\$ 13,424	\$ (47,038)

\$12,171 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2026	\$ (12,733)
2027	(6,331)
2028	(12,998)
2029	(7,074)
2030	(3,923)
2031	(2,726)
Total	\$(45,785)

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
Service-based premium subsidy	0.00%
PERACare Medicare Plans	16% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2034

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and Older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 6,539	\$ 5,429
70	\$ 1,921	\$ 1,589	\$ 7,341	\$ 6,073
75	\$ 2,122	\$ 1,670	\$ 8,110	\$ 6,385

Sample Age	MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 585	\$ 486	\$ 4,241	\$ 3,523
70	\$ 657	\$ 544	\$ 4,764	\$ 3,941
75	\$ 726	\$ 571	\$ 5,262	\$ 4,143

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,897	\$ 1,575	\$ 7,063	\$ 5,866
70	\$ 2,130	\$ 1,763	\$ 7,933	\$ 6,563
75	\$ 2,353	\$ 1,853	\$ 8,763	\$ 6,900

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

Year	PERACare Medicare Plans ¹	MAPD PPO #2 ¹	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

	HCTF				DPS HCTF
	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Salary increase, including wage inflation:					
Members other than Safety Officers	.70%-13.30%	.00%-13.40%	.40%-13.00%	.30%-4.70%	3.90%-16.80%
Safety Officers	.20%-16.30%	N/A	.20%-16.30%	N/A	N/A

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
InitialMAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate ¹	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (82,030)	\$ (84,301)	\$ (86,872)

¹ For the January 1, 2025 plan year

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

Sensitivity of the Holly School District RE-3 proportionate share of the net OPEB liability to changes in the discount rate. The following table presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB asset (liability)	\$ (103,312)	\$ (84,301)	\$ (67,911)

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

NOTE 10: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10: RISK MANAGEMENT (Continued)

Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2025.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

Health Insurance

The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier.

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$156,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2025.

	<u>Transfers In (Out)</u>
<u>General Fund</u>	
Transfer to Food Service	\$ (40,000)
<u>Food Service Fund</u>	
Transfer from General Fund	<u>40,000</u>
Net Interfund Transfers	<u>\$ -</u>

NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2010 with the District providing an upfront match payment held in escrow of \$3,417,833. The State funded their portion of this program, \$25,064,111 through Certificate of Participation issuances. The State coordinated the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant totaled \$23,245,193, and have a depreciated value of \$16,562,199, as of June 30, 2025. This amount has been recorded as long-term grant receivable as of June 30, 2016. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, commencing in fiscal year 2013. The amount set aside as of June 30, 2025 was \$128,163.

NOTE 14: BUDGET VIOLATION

The District's expenditures exceed appropriations in the Food Service Fund in the amount of \$16,999. The District also failed to adopt an appropriation for the Pupil Activity Fund. These items may represent violations of Colorado Statutes.

NOTE 15: PRIOR PERIOD RESTATEMENT

Food Service Payroll - The District has restated the prior year General Fund and Food Service Fund presentations to reflect Food Service payroll that was paid directly by the General Fund. This amount was included in the accrued salaries and benefits liability in the Food Service Fund as of June 30, 2024. The presentation has been reclassified to an interfund payable. In the General Fund, the payroll was expensed. The General Fund has been restated to reflect an interfund receivable and a reduction in expenses. The overall restatement was an increase in General Fund equity and Governmental Activity net position of \$14,794. For both funds, the prior year financial statement presentation has been restated to reflect these changes.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 16: ADOPTION OF GASB STATEMENT 101 – COMPENSATED ABSENCES

The District has adopted GASB Statement 101 – Compensated Absences. This is considered a change in accounting principle. A change in accounting principle is the application of an accounting principle to transactions or other events of a similar type that is different from the accounting principle previously applied to those transactions or other events. The change required a reduction in Governmental Activity net position of \$59,540 to reflect the accrued leave that would have been reported as of June 30, 2024 had the standard been in effect.

NOTE 17: CHANGE IN ESTIMATE – PERA PENSION PLAN

Based on a retrospective review of the estimate of the net pension obligation for the PERA Pension Plan, the District has revised its methodology to better align the District's proportionate share of the pension expense with the amount being reported at the Plan level. This has resulted in a reduction of the prior year pension obligation, including deferrals, of \$259,517 that has been reflected in the current year's activity.

REQUIRED SUPPLEMENTARY INFORMATION

Pension and OPEB Schedules (Unaudited)

**HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2016	0.032289%	\$ (4,938,309)	\$ -	\$ (4,938,309)	\$ 1,407,129	350.95%	59.16%
June 30, 2017	0.311210%	\$ (9,265,877)	\$ -	\$ (9,265,877)	\$ 1,381,519	670.70%	43.13%
June 30, 2018	0.030593%	\$ (9,892,759)	\$ -	\$ (9,892,759)	\$ 1,411,229	701.00%	43.96%
June 30, 2019	0.027874%	\$ (4,935,622)	\$ (593,698)	\$ (5,529,320)	\$ 1,532,370	322.09%	57.01%
June 30, 2020	0.026597%	\$ (3,973,545)	\$ (447,264)	\$ (4,420,809)	\$ 1,552,931	255.87%	64.52%
June 30, 2021	0.029201%	\$ (4,414,585)	\$ -	\$ (4,414,585)	\$ 1,581,852	279.08%	66.99%
June 30, 2022	0.029533%	\$ (3,436,865)	\$ (353,472)	\$ (3,790,337)	\$ 1,845,719	186.21%	74.86%
June 30, 2023	0.022737%	\$ (4,140,328)	\$ (934,276)	\$ (5,074,604)	\$ 1,753,915	236.06%	61.79%
June 30, 2024	0.028499%	\$ (5,039,512)	\$ (108,131)	\$ (5,147,643)	\$ 1,884,009	267.49%	64.74%
June 30, 2025	0.027536%	\$ (4,751,288)	\$ (391,572)	\$ (5,142,860)	\$ 2,127,826	223.29%	67.17%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

See the accompanying Independent Auditors' Report.

**HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2016	\$ 243,855	\$ (243,855)	\$ -	\$ 1,407,129	17.33%
June 30, 2017	\$ 253,232	\$ (253,232)	\$ -	\$ 1,381,519	18.33%
June 30, 2018	\$ 262,912	\$ (262,912)	\$ -	\$ 1,411,229	18.63%
June 30, 2019	\$ 293,142	\$ (293,142)	\$ -	\$ 1,532,370	19.13%
June 30, 2020	\$ 300,958	\$ (300,958)	\$ -	\$ 1,552,931	19.38%
June 30, 2021	\$ 306,563	\$ (306,563)	\$ -	\$ 1,581,852	19.38%
June 30, 2022	\$ 366,929	\$ (366,929)	\$ -	\$ 1,845,719	19.88%
June 30, 2023	\$ 353,063	\$ (353,063)	\$ -	\$ 1,753,915	20.13%
June 30, 2024	\$ 383,961	\$ (383,961)	\$ -	\$ 1,884,009	20.38%
June 30, 2025	\$ 433,651	\$ (433,651)	\$ -	\$ 2,127,826	20.38%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

See the accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.017689%	\$ (229,350)	\$ 1,381,519	16.60%	16.70%
June 30, 2018	0.017383%	\$ (225,909)	\$ 1,411,229	16.01%	17.53%
June 30, 2019	0.018118%	\$ (246,504)	\$ 1,532,370	16.09%	17.03%
June 30, 2020	0.017384%	\$ (195,397)	\$ 1,552,931	12.58%	24.49%
June 30, 2021	0.016895%	\$ (160,541)	\$ 1,581,852	10.15%	32.78%
June 30, 2022	0.019283%	\$ (166,277)	\$ 1,845,719	9.01%	39.40%
June 30, 2023	0.017281%	\$ (144,097)	\$ 1,753,915	8.22%	38.57%
June 30, 2024	0.017049%	\$ (121,684)	\$ 1,884,009	6.46%	46.16%
June 30, 2025	0.017630%	\$ (84,301)	\$ 2,127,826	3.96%	59.83%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 14,091	\$ (14,091)	\$ -	\$ 1,381,519	1.02%
June 30, 2018	\$ 14,395	\$ (14,395)	\$ -	\$ 1,411,229	1.02%
June 30, 2019	\$ 15,630	\$ (15,630)	\$ -	\$ 1,532,370	1.02%
June 30, 2020	\$ 15,840	\$ (15,840)	\$ -	\$ 1,552,931	1.02%
June 30, 2021	\$ 16,135	\$ (16,135)	\$ -	\$ 1,581,852	1.02%
June 30, 2022	\$ 18,826	\$ (18,826)	\$ -	\$ 1,845,719	1.02%
June 30, 2023	\$ 17,890	\$ (17,890)	\$ -	\$ 1,753,915	1.02%
June 30, 2024	\$ 19,217	\$ (19,217)	\$ -	\$ 1,884,009	1.02%
June 30, 2025	\$ 21,704	\$ (21,704)	\$ -	\$ 2,127,826	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERA PENSION FUND
Year Ended June 30, 2025

NOTE 1: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

- There were no changes made to the plan provisions.

NOTE 2: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
HEALTH CARE TRUST FUND
Year Ended June 30, 2025

NOTE 1: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

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

NOTE 2: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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BUDGETARY COMPARISON SCHEDULES

(Required Supplementary Information)

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Original Budget	Final Budget	Actual		Actual
REVENUES					
Local Sources					
Property Taxes	\$ 802,053	\$ 802,053	\$ 777,073	\$ (24,980)	\$ 784,489
Specific Ownership Taxes	107,300	107,300	118,641	11,341	117,001
Delinquent Taxes	1,000	1,000	2,187	1,187	2,008
Investment Earnings	18,000	18,000	256,817	238,817	202,044
Pupil Activity Revenues	-	-	4,529	4,529	-
Community Service Revenue	5,000	5,000	9,424	4,424	4,330
Rent Revenue	9,900	9,900	11,597	1,697	10,438
Donations	115,200	115,200	35,213	(79,987)	134,281
Sale of Fixed Assets/Insurance Proceeds	1,000	1,000	9,600	8,600	-
Insurance Proceeds	1,000	1,000	-	(1,000)	-
Other Local	40,000	40,000	60,478	20,478	67,711
Total Local Sources	<u>1,100,453</u>	<u>1,100,453</u>	<u>1,285,559</u>	<u>185,106</u>	<u>1,322,302</u>
Intermediate Sources					
Mineral Leases	50	50	35	(15)	51
Impact Fee Revenue	-	-	4,834	4,834	4,834
Total Intermediate Sources	<u>50</u>	<u>50</u>	<u>4,869</u>	<u>4,819</u>	<u>4,885</u>
State Sources					
State Share (Equalization)	3,186,643	3,186,643	3,218,276	31,633	2,828,004
State Transportation	45,726	45,726	49,186	3,460	-
State Grants from CDE					
State ELPA	21,755	21,755	21,755	-	21,811
State Grants to Libraries	4,500	4,500	3,564	(936)	4,500
Small Rural Schools Additional Funding	-	-	-	-	106,509
Additional At-Risk Funding	-	-	2,094	2,094	1,977
At Risk Mitigation	2,000	2,000	-	(2,000)	-
Newcomer Funding	-	-	-	-	33,688
READ Act	5,046	5,046	5,047	1	5,911
State EBT	-	-	625	625	-
MOE Hold Harmless	-	-	18,871	18,871	-
State Vocational Education	18,000	18,000	-	(18,000)	18,160
Universal Preschool (4-5)	102,000	102,000	86,204	(15,796)	119,519
State of Colorado PERA Distribution	-	-	38,949	38,949	-
State Flowthrough Grants	38,240	38,240	38,735	495	33,139
Total State Sources	<u>3,423,910</u>	<u>3,423,910</u>	<u>3,483,306</u>	<u>59,396</u>	<u>3,173,218</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs					
Operated by Schools	66,963	66,963	66,074	(889)	73,801
NCLB Title II, Part A - Teacher & Principal Training	10,014	10,014	10,014	-	11,018
Stronger Connections	131,152	131,152	32,239	(98,913)	24,948
ESSER III	-	-	-	-	159,167
ESSA, Title IV-A: Student Support and Academic					
Enrichment Grants	10,000	10,000	10,000	-	10,000
Summer P-EBT	-	-	-	-	800
CDPHE School Nursing Grant	-	-	56,540	56,540	-
CDHS Preschool Grants	-	-	-	-	14,377
NCLB, Title VI, Part B, Sub-part 1: RURAL					
Education Initiatives	26,641	26,641	26,801	160	23,600
Total Federal Sources	<u>244,770</u>	<u>244,770</u>	<u>201,668</u>	<u>(43,102)</u>	<u>317,711</u>
TOTAL REVENUES	<u>4,769,183</u>	<u>4,769,183</u>	<u>4,975,402</u>	<u>206,219</u>	<u>4,818,116</u>

(Continued)
See the accompanying Independent Auditors' Report

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Original Budget	Final Budget	Actual		Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,710,281	1,712,281	1,771,050	(58,769)	1,517,688
Benefits	699,502	699,502	730,398	(30,896)	599,997
PS - Professional	125,594	125,594	41,796	83,798	25,698
PS - Other	126,356	130,356	152,048	(21,692)	165,810
Supplies	57,876	57,876	148,476	(90,600)	76,729
Property	24,000	24,000	23,543	457	8,806
Other Expenses	3,050	3,050	2,198	852	7,428
Total Instruction	<u>2,746,659</u>	<u>2,752,659</u>	<u>2,869,509</u>	<u>(116,850)</u>	<u>2,402,156</u>
Supporting Services					
Pupil Support					
Salaries	45,053	45,053	44,836	217	40,051
Benefits	19,364	19,364	18,605	759	17,010
PS - Professional	92,000	92,000	85,836	6,164	139,210
PS - Other	49,000	49,000	50,619	(1,619)	70,899
Supplies	500	500	175	325	-
Total Pupil Support	<u>205,917</u>	<u>205,917</u>	<u>200,071</u>	<u>5,846</u>	<u>267,170</u>
Staff Support					
Salaries	24,840	24,840	24,840	-	22,677
Benefits	14,644	14,644	14,664	(20)	12,895
PS - Other	500	500	476	24	-
Supplies	11,050	11,050	(126)	11,176	-
Other Expenses	-	6,000	3,481	2,519	42,283
Total Staff Support	<u>51,034</u>	<u>57,034</u>	<u>43,335</u>	<u>13,699</u>	<u>77,855</u>
General Administration					
Salaries	132,667	132,667	132,667	-	92,400
Benefits	49,024	49,024	45,144	3,880	29,131
PS - Professional	28,000	28,000	32,450	(4,450)	28,414
PS - Other	36,400	36,400	34,012	2,388	23,649
Supplies	34,500	34,500	26,735	7,765	280
Other Expenses	22,900	22,900	50,990	(28,090)	31,599
Total General Administration	<u>303,491</u>	<u>303,491</u>	<u>321,998</u>	<u>(18,507)</u>	<u>205,473</u>
School Administration					
Salaries	175,207	175,207	163,201	12,006	114,225
Benefits	76,283	76,283	64,170	12,113	44,527
PS - Other	3,500	3,500	7,464	(3,964)	1,873
Supplies	1,000	1,000	1,215	(215)	1,512
Other Expenses	2,600	2,600	2,178	422	1,260
Total School Administration	<u>258,590</u>	<u>258,590</u>	<u>238,228</u>	<u>20,362</u>	<u>163,397</u>

(Continued)
See the accompanying Independent Auditors' Report

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Original Budget	Final Budget	Actual		Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	56,800	56,800	60,000	(3,200)	56,800
Benefits	22,106	22,106	22,780	(674)	20,498
PS - Professional	6,000	6,000	12,227	(6,227)	1,738
PS - Other	1,100	1,100	1,041	59	473
Supplies	3,500	3,500	3,704	(204)	2,446
Total Business Services	<u>89,506</u>	<u>89,506</u>	<u>99,752</u>	<u>(10,246)</u>	<u>81,955</u>
Operations and Maintenance					
Salaries	173,280	173,280	193,647	(20,367)	175,006
Benefits	57,680	57,680	61,316	(3,636)	53,193
PS - Property	25,000	25,000	47,808	(22,808)	22,630
PS - Other	174,172	174,172	173,096	1,076	139,324
Supplies	189,214	146,214	292,079	(145,865)	255,763
Other Expenses	45,000	45,000	74,689	(29,689)	43,014
Total Operations and Maintenance	<u>664,346</u>	<u>621,346</u>	<u>842,635</u>	<u>(221,289)</u>	<u>688,930</u>
Transportation					
Salaries	157,212	157,212	153,789	3,423	153,847
Benefits	54,474	54,474	47,344	7,130	54,516
PS - Professional	10,000	19,000	1,147	17,853	1,777
PS - Other	20,723	20,723	21,077	(354)	18,799
Supplies	57,000	69,000	52,226	16,774	57,367
Property	18,000	28,000	115,802	(87,802)	166,890
Other Expenses	3,000	3,000	3,036	(36)	1,902
Total Transportation	<u>320,409</u>	<u>351,409</u>	<u>394,421</u>	<u>(43,012)</u>	<u>455,098</u>
Community Support					
Salaries	28,485	28,485	24,915	3,570	24,717
Benefits	15,496	15,496	14,507	989	13,610
Supplies	-	-	684	(684)	-
Total Community Support	<u>43,981</u>	<u>43,981</u>	<u>40,106</u>	<u>3,875</u>	<u>38,327</u>
Facilities/Capital Outlay					
PS - Professional	250	250	250	-	250
Contingency					
	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,684,183</u>	<u>7,684,183</u>	<u>5,050,305</u>	<u>2,633,878</u>	<u>4,380,611</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES					
	(2,915,000)	(2,915,000)	(74,903)	2,840,097	437,505
OTHER FINANCING SOURCES (USES)					
Transfers	(85,000)	(85,000)	(40,000)	45,000	(38,933)
CHANGE IN FUND BALANCE	(3,000,000)	(3,000,000)	(114,903)	2,885,097	398,572
BEGINNING FUND BALANCE	3,000,000	3,000,000	5,938,034	2,938,034	5,539,462
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,823,131</u>	<u>\$ 5,823,131</u>	<u>\$ 5,938,034</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

HOLLY SCHOOL DISTRICT RE-3
Balance Sheet
Nonmajor Governmental Funds
June 30, 2025
(With Comparative Totals for June 30, 2024)

	<u>Special Revenue</u>		<u>Capital</u>	<u>Totals</u>	
			<u>Projects</u>		
			<u>Capital</u>		
	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Reserve</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Project Fund</u>	<u>2025</u>	<u>2024</u>
ASSETS					
Cash and Investments	\$ 7,840	\$ 105,089	\$ 60,322	\$ 173,251	\$ 180,708
Interfund Accounts Receivable	5,610	-	268,637	274,247	289,041
Grants Receivable	10,979	-	-	10,979	-
Inventory	1,439	-	-	1,439	1,002
TOTAL ASSETS	<u>\$ 25,868</u>	<u>\$ 105,089</u>	<u>\$ 328,959</u>	<u>\$ 459,916</u>	<u>\$ 470,751</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 10,979	\$ -	\$ -	\$ 10,979	\$ 14,794
Accrued Salaries & Benefits	18,540	-	-	18,540	18,925
Unearned Revenue	930	-	-	930	1,287
Total Liabilities	<u>30,449</u>	<u>-</u>	<u>-</u>	<u>30,449</u>	<u>35,006</u>
Fund Balance					
Nonspendable Fund Balance	1,439	-	-	1,439	1,002
Committed Fund Balance				-	-
Committed for Fund Purpose	-	105,089	-	105,089	106,085
Assigned Fund Balance					
Assigned for Fund Purpose		-	328,959	328,959	328,658
Unassigned Fund Balance	(6,020)	-	-	(6,020)	-
Total Fund Balance	<u>(4,581)</u>	<u>105,089</u>	<u>328,959</u>	<u>429,467</u>	<u>435,745</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 25,868</u>	<u>\$ 105,089</u>	<u>\$ 328,959</u>	<u>\$ 459,916</u>	<u>\$ 470,751</u>

See accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Special Revenue		Capital	Totals	
	Food Service	Pupil Activity	Projects	2025	2024
			Reserve		
	Fund	Fund	Project Fund		
REVENUES					
Local Sources	\$ 17,051	\$ 129,257	\$ 301	\$ 146,609	\$ 222,744
State Sources	35,197	-	-	35,197	38,633
Federal Sources	117,913	-	-	117,913	120,901
TOTAL REVENUES	<u>170,161</u>	<u>129,257</u>	<u>301</u>	<u>299,719</u>	<u>382,278</u>
EXPENDITURES					
Instruction	-	126,783	-	126,783	171,872
Food Service	219,214	-	-	219,214	240,034
TOTAL EXPENDITURES	<u>219,214</u>	<u>126,783</u>	<u>-</u>	<u>345,997</u>	<u>411,906</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(49,053)	2,474	301	(46,278)	(29,628)
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	40,000	-	-	40,000	38,933
CHANGE IN FUND BALANCE	(9,053)	2,474	301	(6,278)	9,305
BEGINNING FUND BALANCE	4,472	102,615	328,658	435,745	426,440
ENDING FUND BALANCE	<u>\$ (4,581)</u>	<u>\$ 105,089</u>	<u>\$ 328,959</u>	<u>\$ 429,467</u>	<u>\$ 435,745</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUNDS

This fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes:

The District reports the following Special Revenue Funds:

Food Service Fund

This fund is used to account for the District's Food Service operation.

Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025			
	Original & Final		Variance with Final	2024
	Budget	Actual	Budget	Actual
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 60	\$ 60	\$ 63
Food Service Revenue	-	16,440	16,440	13,747
Rent Revenue	500	507	7	11,072
Other Local	-	44	44	2,047
Total Local Sources	<u>500</u>	<u>17,051</u>	<u>16,551</u>	<u>26,929</u>
State Sources				
State Grants from CDE				
State Matching Child Nutrition	1,400	867	(533)	1,032
Healthy School Meals for All - Lunch	-	27,849	27,849	29,232
Healthy Meals for All - Breakfast	-	6,481	6,481	6,506
Start Smart Nutrition	400	-	(400)	475
School Lunch Protection Program: Free and Reduced	1,300	-	(1,300)	1,388
Total State Sources	<u>3,100</u>	<u>35,197</u>	<u>32,097</u>	<u>38,633</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	20,000	24,150	4,150	22,945
National School Lunch Program	108,000	81,233	(26,767)	76,682
SNAP P-EBT	615	-	(615)	-
Supply Chain Assistance	-	-	-	10,359
Federal Grants from Other State Agencies				
National School Lunch Program - Commodities	-	12,530	12,530	10,915
Total Federal Sources	<u>128,615</u>	<u>117,913</u>	<u>(10,702)</u>	<u>120,901</u>
TOTAL REVENUES	<u>132,215</u>	<u>170,161</u>	<u>37,946</u>	<u>186,463</u>
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	80,821	75,959	4,862	88,448
Benefits	44,808	44,675	133	43,382
Supplies	3,000	666	2,334	3,047
Food	73,586	85,384	(11,798)	94,242
Commodities	-	12,530	(12,530)	10,915
TOTAL EXPENDITURES	<u>202,215</u>	<u>219,214</u>	<u>(16,999)</u>	<u>240,034</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(70,000)	(49,053)	20,947	(53,571)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>55,000</u>	<u>40,000</u>	<u>(15,000)</u>	<u>38,933</u>
CHANGE IN FUND BALANCE	(15,000)	(9,053)	5,947	(14,638)
BEGINNING FUND BALANCE	<u>15,000</u>	<u>4,472</u>	<u>(10,528)</u>	<u>19,110</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ (4,581)</u>	<u>\$ (4,581)</u>	<u>\$ 4,472</u>

See accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025		Variance with Final Budget	2024
	Original & Final Budget	Actual		Actual
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ -	\$ 129,257	\$ 129,257	\$ 195,516
EXPENDITURES				
Instruction				
Other Expenses	-	126,783	(126,783)	171,872
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	2,474	2,474	23,644
BEGINNING FUND BALANCE	-	102,615	102,615	78,971
ENDING FUND BALANCE	\$ -	\$ 105,089	\$ 105,089	\$ 102,615

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

Debt Service Funds These funds are used to account for the repayment of the District's general obligation indebtedness.

The District has the following debt service fund:

Bond Redemption Fund

This fund is used to account for the repayment of the District's general obligation indebtedness.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025		Variance with Final Budget	2024
	Final Budget	Actual		Actual
REVENUES				
Local Sources				
Property Taxes	\$ 215,755	\$ 254,226	\$ 38,471	\$ 252,097
Specific Ownership Taxes	30,000	38,545	8,545	38,419
Delinquent Taxes	300	713	413	667
Investment Earnings	3,000	3,538	538	3,382
TOTAL REVENUES	<u>249,055</u>	<u>297,022</u>	<u>47,967</u>	<u>294,565</u>
EXPENDITURES				
Supporting Services				
Business Services				
Other Expenses	50	50	-	50
Debt Service				
Principal	191,130	191,130	-	183,634
Interest	57,875	57,875	-	65,523
Total Debt Service	<u>249,005</u>	<u>249,005</u>	<u>-</u>	<u>249,157</u>
Contingency	<u>613,782</u>	<u>-</u>	<u>613,782</u>	<u>-</u>
TOTAL EXPENDITURES	<u>862,837</u>	<u>249,055</u>	<u>613,782</u>	<u>249,207</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(613,782)	47,967	661,749	45,358
BEGINNING FUND BALANCE	613,782	805,658	191,876	760,300
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 853,625</u>	<u>\$ 853,625</u>	<u>\$ 805,658</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Reserve Project Fund - This fund accounts for the District's routine capital projects.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025		2024	
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Local Sources				
Investment Earnings	\$ 150	\$ 301	\$ 151	\$ 300
EXPENDITURES				
Facilities/Capital Outlay				
Land and Improvements	120,050	-	120,050	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(119,900)	301	120,201	300
OTHER FINANCING SOURCES (USES)				
Transfers	30,000	-	(30,000)	-
CHANGE IN FUND BALANCE	(89,900)	301	90,201	300
BEGINNING FUND BALANCE	89,900	328,658	238,758	328,358
ENDING FUND BALANCE	\$ -	\$ 328,959	\$ 328,959	\$ 328,658

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.



Colorado Department of Education
Auditors Integrity Report
 District: 2670 - Holly RE-3
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	5,938,034		4,935,401		5,050,305		5,823,130
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	5,938,034		4,935,401		5,050,305		5,823,130
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	4,472		210,160		219,214		-4,581
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	102,615		129,258		126,783		105,089
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	805,658		297,022		249,055		853,625
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	328,658		300		0		328,959
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	7,179,438		5,572,142		5,645,357		7,106,223
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



Colorado Department of Education
Bolded Balance Sheet Report

District: 2670 - Holly RE-3
 Fiscal Year 2024-25
 Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	6,575,620	0	0	105,089	0	0	7,840	839,294	60,321	0	0	0	0	0	0	7,588,165		
Cash with Fiscal Agent (8105)	16,986	0	0	0	0	0	0	5,621	0	0	0	0	0	0	0	22,607		
Other Investment Accounts (8112-8115)	36,915	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,915		
Taxes Receivable (8121,8122)	42,489	0	0	0	0	0	0	14,403	0	0	0	0	0	0	0	56,892		
Interfund Loans Receivable (8131,8132)	10,979	0	0	0	0	0	5,610	0	268,637	0	0	0	0	0	0	285,226		
Grants Accounts Receivable (8142)	3,416	0	0	0	0	0	10,979	0	0	0	0	0	0	0	0	14,395		
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,439	0	0	0	0	0	0	0	0	1,439		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	6,686,405	0	0	105,089	0	0	25,868	859,318	328,959	0	0	0	0	0	0	8,005,639		

See accompanying Independent Auditors' Report.

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	274,247	0	0	0	0	0	10,979	0	0	0	0	0	0	0	0	285,226
Other Payables (7421-7423)	155,342	0	0	0	0	0	0	0	0	0	0	0	0	0	0	155,342
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	417,981	0	0	0	0	0	18,540	0	0	0	0	0	0	0	0	436,521
Unearned Revenue (7481)	0	0	0	0	0	0	930	0	0	0	0	0	0	0	0	930
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	15,704	0	0	0	0	0	0	5,693	0	0	0	0	0	0	0	21,397
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	863,274	0	0	0	0	0	30,449	5,693	0	0	0	0	0	0	0	899,416

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	1,439	0	0	0	0	0	0	0	0	1,439
Restricted Fund Balance 6720	0	0	0	0	0	0	0	853,625	0	0	0	0	0	0	0	853,625
TABOR 3% Emergency Reserve 6721	156,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	156,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Universal Preschool Program (UPK) Reserve 6725	33,895	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,895
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	128,163	0	0	0	0	0	0	0	0	0	0	0	0	0	0	128,163
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	105,089	0	0	0	0	0	0	0	0	0	0	0	105,089
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	328,959	0	0	0	0	0	0	328,959
Unassigned Fund Balance 6770	5,490,278	0	0	0	0	0	-6,020	0	0	0	0	0	0	0	0	5,484,258
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	14,794	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14,794
Total Fund Equity	5,823,130	0	0	105,089	0	0	-4,581	853,625	328,959	0	0	0	0	0	0	7,106,223

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	6,686,405	0	0	105,089	0	0	25,868	859,318	328,959	0	0	0	0	0	0	8,005,639

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

See accompanying Independent Auditors' Report.