



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**Thompson School District R2-J**

Fiscal Year Ending June 30, 2025

Loveland, Berthoud, and Fort Collins, Colorado

[www.thompsonschoools.org](http://www.thompsonschoools.org)

**THOMPSON SCHOOL DISTRICT R2-J  
LOVELAND, BERTHOUD, AND FORT COLLINS, COLORADO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2025**

**THOMPSON SCHOOL DISTRICT R2-J  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

**INTRODUCTORY SECTION**

<b>LETTER OF TRANSMITTAL</b>	<b>1</b>
<b>GFOA CERTIFICATE OF ACHIEVEMENT</b>	<b>8</b>
<b>ASBO CERTIFICATE OF EXCELLENCE</b>	<b>9</b>
<b>ORGANIZATIONAL CHART</b>	<b>10</b>
<b>BOARD OF EDUCATION AND SUPERINTENDENT'S EXECUTIVE STAFF</b>	<b>11</b>

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>13</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>17</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>27</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>28</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>29</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO         THE STATEMENT OF NET POSITION</b>	<b>30</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND         BALANCES – GOVERNMENTAL FUNDS</b>	<b>31</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF         REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE         GOVERNMENT WIDE STATEMENT OF ACTIVITIES</b>	<b>32</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>33</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND     CONTRIBUTIONS</b>	<b>71</b>
<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND     CONTRIBUTIONS</b>	<b>72</b>
<b>GENERAL FUND</b>	
<b>BUDGETARY COMPARISON SCHEDULE</b>	<b>74</b>
<b>GOVERNMENT DESIGNATED-PURPOSE GRANTS FUND</b>	
<b>BUDGETARY COMPARISON SCHEDULE</b>	<b>76</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>77</b>

**THOMPSON SCHOOL DISTRICT R2-J  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	<b>85</b>
<b>COMBINING BALANCE SHEET</b>	<b>86</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND             CHANGES IN FUND BALANCES</b>	<b>87</b>
<b>BUDGETARY COMPARISON SCHEDULES</b>	
<b>BOND REDEMPTION FUND</b>	<b>89</b>
<b>NUTRITION SERVICES FUND</b>	<b>90</b>
<b>INTERSCHOLASTIC ATHLETIC AND ACTIVITY FUND</b>	<b>91</b>
<b>LAND RESERVE FUND</b>	<b>92</b>
<b>FEE SUPPORTED PROGRAMS FUND</b>	<b>93</b>
<b>BUILDING FUND</b>	<b>94</b>
<b>CAPITAL PROJECTS FUND</b>	<b>95</b>
<b>COMPONENT UNITS</b>	
<b>COMBINING STATEMENT OF NET POSITION</b>	<b>97</b>
<b>COMBINING STATEMENT OF ACTIVITIES</b>	<b>98</b>
<b>STATE REQUIRED REPORT – COLORADO DEPARTMENT OF EDUCATION –     AUDITOR’S INTEGRITY REPORT</b>	<b>99</b>
<b>STATISTICAL SECTION</b>	
<b>FINANCIAL TRENDS</b>	
<b>SCHEDULE OF NET POSITION</b>	<b>102</b>
<b>SCHEDULE OF CHANGES IN NET POSITION</b>	<b>103</b>
<b>SCHEDULE OF FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>105</b>
<b>SCHEDULE OF CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>106</b>
<b>REVENUE CAPACITY</b>	
<b>ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY</b>	<b>107</b>
<b>PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS</b>	<b>108</b>
<b>PRINCIPAL TAXPAYERS</b>	<b>109</b>
<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>110</b>

**THOMPSON SCHOOL DISTRICT R2-J  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>DEBT CAPACITY</b>	
<b>RATIOS OF OUTSTANDING DEBT BY TYPE (GOVERNMENTAL ONLY)</b>	<b>111</b>
<b>RATIOS OF GROSS GENERAL BONDED DEBT TO ASSESSED VALUE AND     GROSS BONDED DEBT PER CAPITA</b>	<b>112</b>
<b>COMPUTATION OF DIRECT AND OVERLAPPING DEBT</b>	<b>113</b>
<b>COMPUTATION OF LEGAL DEBT MARGIN</b>	<b>114</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
<b>PRINCIPAL EMPLOYERS</b>	<b>115</b>
<b>DEMOGRAPHIC AND ECONOMIC STATISTICS</b>	<b>116</b>
<b>OPERATING INFORMATION</b>	
<b>NUMBER OF EMPLOYEES BY FUNCTION</b>	<b>117</b>
<b>OPERATING INDICATORS</b>	<b>118</b>
<b>SCHOOL BUILDING INFORMATION</b>	<b>119</b>
<b>COMPLIANCE SECTION</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>121</b>
<b>EMMA, CONTINUING DISCLOSURE SECTION</b>	
<b>DISTRICT ENROLLMENT – HISTORICAL ENROLLMENT AS OF OCTOBER     STUDENT COUNTS</b>	<b>125</b>
<b>HISTORY OF DISTRICT'S MILL LEVY</b>	<b>126</b>
<b>HISTORY OF DISTRICT'S ASSESSED VALUATION</b>	<b>127</b>
<b>HISTORY OF DISTRICT'S PROPERTY TAX COLLECTIONS</b>	<b>128</b>
<b>HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND FUND     BALANCES</b>	<b>129</b>
<b>GENERAL FUND BUDGET SUMMARY AND COMPARISON</b>	<b>130</b>
<b>GENERAL OBLIGATION DEBT RATIOS – HISTORICAL DEBT RATIOS AS OF     JUNE 30</b>	<b>131</b>

## **INTRODUCTORY SECTION**

*Business Services Department*

December 23, 2025

**Board of Education and Citizens of the  
Thompson School District R2-J  
800 South Taft Avenue  
Loveland, CO 80537**

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Thompson School District R2-J (District) for the year ended June 30, 2025.

State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants. In accordance with this deadline, we hereby issue the annual comprehensive financial report of the Thompson School District R2-J for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of Thompson School District financial activities have been included.

The District's financial statements have been audited by CliftonLarsonAllen LLP (CLA), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

US GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **Profile of the Government**

The Thompson School District R2-J is the 16th largest school district in Colorado based on Funded Pupil Count (FPC), encompassing approximately 362 square miles in northern Colorado. The District includes the complete cities of Loveland and Berthoud and portions of city boundaries of Fort Collins, Windsor and Johnstown as well as parts of Larimer, Weld, and Boulder counties.

Serving students pre-K through 12th grade, for the 2024-25 fiscal year the district operated 15 early childhood centers, 16 elementary schools, 4 middle schools, 3 PK-8 schools, 5 high schools, 1 career and technical education (CTE) center and 2 charter schools. The average age of District owned facilities is approximately 49 years. Calculated Funded Pupil Count (FPC) for the 2024-25 school year was 14,751 students, which was a .18% decrease from the prior year.

District schools offer a number of educational options including: International Baccalaureate (IB) and pre-IB programs; Advanced Placement (AP) programs; Science, Technology, Engineering, Art & Mathematics (STEAM) focus; high school concurrent enrollment for post-secondary and college credit; Accelerating Students through Concurrent Enrollment (ASCENT); Thompson Online remote learning; Leader in Me program; Expeditionary Learning program; Loveland area Integrated School of the Arts (LISA); talented and gifted; dual language immersion; early childhood pre-kindergarten; and personalized learning opportunities. The District also provides support to parents who choose to educate their children at home or outside a public school setting but still wish to have a bricks and mortar option available on a limited basis through the Loveland/Berthoud Enrichment Access Program (LEAP) program. Career pathway programs offered at the Thompson Career Campus (TCC) include construction skilled trades, health sciences, information technology, and manufacturing and design.

The District is the reporting entity for financial reporting purposes and is not included in any other governmental reporting entity. The financial statements of the District include all funds that are controlled by the publicly elected Board of Education. These include the three major Governmental Funds (General Fund, Government Designated-Purpose Grants Fund, and the Bond Redemption Fund) as well as six nonmajor Governmental Funds (Nutrition Services Fund, Interscholastic Athletic and Activity Fund, Land Reserve Fund, Fee Supported Fund, Building Fund, and the Capital Projects Fund). The Board of Education adopts the budget for each of these Governmental Funds, authorizes expenditures, selects the superintendent, sets policy regarding operations, and is primarily accountable for fiscal matters. The District's Board is also empowered to levy a property tax on both real and personal properties located within its statutory boundaries.

The annual budget serves as the foundation of the District's financial planning and control. The District maintains extensive budgetary controls to ensure compliance with legal requirements, Board of Education policies and District administration guidelines. The legal level of budgetary control is the fund level. The District's budget must be adopted by June 30 prior to the budget year, but may be revised for any reason no later than January 31 of the current budget year. Budgets are developed and monitored for compensation and benefit costs, utilities, instructional supplies and other fixed costs at the District level, and for discretionary spending at the department or school level.

Staffing levels are authorized for each site based on a combination of student ratios, site specific programs, student demographics, statutory requirements and supplemental grant funding. These staffing levels are tracked throughout the year to ensure usage within budgeted limits. On-line budget inquiry access is provided to each site's administrative staff via the District accounting software to allow monitoring of school and department based discretionary budgets.

Budgetary control is also maintained by the use of an encumbrance (purchase order) accounting system. Encumbrances outstanding at year-end lapse, but may be re-appropriated as part of the following year's budget. Unspent discretionary budgets at year-end may also be reappropriated for each school or department in the following budget year, thereby fostering responsible spending and allowing site management to develop longer range spending plans. Schools' discretionary budgets also include a share of revenues generated from building rental of that school. Under state law, the District is required to involve each employee group, the Board of Education, and the District Advisory and Accountability Committee (DAAC) in the budget development process.

Component units of the District as reported in this document include the two District charter schools (New Vision Charter School and Loveland Classical Schools) that have been approved by the District's Board of Education as of June 30, 2025. The charter schools' revenues from per pupil funding are included in District revenues and the transfer of those monies to the charter schools is considered a District expenditure, even while the charter schools are separate entities under the control and direction of their own respective governing boards. The District Board maintains oversight responsibility.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment within which the District operates.

### **State Economic Conditions and Outlook**

On December 8, 2025, the Business Research Division of the Colorado Leeds School of Business presented the annual Colorado Business Economic Outlook, the economic outlook for calendar year 2026. The entire 2025 report can be found at <https://www.colorado.edu/business/brd/colorado-business-economic-outlook-forum>. The following excerpts provide an overview of the economic information relevant to the District.

#### *Economy*

Colorado has demonstrated one of the strongest economies over the medium-term horizon. Comparing growth from 2008-2023, Colorado has the 5th-fastest real GDP and employment growth rates, 6th-fastest population and labor force growth rates, 3rd-fastest personal income and per capita personal income growth rates, and the highest home-price appreciation in the country. Over the short term, though, Colorado's performance has slipped in the rankings, demonstrating the difficulty in maintaining growth for a sustained period of time. In 2024, Colorado's growth rates appeared more average in the rankings. Second-quarter real GDP growth and home-price growth ranked Colorado among the bottom 10 states; personal income, per capita personal income, and the unemployment rate ranked Colorado among the bottom 20 states. The state remains in the top half for growth in jobs, population, and pay. For many of these metrics, slower growth is not slow growth. For instance, 5.1% growth in personal income, 2008-2023 ranks 39th, and the FHFA home-price growth of 2.9% ranks 49th. Slower growth, though, may be the new reality for Colorado as population growth, especially through net migration, remains slow, creating headwinds for labor force and job growth.

## *Employment*

Colorado employment stood at a record of more than 3 million in October 2024. Annual jobs added in 2023 totaled 72,300, growth of 2.5%. Growth in 2024 is estimated at 46,800 (1.6%), and the forecast for 2025 is for an additional 36,700 jobs (1.2%). In 2024, eight of the 11 industries in the state are estimated to have posted job growth—with Government, Education and Health Services, and Professional and Business Services posting the most jobs—and Natural Resources and Mining, Government, and Education and Health Services recording the fastest job growth. Three industries posted job loss for the year—Information, Construction, and Manufacturing. Looking ahead to 2025, all industries except Information are projected to add employment in 2025, led by Education and Health Services, Government, and Construction. Preliminary year-over-year employment growth was recorded in all but one of Colorado’s seven metropolitan areas in October 2024—Colorado Springs (1.9%), Boulder (1.4%), Greeley (1%), Denver-Aurora-Lakewood (0.8%), Fort Collins-Loveland (0.6%), and Grand Junction (0.4%). The Pueblo MSA was the only one to record a decline in the official statistics (-0.5%).

## *Population*

In July of 2023, the U.S. population reached 334,914,895, an increase of 1.6 million over the year, or a growth rate of 0.5%. Eight states declined in population. Colorado’s resident population as of July 2023 was 5,876,300, ranking 21st in size in the United States. Colorado’s population increased by 36,100, or 0.6%, from July 2022 to July 2023, ranking it 9th in total change and 18th in percentage change. This growth is slightly higher than in 2022 and significantly slower than the 76,000 annual average during the previous decade. Births in Colorado were 62,200, flat compared to the previous year and lower than the peak of 70,800 in 2007. Births are the largest component of population change in Colorado. There were 45,300 deaths between July 2022 and July 2023, a slowdown from the 49,700 in 2022. Deaths have been increasing due to aging in Colorado, but they also temporarily increased due to COVID. Natural change (births minus deaths) was 16,900. Despite the lower levels of natural change, Colorado had the 7th-largest natural change in the country due to the state’s younger average age. There are 19 states in a phase of natural decline with more deaths than births. Net migration accounted for 19,200 of the growth in the state. This was slightly higher than 2022 but significantly lower than the 46,000 annual average during the 2010s. International migration was estimated at 12,000, returning to pre-pandemic levels. The late-2023 arrival of refugees and international migrants will not count in population estimates until 2024 since it occurred after July 1. Domestic migration was estimated at 7,100, up slightly from 2022 but significantly slower than the average of 38,000 last decade.

Births continued to be lower than historical trends in 2023 but were holding steady. The slowing in births will continue to have long-run impacts on K-12 and higher education, as well as the labor force. Every county is different. Most counties reached their peak births in 2007 but some counties, like Jefferson, reached their peak births in 2000. Weld is the only Front Range county that is continuing to see an increase in births. Births in the state are forecast to increase slightly in 2023 and 2024 as the number of women of childbearing age increases. 16 Additionally, the largest group of millennials are entering their 30s, an age group where Colorado has experienced increased birth rates.

Population growth by age group continues to be a defining factor for Colorado due to two primary reasons. First, births have been declining since 2007 in both the United States and Colorado. The second significant impact is the growth in the 65+ population, which increased by almost 33,000 between 2022 and 2023. The growth in this group is primarily due to more people aging into the cohort rather than net migration. It is estimated that 68,300 Coloradans turned 65 in 2023. The growth in the 65+ age group is impacting the labor force, with a growing number of retirements even as workers are staying in the labor force longer. It is estimated that 40,000 workers will retire annually this decade. Additionally, the 65+ population is driving the economy with demand for health services and leisure and hospitality, and is impacting housing due to lower rates of mobility and smaller household sizes.

### ***2026-27 PK-12 Education Outlook***

The outlook for 2026-27 is the same as in the recent past with lingering fiscal and operational headwinds. Statewide enrollment in 2026-27 is projected to decrease by over 6,000 students, or .71%, from 2025-26. This decrease continues a declining trend given the significant 3.3% enrollment drop recorded in October 2020. This trend of declining enrollment is a result of declining birth rates and rising housing costs. This decline is projected to continue within Colorado in the coming years and is consistent with national trends, indicating an annual decline in the K-12 student population. Certainly, enrollment projections vary by specific school district and region, with varying degrees of growth and decline. The projected 2026-27 maximum decline is nearly 10% and growth of nearly 5%. Among the 10 largest districts, this spread is a decline of 5.3% to growth of 2.6% and a net decline of nearly 2,712 funded pupils. Governor Polis's 2026-27 budget proposal, released on November 1, 2025, provides a total funding increase of \$276 million for K-12 education. This totals an average of \$413 per pupil more than 2025-26 funding. With the passage of H.B. 25-1320, the State began implementation of its new, sustainable school finance formula designed to meet students where they are and bolster educational outcomes across Colorado. The new formula increased funding for rural schools and provided a critical boost for schools serving at-risk students and students enrolled in special education. This landmark action builds on our historic achievement in 2024, when Colorado fully funded schools pursuant to Amendment 23 for the first time since 2009 by eliminating the Budget Stabilization Factor (BSF). The new formula within the School Finance Act will soften but not eliminate the impact of rising costs and enrollment declines. Within the confines of the resources allocated by the Legislature, districts across the state will be contending with labor shortages, wage pressures, and inflationary costs outstripping the funding increases. However, within these fiscal constraints, an environment of high expectations remains for educators to prepare students for the 21st century economy. With an uncertain near-term future, districts will bolster reserves and fund balance to the extent possible as state funding for K-12 tends to lag an economic downturn.

### **Local Economy**

Northern Colorado, not unlike other areas of the country, reflects many of the same challenges and trends as previously mentioned. The unemployment rate remains reasonably low and despite District efforts in addressing compensation challenges, a shortage of candidates for some positions continue to provide staffing challenges. The District remains the largest employer in Loveland and Berthoud.

There is the opportunity for continued growth in employment and construction activity within the District boundaries. The demand for attainable housing remains but is proving difficult to realize given continuing increases in the median value of homes and the higher interest rate environment. Despite increased home values and interest rates, residential growth continues, especially in the south and east portions of the District.

## **Public Employee's Retirement Association (PERA)**

In addition to revenue challenges at the state level, PERA of Colorado (the pension plan that covers all District employees) is underfunded. In an effort to increase pension plan funding levels in relation to actuarial calculations, legislation was passed in the 2018 session to help address this issue. Under SB18-200, member and employer contributions will automatically adjust beginning July 1, 2020 based on the unfunded liability calculated balance. Both member and employer contribution rates can increase (or decrease) by up to 0.5% per year. These changes are intended to help put PERA on a more sustainable trajectory. Monitoring the performance of PERA and the progress of these initiatives will continue to be a key item in future legislative and District budget development discussions.

## **District Response to State Funding Challenges**

The economic accomplishments and challenges of 2024-25 and going forward, as discussed above, continue to provide an uncertain future for K-12 funding for Colorado.

District leadership has taken a balanced approach in responding to the funding fluctuations. Expenditures have been analyzed and reductions were implemented where doing so was prudent. Resources have been redirected toward areas of greater need as necessary or as mandated.

In addition to expense reductions and prudent use of reserves, the District requested authorization from local taxpayers for increased local funding through the approval of a mill levy override (MLO) designed to mitigate on a longer-term basis the impact of state funding cuts and to remain more competitive with neighboring districts. Voters approved that request on the ballot of November 2018. Collections from this local support continue to help the District to balance the annual General Fund operating results while maintaining employment and class-size ratios, providing needed updates to curriculum and technology and expanding safety and security in schools. The District is nearing the statutory maximum for revenue collection (25% of total education program funding) from locally approved mill levy overrides. This will require thoughtful consideration and restraints on potential future uses of those funds from the three existing overrides that are in place.

The District's current level of General Fund reserves (14.3% of 2024-25 General Fund revenue) can still provide one-time support for unforeseen events and warranted student programming needs. Ultimately the District will need to see a sufficient combination of state funding, continued local support, continuation of recent increases in assessed valuation and ongoing scrutiny of requested expenditures to maintain a sound financial position.

## **Cash Management Policies and Practices**

The District's policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the District and conforming to all federal, state, and local statutes governing the investment of public funds. Accordingly, temporarily idle cash is invested during the year in the Colorado Local Government Liquid Asset Trust (ColoTrust), a "AAAm" rated investment pool.

While district expenditures tend to be fairly consistent throughout the year, its revenue cycle reflects that local property taxes account for approximately 61% of its School Finance Act revenues. Those property tax revenues are collected primarily during the latter half of the fiscal year. The District has participated in the state's interest-free loan program for the past seven years in order to meet cash flow obligations until funds from local property tax collections are received, typically over the February through May time frame. As a matter of prudence, the District has applied with the state to be a participant in the loan program again in 2025-26 to assist in meeting these temporary cash flow needs.

**Awards and Acknowledgements**

The Government Finance Officers Association’s (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2025. This was the thirty-seventh time the District had received this prestigious award and the twenty-ninth consecutive year. The District also received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award. This was the twenty-eighth consecutive year that the District had received this award. In order to be awarded a Certificate of Achievement, the District had to demonstrate that it published an easily readable and efficiently organized ACFR. This report satisfied both US GAAP and applicable legal requirements.

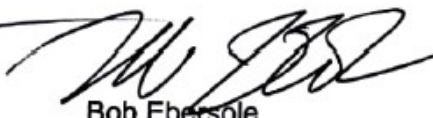
The preparation and completion of this report could not have been accomplished without the direct and indirect contributions of the entire Financial Services staff who demonstrate on a daily basis the highest of professional standards. Appreciation and recognition is also extended to our independent audit firm, CLA (CliftonLarsonAllen LLP), and its professional audit staff for all the assistance and advice provided during the year.

We would also like to thank the Board of Education for their continued support for maintaining the highest standards and professionalism in the management and oversight of the District’s finances.

**Respectfully submitted,**



**Dr. Bret Heller**  
**Superintendent of Schools**



**Bob Ebersole**  
**Chief Financial Officer**



**Zack Mozer**  
**Director of Finance**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Thompson R2-J School District  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Thompson School District R2-J

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

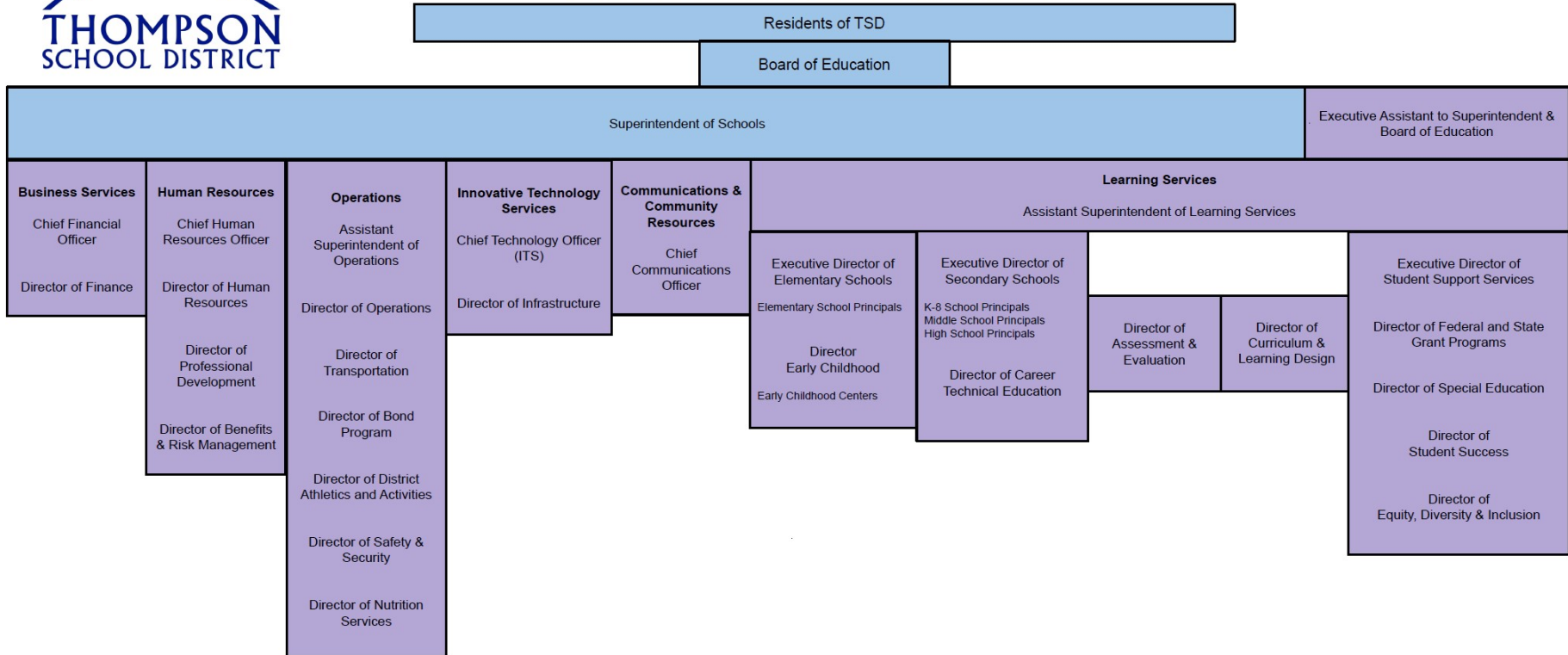
Ryan S. Stechschulte  
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO  
CEO/Executive Director



2024-2025  
THOMPSON SCHOOL DISTRICT (TSD) R2-J ORGANIZATIONAL CHART



## Board of Education

Barbara Kruse, President	Term Expires Nov 2025
Stu Boyd, Vice-President	Term Expires Nov 2027
Alexandra Lessem, Treasurer	Term Expires Nov 2025
Amy Doran, Secretary	Term Expires Nov 2025
Nancy Rumpfelt	Term Expires Nov 2027
Denise Chapman	Term Expires Nov 2027
Dawn Kirk	Term Expires Nov 2027

## Superintendent's Executive Staff

Dr. Marc Schaffer	Superintendent (ended 6/30/25)
Dr. Bret Heller	Superintendent (started 7/1/25)
Dr. Bill Siebers	Asst. Superintendent of Human Resources (ended 6/30/25)
Tiffany Rogers	Chief Human Resources Officer (started 8/7/25)
Dr. Melissa Schneider	Asst. Superintendent of Learning Services (ended 6/30/25)
Sara Rasmussen	Asst. Superintendent of Learning Services (started 7/1/25)
Bob Ebersole	Chief Financial Officer
Todd Piccone	Asst. Superintendent of Operations
Michael Hausmann	Chief Communications Officer
Kelly Sain	Chief Technology Officer
Laura Lee Ehlers	Executive Assistant Supt/Board of Education

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Thompson School District R2-J

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Thompson School District R2-J (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of Loveland Classical Schools or New Vision Charter School, which represent 100% of the assets, net position, and revenue of the District's aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Loveland Classical Schools and New Vision Charter School is based solely on the report of the other auditors.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. Loveland Classical Schools and New Vision Charter School were not audited under *Government Auditing Standards*.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules, budgetary comparison schedules, component unit combining schedules, and state required report – Colorado Department of Education – Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 GAAS by us and other auditors. In our opinion, the combining and individual fund financial statements and schedules, budgetary comparison schedules, component unit combining schedules, and state required report – Colorado Department of Education – Auditor's Integrity Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

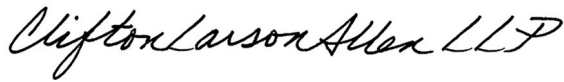
***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical and continuing disclosure sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Denver, Colorado  
December 23, 2025

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

As management of the Thompson School District R2-J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Summary financial highlights for 2025 are as follows:

- The District's government-wide net position decreased \$1.2 million during the fiscal year ended June 30, 2025, to a deficit of \$164.7 million, which represents a decrease of 0.7% from the prior year. The negative net position is due primarily to the financial reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, resulting in a net pension liability of \$278.4 million as of June 30, 2025, representing the District's proportionate share of the plan's net pension liability, deferred outflows, and deferred inflows. District employees, including the two charter schools' employees, participate in a program administered by the Public Employee's Retirement Association of Colorado (PERA). Statement No. 68 requires the District and its charter schools to record a proportionate share of PERA's unfunded pension liability on the government-wide financial statement. The District and its charter schools have no legal obligation to fund any shortfall, nor do they have the ability to impact funding, benefits or annual required contribution decisions made by PERA.
- Total governmental activities revenue increased by \$13.1 million (5.0%), predominantly associated with higher operating grants and contributions (\$7.8 million) and state equalization (\$6.6 million). Expenses increased by \$14.1 million (5.4%) mostly due increases in salaries and benefits costs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of seven parts.

1. Introduction – including pertinent organization profile information.
2. Management's Discussion & Analysis – including analysis of current year results and recent trends.
3. Basic Financial Statements – including government-wide and fund specific financial statements with associated Notes to the Financial Statements.
4. Required and Other Supplementary Information – including Budget to Actual comparisons.
5. Statistical – providing broader relevant contextual information.
6. Compliance – auditor's reports on internal controls and compliance.
7. Electronic Municipal Market Access (EMMA) – continuing disclosure statements regarding District tax exempt bonds.

The basic financial statements include two different kinds of statements that present different views of the District.

1. Government-wide financial statements
2. Fund specific financial statements

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Government-Wide Financial Statements**

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

1. The statement of net position includes all of the District's assets and liabilities as well as all deferred inflows and outflows from governmental funds.
2. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

Both government-wide statements report net position and how it has changed from the end of the prior fiscal year. Net position—the difference between the District's assets plus deferred outflows of resources less the District's liabilities plus deferred inflows of resources—is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, keeping in mind that this net position includes the District's proportionate share of the PERA pension liability for which it has no means of control. To assess the District's overall health, one needs to consider additional nonfinancial factors such as enrollment trends, changes in the District's property tax base, age of curriculum, and the condition of school buildings and other facilities.

The District's activities are reported in the government-wide financial statements. Most of the District's basic services are included here such as instruction, supporting services, charter school allocation, and interest on long-term debt.

**Fund Specific Financial Statements**

The individual fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to monitor, control and manage money for particular purposes (such as repaying long-term debt) or to show that it is properly using certain revenues (such as federal and state grants). All of the District's funds are considered governmental funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

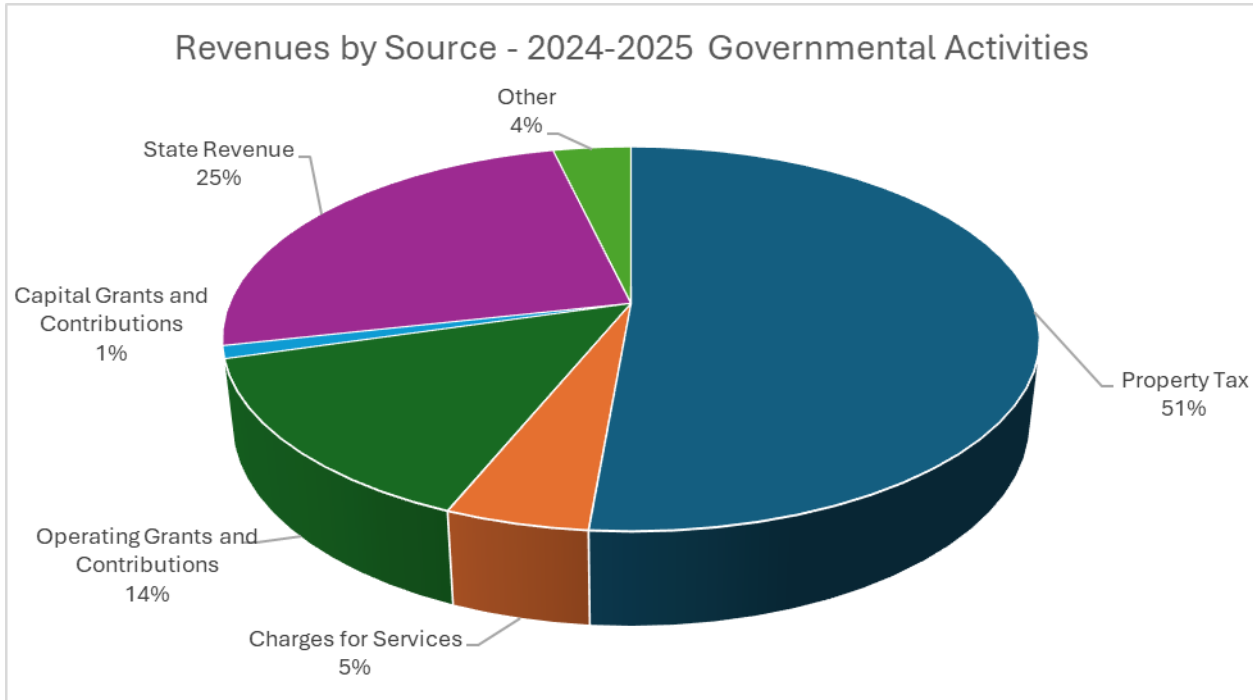
The District maintains nine individual governmental funds including the general fund, designated purpose grants fund, bond redemption fund, building fund, nutrition services fund, interscholastic athletics/activities fund, land reserve fund, fee supported programs fund and capital projects fund. The governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciling schedule follows the governmental funds statements to help explain the relationship (or differences) between them.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Revenues by Source: 2024-25 Governmental Activities**

Property taxes (51%), state equalization (25%), and operating grants & contributions (14%) are the District's primary revenue sources overall as shown in the chart below. These three categories comprise 90% of the revenues received by the District.

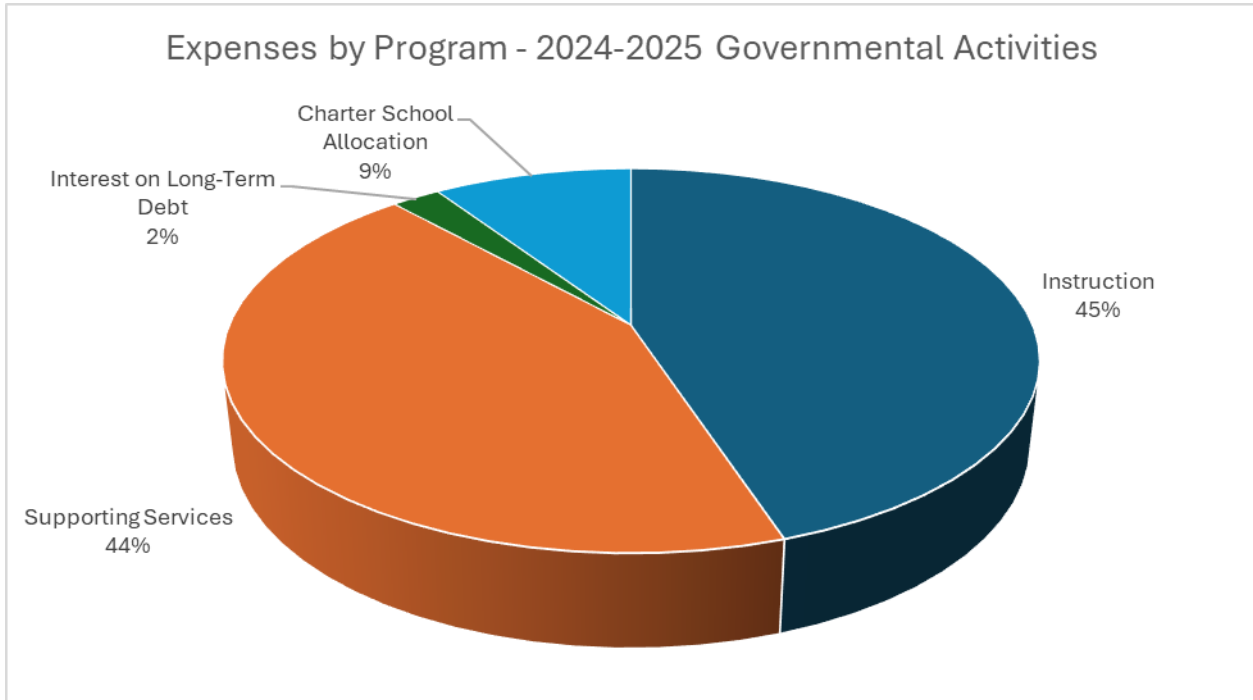


- In fiscal 2024-25 property tax revenue accounted for 51% of the District's total governmental activities revenues and State equalization monies were approximately 25% of total revenues.
- The District collects property taxes through three different mill levy overrides (MLOs) which were approved by voters in 1999, 2006 and 2018. These funds are used to support specified General Fund services and an additional mill levy is used to fund the annual principal and interest payments of the District's bonded debt.
- Federal and state governmental grants and contributions by local governments, businesses, and individuals accounted for 15% of District revenues in 2024-25. The largest grants were for the Individuals with Disabilities Education Act (IDEA), Title I, and Head Start programs.
- The District collected 5% of total revenues via fees for supplemental services or programs such as rental of district facilities, fund raising activities and fees for certain elective classes and athletic participation. An additional 4% of other revenues were from specific ownership taxes, payments-in-lieu-of (PILO) land dedication from developers, investment earnings and miscellaneous other revenue sources.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Expenses by Program: 2024-25 Governmental Activities**

The chart below presents the District's expenses by major categories with direct instruction, and pupil and instructional support type expenses receiving the greatest emphasis, as expected.



- Classroom teacher salaries and benefits, curriculum, professional development and instructional supplies and materials were the foundation of student instruction. At 45% of the total, costs of instruction comprised the largest category of expenses for the organization.
- The District expended 44% of total governmental activities costs for supporting services which includes costs in direct support of students and the staff that instruct them, maintenance and operation costs including utilities and custodial staffing, and administration and business expenses.
- 100% of per pupil revenues derived from students enrolled in District charter schools was categorized as expenses and flowed to the charters on a monthly basis at the same time the funds were received. In addition, the sharing of mill levy override revenue with charters was included in this category. These allocations to charter schools were calculated based on percentage of student counts and comprised approximately 9% of total governmental activities spending for 2024-25.
- Interest on long-term debt remained consistent with prior year expenses. This expense made up 2% of total expenses in the current year.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Percentage Change
	2025	2024	2024-25
<b>ASSETS</b>			
Current and Other Assets	\$ 99,519,006	\$ 121,196,688	-17.9%
Capital Assets	208,143,816	217,843,527	-4.5%
Total Assets	<u>307,662,822</u>	<u>339,040,215</u>	-9.3%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related	52,261,688	76,637,798	-31.8%
OPEB Related	1,156,483	1,573,418	-26.5%
Loss on Refunding	-	723,454	-100.0%
Total Deferred Outflows of Resources	<u>53,418,171</u>	<u>78,934,670</u>	-32.3%
<b>LIABILITIES</b>			
Other Liabilities	41,168,248	40,629,540	1.3%
Long-Term Liabilities	182,503,521	210,914,561	-13.5%
Net Pension Liability	278,370,976	306,204,615	-9.1%
Net OPEB Liability	4,939,087	7,393,609	-33.2%
Total Liabilities	<u>506,981,832</u>	<u>565,142,325</u>	-10.3%
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related	15,502,245	13,327,666	16.3%
OPEB Related	3,317,921	3,073,060	8.0%
Total Deferred Inflows of Resources	<u>18,820,166</u>	<u>16,400,726</u>	14.8%
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,338,943	11,307,862	44.5%
Restricted	37,187,667	39,298,181	-5.4%
Unrestricted (Deficit)	(218,247,615)	(214,174,209)	1.9%
Total Net Position (Deficit)	<u>\$ (164,721,005)</u>	<u>\$ (163,568,166)</u>	<u>0.7%</u>

The condensed Statement of Net Position (Table 1) is supported by the following analysis:

- Total current and other assets shown above decreased \$21.7 million in 2024-25 as compared to the prior year. This decrease is primarily due to using current resources to pay down long-term liabilities.
- Total capital assets, shown net of depreciation, decreased by \$9.7 million reflecting annual depreciation expense (\$13.6 million) offset by capital additions (\$7.7 million) for the year. In addition, the District sold land with historical cost of \$3.6 million for \$4.0 million during the year.
- Total liabilities decreased \$58.2 million, primarily due to an decrease in the District's proportionate share of PERA's unfunded pension liability (\$27.8 million) as well as decreases in long-term liabilities (\$28.4 million) relating to principal payments on long-term debt and amortization of premiums.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Table 2  
Changes in Net Position from Operating Results**

	Governmental Activities	
	2025	2024
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 13,109,066	\$ 10,483,354
Operating Grants and Contributions	38,841,843	31,002,534
Capital Grants and Contributions	2,892,288	2,880,038
General Revenues:		
Property Tax	140,433,922	140,687,984
State Equalization Revenue	67,893,200	61,281,499
Other	10,056,193	13,809,902
Total Revenues	<u>273,226,512</u>	<u>260,145,311</u>
<b>EXPENSES</b>		
Instruction	123,466,725	125,261,084
Supporting Services	118,885,053	103,591,089
Interest on Long-Term Debt	6,338,979	7,561,374
Charter School Allocation	25,688,594	23,860,463
Total Expenses	<u>274,379,351</u>	<u>260,274,010</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	(1,152,839)	(128,699)
Net Position (Deficit) - Beginning of Year	<u>(163,568,166)</u>	<u>(163,439,467)</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u><u>\$ (164,721,005)</u></u>	<u><u>\$ (163,568,166)</u></u>

The condensed Changes in Net Position from Operating Results (Table 2) are supported by the following additional analysis:

- Governmental activities revenues increased by approximately \$13.1 million compared to the prior year. The increase was primarily associated with increased state equalization (\$6.6 million) and increased operating grants and contributions (\$7.8 million).
- Total expenses in governmental activities increased by \$14.1 million versus the prior year, primarily relating to increased salaries and benefits costs in fiscal year 2025 compared to the prior year.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**ANALYSIS OF FUND FINANCIAL STATEMENTS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. These funds are accounted for using the modified accrual basis of accounting.

**Governmental Funds**

Financial results for 2024-25 show governmental fund balances, in total, having decreased approximately \$3.6 million, from \$77.2 million to \$73.5 million at the current fiscal year-end.

The General Fund is the primary operating fund of the District. The balance of this fund decreased \$8.8 million in 2024-25 versus a budgeted decrease of \$10.2 million. Total revenue in the year was \$6.1 million greater than budgeted. This increase can be attributed to increased assessed property values, and improved investment earnings.

The original 2024-25 General Fund budget adopted by the Board of Education included expenses in excess of expenditures (including transfers out to other funds) by \$1.0 million. Drawing from reserves to support the budget.

Mid-year, budget amendments were approved by the Board to decrease revenue expectations by \$1.9 million due to projected decreases in Per Pupil Revenue (PPR) and Funded Pupil Count (FPC), as well as a decrease in the Local Property Tax mill levy override. By the end of the year both of these amounts actually increased. Additional increases for staff stipends, a school roof replacement, reallocation of expenses from the Medicaid to the general funds and several other areas were also approved. This was funded by a draw upon the District's reserves.

The Designated Purpose Grants Fund is used to account for grants awarded to the District that are restricted for a specific purpose.

- The Designated Purpose Grants Fund fund balance decreased \$0.8 million for the 2024-25 fiscal year, primarily due to unreimbursed matching costs associated with grants being recorded within the fund in fiscal year 2025.

The Bond Redemption Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related costs. The fund's primary revenue source is local property taxes levied specifically for debt service.

- The Bond Redemption Fund balance increased by \$1.0 million as a function of normal adherence to the existing debt service schedules and local property tax collections for the next year.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Capital Assets**

At the end of the 2025 fiscal year the District had invested \$208.1 million in land, buildings, water rights and transportation vehicles, net of depreciation. Table 3 provides a comparison of capital assets for fiscal year 2025 versus fiscal year 2024.

**Table 3  
Capital Assets at June 30, 2025  
(Net of Depreciation)**

	Governmental Activities		Total Percentage Change
	2025	2024	2024-25
Land	\$ 13,450,369	\$ 17,074,783	-21.2%
Water Rights	2,872,714	2,992,984	-4.0%
Construction In Progress	1,736,071	956,511	81.5%
Land Improvements	3,472,290	4,243,765	-18.2%
Buildings	181,349,422	186,844,162	-2.9%
Equipment	1,864,181	1,950,739	-4.4%
Transportation	3,398,769	3,780,583	-10.1%
Total	<u>\$ 208,143,816</u>	<u>\$ 217,843,527</u>	<u>-4.5%</u>

New investments in capital assets were \$7.7 million, primarily relating to construction of “The Landing” youth shelter and expansion of the Thompson Career Campus to include space for a new Emergency Medical Technician pathway, as well as HVAC improvements and vehicle purchases. Net depreciation on all depreciable capital assets was \$13.6 million. In addition, the District sold vacant land with historical cost of \$3.6 million.

Additional information can be found in Note 3 to the Financial Statements.

**Debt Administration**

At year-end, the District had \$176.9 million in outstanding bonds, certificates of participation, and financed purchases. Of the total outstanding debt, \$13.7 million of principal is due within one year.

**Table 4  
Outstanding Debt at June 30, 2025**

	Governmental Activities	
	2025	2024
General Obligation Bonds	\$ 157,910,000	\$ 168,610,000
Certificates of Participation	13,080,000	15,295,000
Financed Purchases	5,994,391	664,533
Total	<u>\$ 176,984,391</u>	<u>\$ 184,569,533</u>

Additional information on the District’s long-term debt can be found in Note 5.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**Factors bearing on the District's Future**

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

- Fluctuations in student enrollment impact the primary revenue source for District General Fund operations, the School Finance Act. While the District has seen some recovery since the 2020-21 school year, student headcount is still below pre-pandemic levels. As part of the existing School Finance Act of the State of Colorado (as modified), the District has been able to somewhat lessen the impact of fewer students by utilizing the state's five year declining enrollment averaging methodology. For the 2024-25 fiscal year the Per Pupil Revenue (PPR) has shown an increase over the prior year. Both of these trends warrant continued monitoring and analysis from both a facilities utilization and financial impact perspective.
- Home prices along the Front Range and in northern Colorado continue to increase, with the median single-family home in Larimer County estimated to be approximately \$595,000 as of November 2024. The ability of younger families with school age children to affordably attain housing in the area remains a challenge and further contributes to home ownership and declining enrollment pressure.
- Healthcare costs remain a significant portion of the District's expenditures. The District is part of the Colorado Employer Benefit Trust (CEBT) for health insurance coverage. The purpose of the trust is to spread the risk of adverse claims over a large base of members (approximately 260 participating groups covering 25,000 members) and reduce administration costs. Since the pool is self-insured, the participating groups are generally able to benefit from positive overall claims experience and low administrative costs. The trust purchases stop loss reinsurance for high claims so some relief is provided for those individuals on the plan with annual medical costs over the stop loss threshold. The District's Joint Insurance Committee and staff continue to analyze appropriate recommendations of managing this significant cost.
- The District currently receives property tax revenues associated with three local MLOs approved by voters in 1999, 2006, and 2018. The first two initiatives have reached the maximum funding levels called for in the ballot language. Therefore, no additional revenue will be realized for these two overrides even as assessed valuations in the District boundaries continue to increase. Further, locally authorized MLO collections are legislatively restricted to a maximum of 25% of total program revenue as determined by the School Finance Act. Due to increasing assessed valuations of property the District is nearing that statutory limit and future revenue could be capped.
- Under state law, the District may contract with individuals and organizations for the operation of schools referred to as "charter schools," within the District. For purposes of the School Finance Act, pupils enrolled in charter schools within the District boundaries are included in the pupil enrollment count of the District. Such charter schools are financed primarily from the associated per pupil revenues received under the School Finance Act. The District is required to pay its charters 100% of per pupil revenue for each pupil enrolled in the charter, less administrative and purchased services costs, where applicable. The addition of new charter schools or expansion of existing charter schools could negatively impact the District's finances. No plans or applications for new charter schools within the District boundaries are known of at this time.

**THOMPSON SCHOOL DISTRICT R2-J  
MANAGEMENT'S DISCUSSION OF ANALYSIS  
YEAR ENDED JUNE 30, 2025**

- Each year the District budgets for all planned positions to be filled for the entire year depending on the applicable work calendar for each of those roles. Achieving that goal is increasingly challenged by remaining regionally competitive from a salary perspective, both from neighboring school districts and from the private sector. The ability to successfully recruit and retain a full labor force and be an employer of choice is an ongoing effort across all sectors of the District.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Services Office, Thompson School District R2-J, 800 South Taft Ave., Loveland, Colorado 80537.

**THOMPSON SCHOOL DISTRICT R2-J**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Primary Governmental Activities	Discretely Presented Component Units
<b>ASSETS</b>		
Cash and Investments	\$ 85,933,891	\$ 23,625,764
Restricted Cash and Investments	5,581,193	6,813,256
Accounts Receivable	644,878	58,791
Property Tax Receivable	5,205,469	-
Grants Receivable	1,876,943	-
Deposits	-	68,224
Prepaid Items	3,666	60,131
Inventory	272,966	-
Capital Assets, Not Being Depreciated	18,059,154	2,609,254
Capital Assets, Net of Accumulated Depreciation	190,084,662	49,193,427
Total Assets	307,662,822	82,428,847
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	52,261,688	4,720,825
OPEB Related	1,156,483	175,298
Total Deferred Outflows of Resources	53,418,171	4,896,123
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	1,807,678	1,077,324
Retainage Payable	80,176	-
Accrued Salaries and Benefits	19,885,178	771,051
Unearned Revenue	1,271,162	-
Accrued Interest Payable	398,855	704,059
Noncurrent Liabilities:		
Due Within One Year	17,725,199	1,725,346
Due in More Than One Year:	182,503,521	58,446,542
Net Pension Liability	278,370,976	22,029,749
Net OPEB Liability	4,939,087	390,871
Total Liabilities	506,981,832	85,144,942
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	15,502,245	831,592
OPEB Related	3,317,921	212,846
Total Deferred Inflows of Resources	18,820,166	1,044,438
<b>NET POSITION</b>		
Net Investment in Capital Assets	16,338,943	(6,964,122)
Restricted For:		
TABOR	7,572,598	836,500
Debt Service	22,658,900	4,729,698
Land and Land Improvements	5,703,801	-
Nutrition Services	1,252,368	-
Repairs and Replacement	-	173,628
Unrestricted (Deficit)	(218,247,615)	2,359,886
Total Net Position (Deficit)	\$ (164,721,005)	\$ 1,135,590

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
<b>PRIMARY GOVERNMENT</b>						
Instruction	\$ 123,466,725	\$ 6,670,769	\$ 19,765,326	\$ 2,892,288	\$ (94,138,342)	\$ -
Supporting Services	118,885,053	6,438,297	19,076,517	-	(93,370,239)	-
Charter School Allocation	25,688,594	-	-	-	(25,688,594)	-
Interest on Long-Term Debt	6,338,979	-	-	-	(6,338,979)	-
Total Primary Government	<u>\$ 274,379,351</u>	<u>\$ 13,109,066</u>	<u>\$ 38,841,843</u>	<u>\$ 2,892,288</u>	(219,536,154)	-
<b>COMPONENT UNITS</b>						
New Vision Charter School	\$ 13,258,807	\$ 110,503	\$ 498,914	\$ 390,431	-	(12,258,959)
Loveland Classical Schools	14,695,279	1,970,704	492,263	29,982	-	(12,202,330)
Total Component Units	<u>\$ 27,954,086</u>	<u>\$ 2,081,207</u>	<u>\$ 991,177</u>	<u>\$ 420,413</u>	-	(24,461,289)
<b>GENERAL REVENUES</b>						
Property Taxes					140,433,922	-
Specific Ownership Taxes					5,559,465	-
Equalization					67,893,200	-
Payment in Lieu of Land Dedication					1,168,763	-
Interest and Investment Earnings					3,101,535	1,356,902
Charter School Funding					-	26,071,062
Miscellaneous					226,430	126,024
Total General Revenues					<u>218,383,315</u>	<u>27,553,988</u>
<b>CHANGE IN NET POSITION</b>					(1,152,839)	3,092,699
Net Position (Deficit) - Beginning of Year					(163,568,166)	(1,957,109)
<b>NET POSITION (DEFICIT) - ENDING</b>					<u>\$ (164,721,005)</u>	<u>\$ 1,135,590</u>

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	General	Government Designated- Purpose Grants	Bond Redemption	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 46,713,955	\$ 890,912	\$ 22,974,099	\$ 15,354,925	\$ 85,933,891
Restricted Cash and Investments	-	-	-	5,581,193	5,581,193
Accounts Receivable	586,111	-	-	58,767	644,878
Property Tax Receivable	4,517,909	-	618,221	69,339	5,205,469
Grants Receivable	-	1,876,943	-	-	1,876,943
Due from Other Funds	750,881	-	-	-	750,881
Prepaid Items	-	-	-	3,666	3,666
Inventory	-	-	-	272,966	272,966
	<u>\$ 52,568,856</u>	<u>\$ 2,767,855</u>	<u>\$ 23,592,320</u>	<u>\$ 21,340,856</u>	<u>\$ 100,269,887</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,013,147	\$ 499,454	\$ -	\$ 295,077	\$ 1,807,678
Retainage Payable	-	74,693	-	5,483	80,176
Accrued Salaries and Benefits	18,108,639	1,396,563	-	379,976	19,885,178
Due to Other Funds	-	750,881	-	-	750,881
Unearned Revenue	-	1,109,366	-	161,796	1,271,162
Total Liabilities	19,121,786	3,830,957	-	842,332	23,795,075
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	2,246,832	306,528	383,608	-	2,936,968
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	276,632	276,632
Restricted For:					
TABOR	6,908,409	-	534,565	129,624	7,572,598
Debt Service	-	-	22,674,147	-	22,674,147
Land and Land Improvements	-	-	-	5,703,801	5,703,801
Capital Projects	-	-	-	5,581,193	5,581,193
Nutrition Services	-	-	-	1,252,368	1,252,368
Committed to Student Specific Programs	-	-	-	3,609,715	3,609,715
Assigned to Capital Projects	-	-	-	3,945,191	3,945,191
Assigned for Subsequent Year's Budget	2,990,798	-	-	-	2,990,798
Unassigned	21,301,031	(1,369,630)	-	-	19,931,401
Total Fund Balances	<u>31,200,238</u>	<u>(1,369,630)</u>	<u>23,208,712</u>	<u>20,498,524</u>	<u>73,537,844</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,568,856</u>	<u>\$ 2,767,855</u>	<u>\$ 23,592,320</u>	<u>\$ 21,340,856</u>	<u>\$ 100,269,887</u>

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

Total Fund Balances - Governmental Funds		\$ 73,537,844
Amounts reported for governmental activities in the statement of net position are different because:		
Revenues earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds.		2,936,968
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Governmental Capital Assets		419,272,715
Accumulated Depreciation		(211,128,899)
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Accrued Interest Payable		(398,855)
Bonds Payable		(157,910,000)
Premium on Bonds		(19,027,485)
Certificates of Participation		(13,080,000)
Premium on Certificates of Participation		(954,650)
Financed Purchases		(5,994,391)
Compensated Absences		(1,346,053)
Severance Incentive Stipend		(1,916,141)
Net Pension Liability		(278,370,976)
Net OPEB Liability		(4,939,087)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred Outflow Related to Pensions		52,261,688
Deferred Outflow Related to OPEB		1,156,483
Deferred Inflow Related to Pensions		(15,502,245)
Deferred Inflow Related to OPEB		(3,317,921)
		(164,721,005)
Total Net Position (Deficit) - Governmental Activities		<u>\$ (164,721,005)</u>

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	General	Government Designated- Purpose Grants	Bond Redemption	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 131,722,012	\$ 1,551,367	\$ 18,978,002	\$ -	\$ 152,251,381
Intergovernmental	84,271,076	17,489,510	-	8,376,258	110,136,844
Loveland URA Distribution	-	-	-	2,892,288	2,892,288
Charges for Services	-	-	-	1,074,605	1,074,605
Payments in Lieu of Land Dedication	-	-	-	1,168,763	1,168,763
Fund Raising and Events	-	-	-	2,774,215	2,774,215
Investment Earnings	2,016,918	5,910	847,613	231,094	3,101,535
Other	-	-	-	109,943	109,943
Total Revenues	<u>218,010,006</u>	<u>19,046,787</u>	<u>19,825,615</u>	<u>16,627,166</u>	<u>273,509,574</u>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Salaries and Benefits	99,752,098	4,999,686	-	383,387	105,135,171
Purchased Services	5,330,603	160,954	-	825,611	6,317,168
Supplies and Materials	3,398,485	671,995	-	1,543,880	5,614,360
Other	397,558	11,762	-	310,142	719,462
Total Instruction	<u>108,878,744</u>	<u>5,844,397</u>	<u>-</u>	<u>3,063,020</u>	<u>117,786,161</u>
Supporting Services:					
Pupil Services	13,097,679	5,679,939	-	-	18,777,618
Instructional Staff	17,810,336	1,826,956	-	50,028	19,687,320
General Administration	1,517,944	-	-	66,060	1,584,004
School Administration	14,261,962	796,356	-	-	15,058,318
Business Services	3,649,075	-	-	244,045	3,893,120
Maintenance/Operations	23,287,161	665,776	-	2,862,872	26,815,809
Pupil Transportation	8,082,678	-	-	4,635	8,087,313
Central Supporting Services	7,283,192	-	-	1,789,862	9,073,054
Nutrition Services	112,702	7,599	-	8,996,094	9,116,395
Community Services	7,839	-	-	1,039,191	1,047,030
Facilities	79,479	43,038	-	418,891	541,408
Total Supporting Services	<u>89,190,047</u>	<u>9,019,664</u>	<u>-</u>	<u>15,471,678</u>	<u>113,681,389</u>
Capital Outlay	177,316	4,777,373	-	2,645,893	7,600,582
Debt Service - Principal	-	-	10,700,000	2,431,762	13,131,762
Debt Service - Interest	-	-	8,122,219	694,576	8,816,795
Charter School Allocation	25,688,594	-	-	-	25,688,594
Total Expenditures	<u>223,934,701</u>	<u>19,641,434</u>	<u>18,822,219</u>	<u>24,306,929</u>	<u>286,705,283</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,924,695)	(594,647)	1,003,396	(7,679,763)	(13,195,709)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	2,560,087	26,500	-	8,749,221	11,335,808
Transfers Out	(5,427,853)	-	-	(5,907,955)	(11,335,808)
Issuance of Financed Purchase	-	-	-	5,546,620	5,546,620
Sale of Capital Assets	-	-	-	4,000,000	4,000,000
Total Other Financing Sources (Uses)	<u>(2,867,766)</u>	<u>26,500</u>	<u>-</u>	<u>12,387,886</u>	<u>9,546,620</u>
<b>NET CHANGE IN FUND BALANCES</b>	(8,792,461)	(568,147)	1,003,396	4,708,123	(3,649,089)
Fund Balances - Beginning of Year	39,992,699	(801,483)	22,205,316	15,790,401	77,186,933
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 31,200,238</u>	<u>\$ (1,369,630)</u>	<u>\$ 23,208,712</u>	<u>\$ 20,498,524</u>	<u>\$ 73,537,844</u>

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO  
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Total Net Change in Fund Balances - Governmental Funds	\$ (3,649,089)
Amounts reported for governmental activities in the statement of activities are different because:	
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available.	(864,239)
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Outlay	7,666,299
Depreciation Expense	(13,592,461)
Net Book Value of Disposals	(3,773,549)
In the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, these expenses are reported regardless of when the financial resources are available.	
Change in Severance Incentive Stipends	431,656
Change in Compensated Absences	(510,089)
Change in Accrued Interest	22,138
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is issued. These amounts are amortized in the statement of activities.	
Bond Principal Payments	10,700,000
Bond Premium Amortization	3,179,131
COP Principal Payments	2,215,000
Issuance of Financed Purchase	(5,546,620)
Financed Purchase Principal Payments	216,762
Amortization of Deferred Loss on Refunding	(723,454)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Net Pension Expense	1,282,950
Net OPEB Expense	1,792,726
Change in Net Position of Governmental Activities	<u><u>\$ (1,152,839)</u></u>

See accompanying Notes to Financial Statements.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Thompson School District R2-J (the District) conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). Following is a summary of the more significant policies.

**A. Reporting Entity**

In conformance with governmental accounting and financial reporting standards, Thompson School District R2-J, Larimer County, Loveland, Colorado, is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of public school instruction within the geographical area organized as Thompson School District R2-J. The District meets the criteria of a primary government: its Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

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

Blended Component Unit

**Thompson School Facilities Corporation**

The Thompson School Facilities Corporation (Corporation), a Colorado nonprofit corporation, was formed by the District solely for the purpose of acting as lessor, with the District as lessee, to finance the acquisition and/or construction of certain facilities used in District operations. The corporation has no financial activity other than debt payments included in the District's Capital Projects Fund. Therefore, the corporation is not separately presented in the financial statements. The Corporation does not publish individual component unit financial statements.

Discrete Component Units

The District includes the New Vision Charter School and Loveland Classical Schools (the Entities) within its reporting entity because the District is financially accountable for the Entities. The charter schools are authorized by the District and the District is legally obligated to provide the majority of their revenues. Since the Entities have separately elected boards, the balances and transactions of the Entities are discretely presented in the financial statements. New Vision Charter School issues separate financial statements, which can be obtained at 299 Peridot Avenue, Loveland, CO 80537. Loveland Classical Schools issues separate financial statements, which can be obtained at 3835 14th Street Southwest, Loveland, CO 80537.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed funds (special revenue funds), the servicing of general long-term debt (debt service funds) and capital improvements for the district (capital projects funds). The following are the District's major governmental funds:

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the District, except for programs funded by grants from federal and state governments, grants from local agencies, school construction, certain capital outlay expenditures, debt service, food service operations, certain extracurricular athletic and other pupil activities.

Government Designated-Purpose Grants Fund

The Government Designated-Purpose Grants Fund maintains the accounting for programs funded by federal, state, and local grants that normally have a different fiscal period than that of the District.

Bond Redemption Fund

The Bond Redemption Fund is a debt service fund. This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The fund's primary revenue source is local property taxes levied specifically for debt service.

**C. Basis of Presentation**

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Interfund services provided and used are not eliminated in the process of consolidation.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued)**

Government-Wide Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements, therefore, include a reconciliation with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place.

**THOMPSON SCHOOL DISTRICT R2-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

Revenues – Exchange and Nonexchange Transactions (Continued)

On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the District considers all revenues reported in the governmental funds to be available if the revenues are received within sixty days after year-end. The District's major revenue sources that are susceptible to accrual are property taxes, intergovernmental revenues, and investment earnings.

Unearned Revenue

Unearned revenues arise when the District receives resources before it has a legal claim to them, as when grant moneys are received prior to meeting eligibility requirements and charges for services received in advance. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will be recognized as revenue in future periods.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

The acquisition value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as donated commodities revenue.

**E. Cash and Investments**

Cash and investments include cash on hand, money market funds, and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

Cash balances from different funds are combined and invested to the extent possible in local government investment pools. Earnings from investments are allocated to each fund based upon that fund's share of the investment. The District generally holds investments until maturity.

**F. Inventories**

Nutrition Services Fund purchased inventories are stated at cost as determined by the first-in, first-out (FIFO) method. Commodity inventories are stated at the USDA's assigned values at the date of receipt. Expenditures for food items are recorded when used. The federal government donates surplus commodities to supplement the National School Lunch Program. Commodity contributions are recorded as revenues and as expenditures when used.

**G. Capital Assets**

Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at the acquisition values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets (Continued)**

All reported capital assets are depreciated with the exception of land, water rights and construction-in-progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Equipment and vehicles acquired under lease agreements are amortized over the life of the related lease agreement or the estimated useful lives of the capital assets. Amortization is combined with depreciation expense in the financial statements. Depreciation or amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 to 20 Years
Buildings and Improvements	10 to 50 Years
Furniture and Equipment	5 to 20 Years
Vehicles	4 to 20 Years

**H. Accrued Salaries and Benefits**

Salaries and 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 10 months. The salaries and benefits earned, but unpaid, at June 30, 2025, are reflected as a liability in the accompanying financial statements.

**I. Compensated Absences**

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**J. Severance Incentive Benefit Amounts**

During fiscal year 1993, the District initiated a severance bonus plan. Certified, classified and administrative personnel could choose from a number of options and payment plans when terminating from the District. The District budgets the subsequent year's available financial resources for each year's anticipated severance incentive benefits. The unpaid liability for severance incentive benefits is reported on the government-wide financial statements.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with available resources. However, claims and judgments, compensated absences, and termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with available financial resources. Bonds, financed purchases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**L. Defined Benefit Plans**

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 District reports a net pension liability for its proportionate share of PERA's unfunded pension liability, which is expected to be liquidated primarily with resources from the General Fund. 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.

On-behalf Payment

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of Colorado makes direct on-behalf payments for retirement benefits to the PERA. Beginning on July 1, 2018, the state of Colorado is required to make a payment to PERA each year. PERA allocates the contribution to the trust funds of the state, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1 of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution.

**THOMPSON SCHOOL DISTRICT R2-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Defined Benefit Plans (Continued)**

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by PERA and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

**M. Fund Balance**

In the fund financial statements, fund balance is restricted when constraints placed on the use of resources are externally imposed.

In the governmental fund financial statements, governmental funds report committed fund balances when the Board of Education commits resources for the specific purpose through passage of a resolution. Assigned fund balance is reported when the Board of Education intends to use resources for a specific purpose but without a formal action. The Board of Education through resolution has given the superintendent or their designee, the chief financial officer, the authority to assign these fund balances. The District has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balances first, followed by committed, assigned and unassigned balances.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

**N. Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are constraints imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**THOMPSON SCHOOL DISTRICT R2-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Property Taxes**

Property taxes attach as an enforceable lien on January 1, are certified on December 15 and are levied the following January 1. They are payable in full by April 30 or are due in two equal installments on February 28 and June 15. Larimer, Weld and Boulder Counties bill and collect property taxes for all taxing entities within each county.

The property tax receipts collected by the counties are remitted to the District in the subsequent month.

**P. Interfund Transactions**

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

**Q. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

Colorado statutes govern the District's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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. At June 30, 2025, the District's carrying amount of deposits was \$2,101,033.

The District is required to comply with State statutes, which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States and certain U.S. Agency Securities
- Certain international agency securities

**THOMPSON SCHOOL DISTRICT R2-J**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

- General obligation and revenue bonds of 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

Interest Rate Risk

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. State statute generally limits investments to a maturity of five years from date of purchase, unless the Board of Education authorizes a maturity in excess of five years.

Credit Risk

State statutes limit certain investments to those with specified ratings provided by nationally recognized statistical rating organizations (NRSROs), depending on the type of investment. State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more NRSROs.

Concentration of Credit Risk

Except for corporate securities, State statutes do not limit the amount the District may invest in a single issuer.

Custodial Risk

State statutes require the collateral securities of repurchase agreements to be held by the District's custodian or a third-party trustee.

Local Government Investment Pool

At June, 30, 2025 the District had investments of \$83,832,858 in an external investment pool, the Colorado Local Government Liquid Asset Trust (ColoTrust) Plus+ fund, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing ColoTrust. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. The investments in ColoTrust were valued at net asset value (NAV). ColoTrust Plus+ is rated AAAM by S&P Global Ratings. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

Money Market Account

At June 30, 2025, \$5,581,193 is held in a separate account required for the District's financed purchase agreement for energy and water capital improvements. This account is invested in money market accounts that are rated AAAM by S&P Global Ratings and are shown at amortized cost.

**NOTE 3 CAPITAL ASSETS**

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

	June 30, 2024	Additions	Deletions / Transfers	June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 17,074,783	\$ -	\$ (3,624,414)	\$ 13,450,369
Water Rights	2,992,984	28,865	(149,135)	2,872,714
Construction in Progress	956,511	6,504,679	(5,725,119)	1,736,071
Total Capital Assets, Not Being Depreciated	21,024,278	6,533,544	(9,498,668)	18,059,154
Capital Assets, Being Depreciated:				
Land Improvements	7,531,077	-	-	7,531,077
Buildings	353,164,255	5,709,962	-	358,874,217
Equipment	16,834,187	702,131	(39,995)	17,496,323
Transportation	16,866,163	445,781	-	17,311,944
Total Capital Assets, Being Depreciated	394,395,682	6,857,874	(39,995)	401,213,561
Less Accumulated Depreciation For:				
Land Improvements	(3,287,312)	(771,475)	-	(4,058,787)
Buildings	(166,320,093)	(11,204,702)	-	(177,524,795)
Equipment	(14,883,448)	(788,689)	39,995	(15,632,142)
Transportation	(13,085,580)	(827,595)	-	(13,913,175)
Total Accumulated Depreciation	(197,576,433)	(13,592,461)	39,995	(211,128,899)
Total Capital Assets, Being Depreciated, Net	196,819,249	(6,734,587)	-	190,084,662
Governmental Activities Capital Assets, Net	<u>\$ 217,843,527</u>	<u>\$ (201,043)</u>	<u>\$ (9,498,668)</u>	<u>\$ 208,143,816</u>

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2025 was charged to the following governmental functions:

Instruction	\$ 6,916,752
Supporting Services:	
Pupil Services	1,102,677
Instructional Staff	1,156,098
General Administration	93,017
School Administration	884,269
Business Services	228,616
Maintenance/Operations	1,574,704
Pupil Transportation	474,911
Central Supporting Services	532,797
Nutrition Services	535,342
Community Services	61,485
Facilities Acquisition and Construction Services	31,793
Total	<u>\$ 13,592,461</u>

**NOTE 4 SHORT-TERM DEBT**

During the year ended June 30, 2025, the District borrowed \$14,947,738 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full by June 30, 2025, from property taxes received primarily from February through March. The schedule of changes is summarized below.

	Balance July 1, 2024	Additions	Payments	Balance June 30, 2025
State-Sponsored Interest-Free Loan	<u>\$ -</u>	<u>\$ 14,947,738</u>	<u>\$ (14,947,738)</u>	<u>\$ -</u>

**NOTE 5 LONG-TERM LIABILITIES**

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

	June 30, 2024	Additions	Deletions	June 30, 2025	Amount Due in One Year
Governmental Activities:					
Bonds Payable - Series 2012	\$ 21,825,000	\$ -	\$ (10,675,000)	\$ 11,150,000	\$ 11,150,000
Bonds Payable - Series 2019	146,785,000	-	(25,000)	146,760,000	25,000
Premium Bond Payable 2012	851,611	-	(425,806)	425,805	425,805
Premium Bond Issuance 2019	20,876,522	-	(2,274,842)	18,601,680	2,274,610
Certification of Participation 2014	3,330,000	-	(835,000)	2,495,000	870,000
Certification of Participation 2022	11,965,000	-	(1,380,000)	10,585,000	1,455,000
Premium Certificate of Participation 2014	658,307	-	(260,093)	398,214	167,430
Premium Certificate of Participation 2022	774,826	-	(218,390)	556,436	190,934
Financed Purchase - Bus	664,533	-	(216,762)	447,771	221,477
Financed Purchase - Energy and Water	-	5,546,620	-	5,546,620	23,528
Compensated Absences	835,964	510,089	-	1,346,053	207,380
Severance Incentive Stipend	2,347,797	296,885	(728,541)	1,916,141	714,035
Total	<u>\$ 210,914,560</u>	<u>\$ 6,353,594</u>	<u>\$ (17,039,434)</u>	<u>\$ 200,228,720</u>	<u>\$ 17,725,199</u>

The change in compensated absences liability is presented as a net change.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

General Obligation Bonds

In March 2012, the District issued \$84,740,000 General Obligation Refunding Bonds to refund a portion of the General Obligation Bonds, Series 2005. Interest rates are between 2% and 5% and payments are due semi-annually on June 15 and December 15. Principal payments are due annually on December 15, through 2025.

In January 2019, the District issued \$149,000,000 General Obligation Bonds for capital improvements. Interest rates are between 2% and 5% and payments are due semi-annually on June 15 and December 15. Principal payments are due annually on December 15, through 2038.

The principal and interest requirements to maturity for the Series 2012 general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 11,150,000	\$ 278,750	\$ 11,428,750

The principal and interest requirements to maturity for the Series 2019 general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 25,000	\$ 7,337,125	\$ 7,362,125
2027	8,285,000	7,129,625	15,414,625
2028	8,700,000	6,705,000	15,405,000
2029	9,135,000	6,259,125	15,394,125
2030	9,590,000	5,791,000	15,381,000
2031-2035	55,635,000	21,073,125	76,708,125
2036-2040	55,390,000	5,707,750	61,097,750
Total	<u>\$ 146,760,000</u>	<u>\$ 60,002,750</u>	<u>\$ 206,762,750</u>

Certificates of Participation

Certificates of Participation represent long-term purchase agreements for the acquisition of capital items. Certificates of Participation (COP) are not considered bonded debt of the District due to the structure of the purchase agreement and annual appropriation clause. The COPs are not considered to be a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitations.

On October 30, 2014, the Thompson School Facilities Corporation issued \$11,515,000 Certificates of Participation. Proceeds of \$2,420,000 were used to refund the 2004 COPs. Proceeds of \$9,095,000 were used to construct High Plains School. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at the rates ranging from 2% to 5% per annum. Principal payments are due annually on December 1, through 2029. Debt service is expected to be paid with distributions from the Loveland Urban Renewal Authority.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

Certificates of Participation (Continued)

On May 5, 2022, the Thompson School Facilities Corporation issued \$14,870,000 Certificates of Participation. The proceeds from the sale of the Certificates will provide funds to construct and equip an addition to the High Plains School. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at the rates ranging from 4% to 5% per annum. Principal payments are due annually on December 1, through 2029. Debt service is expected to be paid with distributions from the Loveland Urban Renewal Authority.

The principal and interest requirements to maturity for the 2014 certificates of participation are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 870,000	\$ 73,088	\$ 943,088
2027	385,000	44,850	429,850
2028	405,000	30,619	435,619
2029	410,000	18,900	428,900
2030	425,000	6,375	431,375
Total	<u>\$ 2,495,000</u>	<u>\$ 173,832</u>	<u>\$ 2,668,832</u>

The principal and interest requirements to maturity for the 2022 certificates of participation are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,455,000	\$ 492,875	\$ 1,947,875
2027	2,105,000	403,875	2,508,875
2028	2,210,000	296,000	2,506,000
2029	2,350,000	182,000	2,532,000
2030	2,465,000	61,625	2,526,625
Total	<u>\$ 10,585,000</u>	<u>\$ 1,436,375</u>	<u>\$ 12,021,375</u>

Financed Purchases

In August 2017, the District entered into a master lease agreement for \$2,100,000 to purchase buses. Annual payments of \$231,216 are due under the agreement through September 1, 2026. Interest accrues on the outstanding balance at 2.175% per annum.

The principal and interest requirements to maturity for the financed purchase are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 221,477	\$ 9,739	\$ 231,216
2027	226,294	4,922	231,216
Total	<u>\$ 447,771</u>	<u>\$ 14,661</u>	<u>\$ 462,432</u>

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

*Financed Purchases (Continued)*

In April 2025, the District entered an Energy Performance Tax-Exempt Lease Purchase Financing for \$5,546,620 to purchase energy savings equipment and improvements. Total payments of \$9,077,992 are due under the lease agreement through April 24, 2044. Interest accrues on the outstanding balance at 4.593% per annum.

The principal and interest requirements to maturity for the financed purchase are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 23,528	\$ 254,923	\$ 278,451
2027	40,433	253,841	294,274
2028	58,995	251,983	310,978
2029	79,340	249,272	328,612
2030	101,601	245,625	347,226
2031-2035	919,602	1,134,154	2,053,756
2036-2040	1,858,515	843,556	2,702,071
2041-2045	2,464,606	298,018	2,762,624
Total	<u>\$ 5,546,620</u>	<u>\$ 3,531,372</u>	<u>\$ 9,077,992</u>

At June 30, 2025, there were 59 former employees eligible for severance incentive payments totaling \$1,916,141, payable over a five-year period beginning after termination of employment. Below are the anticipated remaining severance incentive payments:

Year Ended June 30,	Severance Incentive Stipends
2026	\$ 714,035
2027	604,992
2028	359,338
2029	166,233
2030	71,543
Total	<u>\$ 1,916,141</u>

**NOTE 6 INTERFUND BALANCES AND TRANSFERS**

Interfund balances of \$750,881 due to the General Fund were the result of (1) indirect and overhead costs due to the General Fund from the Government Designated-Purpose Fund and (2) advances from the General Fund to the Government Designated-Purpose Grants Fund to fund grants operating on a reimbursement basis

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 6 INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

Interfund transfers at June 30, 2025, were composed of the following:

Fund	Transfers in	Transfer Out
Capital Project Fund	\$ 2,526,216	\$ 3,957,955
Grants Fund	26,500	-
General Fund	2,560,087	5,427,853
Fee Supported Fund	315,050	-
Building Fund	5,907,955	-
Land Reserve Fund	-	1,950,000
	<u>\$ 11,335,808</u>	<u>\$ 11,335,808</u>

The General Fund routinely subsidizes programs of the Fee Supported Fund. The General Fund also transfers monies to the Grants Fund for matching programs. The General Fund transfers monies to the Capital Projects Fund for facility maintenance, transportation, technology, and debt service. The Land Reserve Fund and Capital Project Fund transferred amounts to the Building Fund for certain capital improvements.

**NOTE 7 DEFINED BENEFIT PENSION PLAN**

**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](http://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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Plan Description (Continued)*

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

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

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 five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the 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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Contributions Provisions as of June 30, 2025*

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

Employer contribution requirements are summarized in the table below:

	July 1, 2024 Through June 30, 2025
Employer Contribution Rate	11.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	10.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 <sup>1</sup>	5.50 %
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	20.38 %

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$26,364,194 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 the July 2024 payment, a portion of the direct distribution payment was 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.

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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Contributions Provisions as of June 30, 2025 (Continued)*

The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity

At June 30, 2025, the District reported a liability of \$278,370,976 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Proportionate Share of the Net Pension Liability	\$ 278,370,976
State's Proportionate Share of the Net Pension Liability	
Associated with the District	25,002,133
Total	\$ 303,373,109

At December 31, 2024, the District's proportion was 1.61329%, which was a decrease of 0.11830% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$11,960,872 and revenue of \$2,636,675 for support from the State as a nonemployer contributing entity.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 15,763,730	\$ -
Changes of Assumptions or other Inputs	2,086,980	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	5,252,087	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	15,915,069	15,502,245
Contributions Subsequent to the Measurement Date	13,243,822	-
Total	\$ 52,261,688	\$ 15,502,245

\$13,243,822 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Contributions Provisions as of June 30, 2025 (Continued)*

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 19,041,647
2027	18,175,299
2028	(9,955,548)
2029	(3,745,777)

*Actuarial Assumptions*

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Actuarial Assumptions (Continued)*

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.

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Actuarial Assumptions (Continued)*

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

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared 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:

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Actuarial Assumptions (Continued)*

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

*Discount rate*

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million 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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**General Information About the Pension Plan (Continued)**

*Discount rate (Continued)*

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate Share of the Net Pension Liability	\$ 377,406,527	\$ 278,370,976	\$ 195,414,859

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](http://www.copera.org/forms-resources/financial-reports-and-studies).

*Events Subsequent to Measurement Date*

SB 25-310, enacted June 2, 2025, and effective immediately, allowed PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars 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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**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](http://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.

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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information About the OPEB Plan (Continued)**

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

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

*Contributions*

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information About the OPEB Plan (Continued)**

*Contributions (Continued)*

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 \$1,319,503 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 \$4,939,087 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's proportion of the net OPEB liability was based on the District's 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 1.03292% which was a decrease of 0.00300% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(1,129,890). At June 30 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ 1,089,463
Changes of Assumptions or other Inputs	56,635	1,578,778
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	16,744	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	420,267	649,680
Contributions Subsequent to the Measurement Date	662,837	-
Total	\$ 1,156,483	\$ 3,317,921

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

\$662,837 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,	Amount
2026	\$ (723,471)
2027	(490,582)
2028	(647,763)
2029	(488,954)
2030	(330,434)
Thereafter	(143,071)

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

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment	7.25%			
Expenses, Including Price Inflation	7.25%			
Discount rate	7.25%			
Health Care Cost Trend Rates	0.00%			
Service-based Premium Subsidy	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
PERACare Medicare Plans	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
Medicare Part A Premiums	3.50% in 2024, gradually increasing to 4.50% in 2033			

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.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853

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

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

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. 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	MAPD PPO #2 <sup>1</sup>	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%

<sup>1</sup> 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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

<u>Pre-Retirement</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
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
<u>Post-Retirement (Retiree), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
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
<u>Post-Retirement (Beneficiary), Non-Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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

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

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

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

	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.

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 80 / 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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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
<u>Disabled</u>	<u>Mortality Table</u>	<u>Adjustments, as Applicable</u>
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

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:

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

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 Trend Rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 4,806,015	\$ 4,939,087	\$ 5,089,686

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

*Discount Rate*

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

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

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*Discount Rate (Continued)*

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

Based on the above assumptions and methods, the 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 District's 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 Liability	<u>\$ 6,052,926</u>	<u>\$ 4,939,087</u>	<u>\$ 3,978,821</u>

*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](http://www.copera.org/forms-resources/financial-reports-and-studies).

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Colorado School District Self Insurance Pool**

The District has joined together with other districts to participate in the Colorado School Districts Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for school districts. Participation in CSDSIP is approved by and managed under regulations promulgated by the Colorado State Insurance Division of Regulatory Agencies. The District pays an annual premium to CSDSIP for its general property and liability insurance coverage. CSDSIP is self-sustaining through member premiums and currently carries reinsurance for property claims in excess of \$1,000,000 and for liability claims in excess of \$500,000.

**THOMPSON SCHOOL DISTRICT R2-J  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

**Colorado School District Self Insurance Pool (Continued)**

The Colorado Governmental Immunity Act limits the types of liability claims that can be brought against a school district and the amount of monetary damages that a school district might be ordered to pay. The maximum amount that can be recovered for an injury involving one person in any single occurrence is \$350,000. The maximum amount that is recoverable for a single occurrence involving two or more people is \$990,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Complete financial statements for CSDSIP can be obtained from CSDSIP, 6857 South Spruce Street, Centennial, Colorado 80112.

**Other Risks**

The General Fund is used to report the purchase of commercial insurance for workers' compensation coverage and other types of coverage not provided in the pool agreement; to partially fund salaries and other service costs for risk management and loss control (deductibles, security contracts, medical evaluation, controlled substance and alcohol testing, etc.). In the past three years there have been no amounts of settlements which exceeded insurance coverage.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Grants and State Funding**

The District participates in a number of Federal and State assisted grant programs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2025.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation.

In November 2000, voter approval was given to the District to remove the restriction on growth in revenue effective beginning the fiscal year ended June 30, 2000. At June 30, 2025, the District has complied with the requirements to establish emergency reserves that are recorded in the financial statements as restricted fund balance.

**NOTE 11 SUBSEQUENT EVENTS**

On July 8, 2025, the District sold the Monroe Elementary School building for \$5,000,000.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND**  
**JUNE 30, 2025**

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>NET PENSION LIABILITY</b>										
District's Proportion of the Net Pension Liability	1.61329 %	1.73159 %	1.47061 %	1.62810 %	1.85065 %	1.58008 %	1.56165 %	1.80383 %	1.79751 %	1.86731 %
District's Proportionate Share of the Net Pension Liability	\$ 278,370,976	\$ 306,204,615	\$ 267,790,369	\$ 189,467,584	\$ 279,781,405	\$ 236,059,928	\$ 276,522,868	\$ 583,294,071	\$ 535,189,442	\$ 279,079,146
State's Proportionate Share of the Net Pension Liability	25,002,133	6,714,159	78,036,805	21,720,298	-	29,941,199	37,810,662	-	-	-
Total Proportionate Share of the Net Pension Liability	<u>\$ 303,373,109</u>	<u>\$ 312,918,774</u>	<u>\$ 345,827,174</u>	<u>\$ 211,187,882</u>	<u>\$ 279,781,405</u>	<u>\$ 266,001,127</u>	<u>\$ 314,333,530</u>	<u>\$ 583,294,071</u>	<u>\$ 535,189,442</u>	<u>\$ 279,079,146</u>
District's Covered Payroll	\$ 124,666,039	\$ 114,473,754	\$ 113,494,855	\$ 101,750,907	\$ 98,975,738	\$ 92,843,522	\$ 85,850,523	\$ 83,209,077	\$ 80,682,995	\$ 79,521,895
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223.3%	267.5%	235.9%	186.2%	282.7%	254.3%	322.1%	701.0%	663.3%	350.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%
<b>DISTRICT CONTRIBUTIONS</b>										
Statutorily Required Contribution	\$ 26,364,194	\$ 24,219,224	\$ 22,517,132	\$ 22,051,000	\$ 19,734,869	\$ 18,802,332	\$ 16,898,698	\$ 15,882,065	\$ 15,078,469	\$ 14,135,265
Contributions in Relation to the Statutorily Required Contribution	26,364,194	24,219,224	22,517,132	22,051,000	19,734,869	18,802,332	16,898,698	15,882,065	15,078,469	14,135,265
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 129,363,071	\$ 118,838,119	\$ 110,486,384	\$ 110,889,653	\$ 99,269,927	\$ 97,021,717	\$ 88,314,605	\$ 84,099,703	\$ 82,018,638	\$ 79,689,504
Contributions as a Percentage of Covered Payroll	20.4%	20.4%	20.4%	19.9%	19.9%	19.4%	19.1%	18.9%	18.4%	17.7%

See accompanying Notes to Required Supplementary Information.

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND**  
**JUNE 30, 2025**

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>NET OPEB LIABILITY</b>									
District's Proportion of the Net OPEB Liability	1.03292%	1.03592%	1.11843%	1.06302%	1.07030%	1.03256%	1.01506%	1.02494%	1.02182%
District's Proportionate Share of the Net OPEB Liability	\$ 4,939,087	\$ 7,393,609	\$ 9,131,785	\$ 9,166,507	\$ 10,170,275	\$ 11,605,958	\$ 13,810,320	\$ 13,320,067	\$ 13,248,264
District's Covered Payroll	\$ 124,666,039	\$ 114,473,754	\$ 113,494,855	\$ 101,750,907	\$ 98,975,738	\$ 92,843,522	\$ 85,850,523	\$ 88,242,833	\$ 80,682,995
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4.0%	6.5%	8.0%	9.0%	10.3%	12.5%	16.1%	15.1%	16.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>DISTRICT CONTRIBUTIONS</b>										
Statutorily Required Contribution	\$ 1,319,503	\$ 1,212,149	\$ 1,126,961	\$ 1,131,074	\$ 1,012,553	\$ 989,622	\$ 900,809	\$ 857,817	\$ 836,590	\$ 812,833
Contributions in Relation to the Statutorily Required Contribution	1,319,503	1,212,149	1,126,961	1,131,074	1,012,553	989,622	900,809	857,817	836,590	812,833
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 129,363,071	\$ 118,838,119	\$ 110,486,384	\$ 110,889,653	\$ 99,269,927	\$ 97,021,717	\$ 88,314,605	\$ 84,099,703	\$ 82,018,638	\$ 79,689,504
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

See accompanying Notes to Required Supplementary Information.

## **GENERAL FUND**

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund in relation to the District's overall operations.

**THOMPSON SCHOOL DISTRICT R2-J  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Local Property - School Finance Act	\$ 96,421,010	\$ 96,421,010	\$ 83,355,788	\$ (13,065,222)
Local Property - Mill Levy Override	39,291,365	38,017,305	38,100,132	82,827
Specific Ownership	8,813,578	8,813,578	5,559,465	(3,254,113)
Intergovernmental:				
State Equalization	55,730,872	55,055,578	67,893,200	12,837,622
Universal Pre-K Revenue	3,489,377	3,489,377	2,009,177	(1,480,200)
Special Education	6,029,912	6,029,912	6,351,401	321,489
Vocational Education	326,843	326,843	383,676	56,833
Transportation	1,193,245	1,193,245	1,384,969	191,724
Investment Earnings	-	-	2,016,918	2,016,918
Other Revenue	2,600,000	2,600,000	10,955,280	8,355,280
Total Revenue	<u>213,896,202</u>	<u>211,946,848</u>	<u>218,010,006</u>	<u>6,063,158</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Salaries and Benefits	96,070,662	97,514,978	99,752,098	(2,237,120)
Purchased Services	3,681,788	3,681,788	5,330,603	(1,648,815)
Supplies and Material	3,728,590	3,728,590	3,398,485	330,105
Equipment	1,209,450	1,659,450	-	1,659,450
Other	566,548	566,548	397,558	168,990
Total Instruction	<u>105,257,038</u>	<u>107,151,354</u>	<u>108,878,744</u>	<u>(1,727,390)</u>
Supporting Services:				
Pupil Services	11,895,626	12,883,626	13,097,679	(214,053)
Instructional Staff	18,622,084	19,178,064	17,810,336	1,367,728
General Administration	1,886,331	2,088,822	1,517,944	570,878
School Administration	11,701,658	11,878,479	14,261,962	(2,383,483)
Business Services	3,236,785	3,582,176	3,649,075	(66,899)
Maintenance/Operations	21,442,842	22,912,042	23,287,161	(375,119)
Pupil Transportation	7,585,288	7,713,993	8,082,678	(368,685)
Central Supporting Services	6,513,164	6,674,760	7,283,192	(608,432)
Nutrition Services	-	-	112,702	(112,702)
Community Services	-	-	7,839	(7,839)
Facilities	-	-	79,479	(79,479)
Total Supporting Services	<u>82,883,778</u>	<u>86,911,962</u>	<u>89,190,047</u>	<u>(2,278,085)</u>
Capital Outlay	1,170,997	1,170,997	177,316	993,681
Charter School Allocation	25,599,417	25,602,417	25,688,594	(86,177)
Total Expenditures	<u>214,911,230</u>	<u>220,836,730</u>	<u>223,934,701</u>	<u>(3,097,971)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(1,015,028)	(8,889,882)	(5,924,695)	2,965,187
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	2,560,087	2,560,087
Transfers Out:	(1,276,216)	(1,276,216)	(5,427,853)	(4,151,637)
Total Other Financing Sources (Uses)	<u>(1,276,216)</u>	<u>(1,276,216)</u>	<u>(2,867,766)</u>	<u>(1,591,550)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,291,244)	(10,166,098)	(8,792,461)	1,373,637
Fund Balance - Beginning of Year	39,992,699	39,992,699	39,992,699	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 37,701,455</u>	<u>\$ 29,826,601</u>	<u>\$ 31,200,238</u>	<u>\$ 1,373,637</u>

See accompanying Notes to Required Supplementary Information.

## **GOVERNMENT DESIGNATED-PURPOSE GRANTS FUND**

This fund maintains the accounting for programs funded by federal, state, and local grants that normally have a different fiscal period than that of the District.

*See accompanying Notes to Required Supplementary Information.*

**THOMPSON SCHOOL DISTRICT  
GOVERNMENT DESIGNATED-PURPOSE GRANTS FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental:				
Federal Sources	\$ 14,463,000	\$ 14,463,000	\$ 14,880,665	\$ 417,665
State/Local Sources	2,661,880	2,661,880	4,160,212	1,498,332
Investment Earnings	-	-	5,910	5,910
Total Revenues	<u>17,124,880</u>	<u>17,124,880</u>	<u>19,046,787</u>	<u>1,921,907</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Salaries and Benefits	7,775,986	7,775,986	4,999,686	2,776,300
Purchased Services	259,755	259,755	160,954	98,801
Supplies and Materials	400,653	400,653	671,995	(271,342)
Equipment	87,401	87,401	-	87,401
Other	69,223	69,223	11,762	57,461
Total Instruction	<u>8,593,018</u>	<u>8,593,018</u>	<u>5,844,397</u>	<u>2,748,621</u>
Supporting Services:				
Pupil Services	6,617,443	6,617,443	5,679,939	937,504
Instructional Staff	1,283,922	1,283,922	1,826,956	(543,034)
School Administration	696,624	696,624	-	696,624
Maintenance/Operations	42,528	42,528	796,356	(753,828)
Community Services	27,845	27,845	665,776	(637,931)
Nutrition Services	-	-	7,599	(7,599)
Facilities	-	-	43,038	(43,038)
Total Supporting Services	<u>8,668,362</u>	<u>8,668,362</u>	<u>9,019,664</u>	<u>(351,302)</u>
Capital Outlay	-	-	4,777,373	(4,777,373)
Total Expenditures	<u>17,261,380</u>	<u>17,261,380</u>	<u>19,641,434</u>	<u>(2,380,054)</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(136,500)	(136,500)	(594,647)	(458,147)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	381,500	381,500	26,500	355,000
<b>NET CHANGE IN FUND BALANCE</b>	245,000	245,000	(568,147)	(813,147)
Fund Balances - Beginning of Year	<u>(245,000)</u>	<u>(801,483)</u>	<u>(801,483)</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (556,483)</u>	<u>\$ (1,369,630)</u>	<u>\$ (813,147)</u>

See accompanying Notes to Required Supplementary Information.

**THOMPSON SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data reflected in the financial statements:

1. Budgets are required by state law for all funds. Prior to 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.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the Superintendent of Schools, or department directors. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Budgets for all funds are adopted on a basis consistent with US GAAP.
6. Appropriations lapse at year-end.

For the year ended June 30, 2025, the District recorded expenditures in excess of the final budgeted expenditures of \$3,097,971 in the General Fund, \$2,380,054 in the Government Designated-Purposes Grants Fund, \$289,833 in the Nutrition Services Fund, \$186,586 in the Fee Supported Programs Fund. In addition, the District recorded other financing uses greater than budget by \$4,151,637 in the General Fund and \$3,957,955 in the Capital Projects Fund relating to transfers to other funds that were not budgeted. This may be a violation of Colorado budget law.

The General Fund expenditures exceeded the final budget due primarily to recording the noncash PERA on-behalf transaction determined by the State. This transaction increased both revenues and expenditures but did not impact the ending fund balance of the General Fund. The excess of actual expenditures over budgeted expenditures for the Government Designated-Purposes Grants Fund were due to unanticipated grant allocations, but the awards were not reflected in the budget. The excess of actual expenditures over budgeted expenditures in the Nutrition Services Fund were related to one-time expenditures that were not foreseen at the time of the budget, and were supported by current year revenue or fund balance. The excess of actual expenditures over budgeted expenditures in the Fee Supported Programs fund were primarily due to increased activity supported by offsetting revenue.

**THOMPSON SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

**NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- 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%.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

**THOMPSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS  
(CONTINUED)**

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

**THOMPSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS  
(CONTINUED)**

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

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

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

**NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- 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.
- 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.

**THOMPSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)**

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

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

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

**THOMPSON SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS (CONTINUED)**

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

## **OTHER SUPPLEMENTARY INFORMATION**

These statements and schedules present information on the individual funds where a) there is only one fund of a specific type, or b) sufficient detail to assure adequate disclosure is not presented in the basic statements. These statements and schedules are also used to present certain budgetary data.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

These financial statements present more detailed information, such as budget to actual comparisons for the individual funds in a format that segregates information by major fund type and nonmajor funds.

## **NONMAJOR GOVERNMENTAL FUNDS**

The District has the following nonmajor funds:

### **Nutrition Services Fund**

This fund accounts for all financial activities associated with the district school breakfast and lunch programs. Funding is provided by sales to pupils and intergovernmental revenue from the United States Department of Agriculture.

### **Interscholastic Athletic and Activity Fund**

This fund is used to record financial transactions related to school-sponsored pupil organizations and activities. These activities are supported in whole or part by revenue from pupils, gate receipts, and other fund-raising activities.

### **Land Reserve Fund**

This fund is provided to maintain a separate accounting for cash in lieu of land dedication assessed on newly constructed homes that have an impact on the District's financial resources. The revenues are for specific use designated for the jurisdiction for which the monies are collected such as infrastructure and maintenance.

### **Fee Supported Programs Fund**

This fund is used to account for programs that are financed primarily through user fees and tuition.

### **Building Fund**

This fund is used to account for and report the restricted bond proceeds from the various bond issuances and other financing sources that are restricted to expenditures in connection with renovating, remodeling, equipping, furnishing, and improving school district facilities.

### **Capital Projects Fund**

This fund is used to fund ongoing capital needs such as site acquisitions, building additions, equipment purchases and technology. Funding is provided by a transfer from the General Fund along with monies distributed by the Loveland Urban Renewal Authority.

**THOMPSON SCHOOL DISTRICT R2-J  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2025**

	Nutrition Services	Athletics / Activities	Land Reserve	Fee Supported Programs	Building	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and Investments	\$ 1,645,837	\$ 2,419,269	\$ 5,886,367	\$ 1,349,750	\$ 2,660,439	\$ 1,393,263	\$ 15,354,925
Restricted Cash and Cash Equivalents	-	-	-	-	-	5,581,193	5,581,193
Accounts Receivable	-	-	39,300	19,467	-	-	58,767
Grants Receivable	69,339	-	-	-	-	-	69,339
Prepaid items	-	-	-	-	-	3,666	3,666
Inventory	272,966	-	-	-	-	-	272,966
<b>Total Assets</b>	<b>\$ 1,988,142</b>	<b>\$ 2,419,269</b>	<b>\$ 5,925,667</b>	<b>\$ 1,369,217</b>	<b>\$ 2,660,439</b>	<b>\$ 6,978,122</b>	<b>\$ 21,340,856</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 2,549	\$ 84,360	\$ 86,759	\$ 12,898	\$ 11,602	\$ 96,909	\$ 295,077
Retainage Payable	-	-	5,483	-	-	-	5,483
Accrued Salaries and Benefits	298,463	-	-	81,513	-	-	379,976
Unearned Revenue	161,796	-	-	-	-	-	161,796
<b>Total Liabilities</b>	<b>462,808</b>	<b>84,360</b>	<b>92,242</b>	<b>94,411</b>	<b>11,602</b>	<b>96,909</b>	<b>842,332</b>
<b>FUND BALANCES</b>							
Nonspendable	272,966	-	-	-	-	3,666	276,632
Restricted For:							
TABOR	-	-	129,624	-	-	-	129,624
Land and Land Improvements	-	-	5,703,801	-	-	-	5,703,801
Capital Projects	-	-	-	-	-	5,581,193	5,581,193
Nutrition Services	1,252,368	-	-	-	-	-	1,252,368
Committed to Student Specific Programs	-	2,334,909	-	1,274,806	-	-	3,609,715
Assigned to Capital Projects	-	-	-	-	2,648,837	1,296,354	3,945,191
<b>Total Fund Balances</b>	<b>1,525,334</b>	<b>2,334,909</b>	<b>5,833,425</b>	<b>1,274,806</b>	<b>2,648,837</b>	<b>6,881,213</b>	<b>20,498,524</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,988,142</b>	<b>\$ 2,419,269</b>	<b>\$ 5,925,667</b>	<b>\$ 1,369,217</b>	<b>\$ 2,660,439</b>	<b>\$ 6,978,122</b>	<b>\$ 21,340,856</b>

**THOMPSON SCHOOL DISTRICT R2-J  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2025**

	Nutrition Services	Athletics / Activities	Land Reserve	Fee Supported Programs	Building	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Intergovernmental	\$ 8,376,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,376,258
Loveland URA Distribution	-	-	-	-	-	2,892,288	2,892,288
Charges for Services	58,358	-	-	1,016,247	-	-	1,074,605
Payments in Lieu of Land Dedication	-	-	1,168,763	-	-	-	1,168,763
Fund Raising and Events	-	2,774,215	-	-	-	-	2,774,215
Investment Earnings	8,639	55,107	90,405	-	39,954	36,989	231,094
Other	-	-	-	-	-	109,943	109,943
<b>Total Revenues</b>	<b>8,443,255</b>	<b>2,829,322</b>	<b>1,259,168</b>	<b>1,016,247</b>	<b>39,954</b>	<b>3,039,220</b>	<b>16,627,166</b>
<b>EXPENDITURES</b>							
Current:							
Instruction:							
Salaries and Benefits	-	108,552	-	274,835	-	-	383,387
Purchased Services	-	811,530	-	14,081	-	-	825,611
Supplies and Materials	-	1,363,263	-	180,617	-	-	1,543,880
Other	-	280,198	-	29,944	-	-	310,142
<b>Total Instruction</b>	<b>-</b>	<b>2,563,543</b>	<b>-</b>	<b>499,477</b>	<b>-</b>	<b>-</b>	<b>3,063,020</b>
Supporting Services:							
Instructional Staff	-	-	-	18,858	-	31,170	50,028
School Administration	-	-	-	66,060	-	-	66,060
Business Services	-	-	-	-	-	244,045	244,045
Maintenance/Operations	-	-	-	-	1,595,133	1,267,739	2,862,872
Pupil Transportation	-	-	-	-	-	4,635	4,635
Central Supporting Services	-	-	1,748,223	-	-	41,639	1,789,862
Nutrition Services	8,996,094	-	-	-	-	-	8,996,094
Community Services	-	22,500	-	1,016,691	-	-	1,039,191
Facilities	-	-	-	-	418,891	-	418,891
<b>Total Supporting Services</b>	<b>8,996,094</b>	<b>22,500</b>	<b>1,748,223</b>	<b>1,101,609</b>	<b>2,014,024</b>	<b>1,589,228</b>	<b>15,471,678</b>
Capital Outlay	167,539	23,510	66,759	-	1,752,975	635,110	2,645,893
Debt Service - Principal	-	-	-	-	-	2,431,762	2,431,762
Debt Service - Interest	-	-	-	-	-	694,576	694,576
<b>Total Expenditures</b>	<b>9,163,633</b>	<b>2,609,553</b>	<b>1,814,982</b>	<b>1,601,086</b>	<b>3,766,999</b>	<b>5,350,676</b>	<b>24,306,929</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(720,378)</b>	<b>219,769</b>	<b>(555,814)</b>	<b>(584,839)</b>	<b>(3,727,045)</b>	<b>(2,311,456)</b>	<b>(7,679,763)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	315,050	5,907,955	2,526,216	8,749,221
Transfers Out	-	-	(1,950,000)	-	-	(3,957,955)	(5,907,955)
Issuance of Financed Purchase	-	-	-	-	-	5,546,620	5,546,620
Sale of Capital Assets	-	-	-	-	-	4,000,000	4,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,950,000)</b>	<b>315,050</b>	<b>5,907,955</b>	<b>8,114,881</b>	<b>12,387,886</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(720,378)</b>	<b>219,769</b>	<b>(2,505,814)</b>	<b>(269,789)</b>	<b>2,180,910</b>	<b>5,803,425</b>	<b>4,708,123</b>
Fund Balances - Beginning of Year	2,245,712	2,115,140	8,339,239	1,544,595	467,927	1,077,788	15,790,401
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 1,525,334</b>	<b>\$ 2,334,909</b>	<b>\$ 5,833,425</b>	<b>\$ 1,274,806</b>	<b>\$ 2,648,837</b>	<b>\$ 6,881,213</b>	<b>\$ 20,498,524</b>

## **BUDGETARY COMPARISON SCHEDULES**

These statements and schedules are used to present certain budgetary data for the Bond Redemption Fund, the Building Fund, the Nutrition Services Fund, the Interscholastic Athletic and Activity Fund, the Land Reserve Fund, the Fee Supported Programs Fund, and the Capital Projects Fund.

**THOMPSON SCHOOL DISTRICT R2-J  
BOND REDEMPTION FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Property Taxes	\$ 19,070,000	\$ 19,070,000	\$ 18,978,002	\$ (91,998)
Investment Earnings	780,000	780,000	847,613	67,613
Total Revenue	<u>19,850,000</u>	<u>19,850,000</u>	<u>19,825,615</u>	<u>(24,385)</u>
<b>EXPENDITURES</b>				
Current:				
Debt Service:				
Principal	10,700,000	10,700,000	10,700,000	-
Interest and Fiscal Charges	8,162,219	8,162,219	8,122,219	40,000
Total Expenditures	<u>18,862,219</u>	<u>18,862,219</u>	<u>18,822,219</u>	<u>40,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	987,781	987,781	1,003,396	15,615
Fund Balance - Beginning of Year	<u>21,713,143</u>	<u>22,205,316</u>	<u>22,205,316</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 22,700,924</u></u>	<u><u>\$ 23,193,097</u></u>	<u><u>\$ 23,208,712</u></u>	<u><u>\$ 15,615</u></u>

**THOMPSON SCHOOL DISTRICT R2-J  
NUTRITION SERVICES FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal Source, USDA Reimbursements	\$ 3,354,000	\$ 3,354,000	\$ 5,485,114	\$ 2,131,114
Federal Source, Commodities	435,000	435,000	312,700	(122,300)
State Categorical Reimbursement	4,473,500	4,473,500	2,578,444	(1,895,056)
Charges for Services	159,000	159,000	58,358	(100,642)
Investment Earnings	-	-	8,639	8,639
Total Revenue	<u>8,421,500</u>	<u>8,421,500</u>	<u>8,443,255</u>	<u>21,755</u>
<b>EXPENDITURES</b>				
Current:				
Supporting Services:				
Nutrition Services	8,873,800	8,873,800	8,996,094	(122,294)
Capital Outlay	-	-	167,539	(167,539)
Total Expenditures	<u>8,873,800</u>	<u>8,873,800</u>	<u>9,163,633</u>	<u>(289,833)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(452,300)	(452,300)	(720,378)	(268,078)
Fund Balance - Beginning of Year	<u>1,812,482</u>	<u>2,245,712</u>	<u>2,245,712</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,360,182</u>	<u>\$ 1,793,412</u>	<u>\$ 1,525,334</u>	<u>\$ (268,078)</u>

**THOMPSON SCHOOL DISTRICT R2-J  
 INTERSCHOLASTIC ATHLETIC AND ACTIVITY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fundraising and Events	\$ 2,568,800	\$ 2,568,800	\$ 2,774,215	\$ 205,415
Investment Earnings	57,700	57,700	55,107	(2,593)
Total Revenue	<u>2,626,500</u>	<u>2,626,500</u>	<u>2,829,322</u>	<u>202,822</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Salaries and Benefits	75,600	75,600	108,552	(32,952)
Purchased Services	575,500	575,500	811,530	(236,030)
Supplies and Material	1,439,700	1,439,700	1,363,263	76,437
Other	445,600	445,600	280,198	165,402
Total Instruction	<u>2,536,400</u>	<u>2,536,400</u>	<u>2,563,543</u>	<u>(27,143)</u>
Supporting Services:				
Community Services	-	-	22,500	(22,500)
Total Supporting Services	<u>-</u>	<u>-</u>	<u>22,500</u>	<u>(22,500)</u>
Capital Outlay	90,200	90,200	23,510	66,690
Total Expenditures	<u>2,626,600</u>	<u>2,626,600</u>	<u>2,609,553</u>	<u>17,047</u>
<b>NET CHANGE IN FUND BALANCE</b>	(100)	(100)	219,769	219,869
Fund Balance - Beginning of Year	<u>2,157,383</u>	<u>2,115,140</u>	<u>2,115,140</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 2,157,283</u></u>	<u><u>\$ 2,115,040</u></u>	<u><u>\$ 2,334,909</u></u>	<u><u>\$ 219,869</u></u>

**THOMPSON SCHOOL DISTRICT R2-J  
LAND RESERVE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Payments in Lieu of Land Dedication	\$ 821,926	\$ 821,926	\$ 1,168,763	\$ 346,837
Investment Earnings	78,075	78,075	90,405	12,330
Total Revenue	<u>900,001</u>	<u>900,001</u>	<u>1,259,168</u>	<u>359,167</u>
<b>EXPENDITURES</b>				
Current:				
Supporting Services:				
Central Supporting Services	-	-	1,748,237	(1,748,237)
Capital Outlay	<u>2,858,741</u>	<u>2,858,741</u>	<u>66,759</u>	<u>2,791,982</u>
Total Expenditures	<u>2,858,741</u>	<u>2,858,741</u>	<u>1,814,996</u>	<u>1,043,745</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	<u>-</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
	-	(1,950,000)	(1,950,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,958,740)	(3,908,740)	(2,505,828)	(684,578)
Fund Balance - Beginning of Year	<u>2,208,741</u>	<u>8,339,239</u>	<u>8,339,239</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 250,001</u>	<u>\$ 4,430,499</u>	<u>\$ 5,833,411</u>	<u>\$ 1,402,912</u>

**THOMPSON SCHOOL DISTRICT R2-J  
FEE SUPPORTED PROGRAMS FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 1,035,400	\$ 1,035,400	\$ 1,016,247	\$ (19,153)
Total Revenue	1,035,400	1,035,400	1,016,247	(19,153)
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Salaries and Benefits	425,344	425,344	274,835	150,509
Purchased Services	3,350	3,350	14,081	(10,731)
Supplies and Materials	5,025	5,025	180,617	(175,592)
Equipment	8,681	8,681	-	8,681
Other	-	-	29,944	(29,944)
Total Instruction	442,400	442,400	499,477	(57,077)
Supporting Services:				
Instructional Staff	83,300	83,300	18,858	64,442
School Administration	-	-	66,060	(66,060)
Community Services	888,800	888,800	1,016,691	(127,891)
Total Supporting Services	972,100	972,100	1,101,609	(129,509)
Total Expenditures	1,414,500	1,414,500	1,601,086	(186,586)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(379,100)	(379,100)	(584,839)	(205,739)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	315,050	315,050	315,050	-
<b>NET CHANGE IN FUND BALANCES</b>	(64,050)	(64,050)	(269,789)	(205,739)
Fund Balance - Beginning of Year	1,381,284	1,544,595	1,544,595	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,317,234</u>	<u>\$ 1,480,545</u>	<u>\$ 1,274,806</u>	<u>\$ (205,739)</u>

**THOMPSON SCHOOL DISTRICT R2-J  
BUILDING FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Earnings	\$ 50,000	\$ 50,000	\$ 39,954	\$ (10,046)
Total Revenue	<u>50,000</u>	<u>50,000</u>	<u>39,954</u>	<u>(10,046)</u>
<b>EXPENDITURES</b>				
Current:				
Capital Projects	2,345,926	2,345,926	2,014,024	331,902
Total Support	<u>2,345,926</u>	<u>2,345,926</u>	<u>2,014,024</u>	<u>331,902</u>
Capital Outlay	-	2,152,000	1,752,975	399,025
Total Expenditures	<u>2,345,926</u>	<u>4,497,926</u>	<u>3,766,999</u>	<u>730,927</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	-	2,152,000	5,907,955	3,755,955
<b>NET CHANGE IN FUND BALANCE</b>	(2,295,926)	(2,295,926)	2,180,910	3,014,982
Fund Balance - Beginning of Year	<u>2,295,926</u>	<u>467,927</u>	<u>467,927</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (1,827,999)</u>	<u>\$ 2,648,837</u>	<u>\$ 4,476,836</u>

**THOMPSON SCHOOL DISTRICT R2-J  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Loveland URA Distribution	\$ 2,892,288	\$ 2,892,288	\$ 2,892,288	\$ -
Investment Earnings	-	-	36,989	36,989
Other	-	-	109,943	109,943
Total Revenue	<u>2,892,288</u>	<u>2,892,288</u>	<u>3,039,220</u>	<u>146,932</u>
<b>EXPENDITURES</b>				
Current:				
Supporting Services:				
Instructional Staff	-	-	31,170	(31,170)
Business Services	-	-	244,045	(244,045)
Maintenance/Operations	-	-	1,267,739	(1,267,739)
Pupil Transportation	-	-	4,635	(4,635)
Central Supporting Services	-	-	41,639	(41,639)
Total Supporting Services	<u>-</u>	<u>-</u>	<u>1,589,228</u>	<u>(1,589,228)</u>
Capital Outlay	2,111,446	3,361,446	635,110	2,726,336
Debt Service - Principal	2,446,216	2,431,762	2,431,762	-
Debt Service - Interest and Fiscal Charges	677,288	691,742	694,576	(2,834)
Total Expenditures	<u>5,234,950</u>	<u>6,484,950</u>	<u>5,350,676</u>	<u>1,134,274</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,342,662)	(3,592,662)	(2,311,456)	1,281,206
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,276,216	2,526,216	2,526,216	-
Transfers Out	-	-	(3,957,955)	(3,957,955)
Issuance of Financed Purchase	-	-	5,546,620	5,546,620
Sale of Capital Assets	-	-	4,000,000	4,000,000
Total Other Financing Sources (Uses)	<u>1,276,216</u>	<u>2,526,216</u>	<u>8,114,881</u>	<u>5,588,665</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,066,446)	(1,066,446)	5,803,425	6,869,871
Fund Balance - Beginning of Year	<u>1,066,446</u>	<u>1,077,788</u>	<u>1,077,788</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 11,342</u>	<u>\$ 6,881,213</u>	<u>\$ 6,869,871</u>

## **COMPONENT UNITS**

Component Units are legal separate entities for which the primary government is financially accountable. Certain legal and organizational structures such as charter schools and foundations may result in an entity apart from, although connected to, the school district. When this happens the financial transactions of the charter school or foundation is usually not included in the school district's financial transaction database for normal day-to-day operations. However, districts are required to include the activity for revenues and expenditures in the financial statement presentation.

Thompson School District's component units consist of two charter school administrative units: New Vision Charter School and Loveland Classical Schools. These entities have separate governing boards.

**THOMPSON SCHOOL DISTRICT R2-J**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**JUNE 30, 2025**

	New Vision Charter School	Loveland Classical Schools	Total Component Units
<b>ASSETS</b>			
Cash and Investments	\$ 12,967,656	\$ 10,658,108	\$ 23,625,764
Restricted Cash and Investments	2,076,552	4,736,704	6,813,256
Accounts Receivable	-	58,791	58,791
Deposits	-	68,224	68,224
Prepaid Expense	3,000	57,131	60,131
Capital Assets, Not Being Depreciated - Land	1,259,419	1,349,835	2,609,254
Capital Assets, Net of Accumulated Depreciation	27,818,124	21,375,303	49,193,427
Total Assets	44,124,751	38,304,096	82,428,847
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pensions	2,346,781	2,374,044	4,720,825
Related to OPEB	116,848	58,450	175,298
Total Deferred Outflows of Resources	2,463,629	2,432,494	4,896,123
<b>LIABILITIES</b>			
Accounts Payable	143,522	933,802	1,077,324
Accrued Salaries and Benefits	341,412	429,639	771,051
Accrued Interest Payable	108,427	595,632	704,059
Noncurrent Liabilities:			
Due Within One Year	1,100,000	625,346	1,725,346
Due in More Than One Year	34,109,103	24,337,439	58,446,542
Pension Liability	10,743,810	11,285,939	22,029,749
OPEB Liability	190,627	200,244	390,871
Total Liabilities	46,736,901	38,408,041	85,144,942
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions	556,781	274,811	831,592
Related to OPEB	102,983	109,863	212,846
Total Deferred Inflows of Resources	659,764	384,674	1,044,438
<b>NET POSITION</b>			
Net Investment in Capital Assets	(6,131,560)	(832,562)	(6,964,122)
Restricted for TABOR	407,500	429,000	836,500
Restricted for Debt Service	2,076,552	2,653,146	4,729,698
Restricted for Repairs and Replacement	-	173,628	173,628
Unrestricted (Deficit)	2,839,223	(479,337)	2,359,886
Total Net Position (Deficit)	\$ (808,285)	\$ 1,943,875	\$ 1,135,590

**THOMPSON SCHOOL DISTRICT R2-J  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
YEAR ENDED JUNE 30, 2025**

	New Vision Charter School	Loveland Classical Schools	Total Component Units
<b>EXPENSES</b>			
Current:			
Total Instruction	\$ 7,232,608	\$ 7,123,122	\$ 14,355,730
Total Supporting Services	4,735,999	6,397,329	11,133,328
Interest and Fiscal Charges	1,290,200	1,174,828	2,465,028
Total Expenses	13,258,807	14,695,279	27,954,086
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	110,503	1,970,704	2,081,207
Operating Grants and Contributions	498,914	492,263	991,177
Capital Grants and Contributions	390,431	29,982	420,413
Total Program Revenues	999,848	2,492,949	3,492,797
General Revenues:			
Per Pupil Revenues	10,845,256	10,942,378	21,787,634
Mill Levy Override	1,902,328	1,998,602	3,900,930
Investment Income	746,288	610,614	1,356,902
Capital Construction	-	382,498	382,498
Miscellaneous	115,542	10,482	126,024
Total General Revenues	13,609,414	13,944,574	27,553,988
Total Revenues	14,609,262	16,437,523	31,046,785
<b>CHANGES IN NET POSITION</b>	1,350,455	1,742,244	3,092,699
Net Position (Deficit) - Beginning	(2,158,740)	201,631	(1,957,109)
<b>NET POSITION (DEFICIT) - ENDING</b>	\$ (808,285)	\$ 1,943,875	\$ 1,135,590

**THOMPSON SCHOOL DISTRICT R2-J  
 COLORADO DEPARTMENT OF EDUCATION AUDITORS' INTEGRITY REPORT  
 FISCAL YEAR 2024-25**



Colorado Department of Education  
 Auditors Integrity Report  
 District: 1560 - Thompson R2-J  
 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	39,902,699	183,333,125	192,165,586	31,070,238
18 Risk Mgmt Sub-Fund of General Fund	90,000	2,559,159	2,519,159	130,000
19 Colorado Preschool Program Fund	0	3,561,361	3,561,361	0
<b>Sub- Total</b>	<b>39,992,699</b>	<b>189,453,646</b>	<b>198,246,106</b>	<b>31,200,238</b>
11 Charter School Fund	19,148,620	29,387,240	25,998,056	22,537,804
20,26-29 Special Revenue Fund	9,883,834	640,465	3,416,068	7,108,231
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	2,245,713	8,443,254	9,163,634	1,525,333
22 Govt Designated-Purpose Grants Fund	-801,483	19,073,287	19,641,434	-1,369,630
23 Pupil Activity Special Revenue Fund	2,115,141	2,829,322	2,609,553	2,334,909
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	22,205,316	19,825,615	18,822,219	23,208,712
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	467,928	5,947,909	3,767,000	2,648,837
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,077,788	11,154,102	5,350,677	6,881,213
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>96,335,555</b>	<b>286,754,839</b>	<b>287,014,747</b>	<b>96,075,647</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**STATISTICAL SECTION**

**THOMPSON SCHOOL DISTRICT R2-J  
STATISTICAL SECTION INFORMATION**

This part of the Thompson School District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b>	102-106
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	107-110
These schedules contain information to help the reader assess the District’s most significant local revenue sources.	
<b>Debt Capacity</b>	111-114
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	115-116
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	
<b>Operating Information</b>	117-119
These schedules contain personnel and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF NET POSITION**  
**LAST TEN YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities /										
Primary Government:										
Net Investment in Capital Assets	\$ 55,684,027	\$ 57,906,034	\$ 62,015,777	\$ (112,692,112)	\$ (74,148,307)	\$ (30,602,391)	\$ (37,371,932)	\$ (1,494,437)	\$ 11,307,862	\$ 16,338,943
Restricted	23,441,761	25,956,416	25,203,687	32,679,148	33,581,866	28,671,161	31,620,024	34,832,710	39,298,182	37,187,667
Unrestricted (Deficit)	<u>(231,579,493)</u>	<u>(319,089,480)</u>	<u>(439,440,749)</u>	<u>(224,799,310)</u>	<u>(222,126,323)</u>	<u>(213,681,373)</u>	<u>(145,703,171)</u>	<u>(160,302,988)</u>	<u>(214,174,209)</u>	<u>(218,247,615)</u>
Total Governmental Activities/ Primary Governmental Net Position (Deficit)	<u>\$ (152,453,705)</u>	<u>\$ (235,227,030)</u>	<u>\$ (352,221,285)</u>	<u>\$ (304,812,274)</u>	<u>\$ (262,692,764)</u>	<u>\$ (215,612,603)</u>	<u>\$ (151,455,079)</u>	<u>\$ (126,964,715)</u>	<u>\$ (163,568,165)</u>	<u>\$ (164,721,005)</u>

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL ACTIVITIES/PRIMARY GOVERNMENT EXPENSES</b>										
Total Instruction	\$ 88,009,660	\$ 137,165,073	\$ 149,038,099	\$ 71,729,893	\$ 82,258,895	\$ 75,421,631	\$ 75,852,059	\$ 112,431,068	\$ 125,261,084	\$ 123,466,725
Supporting Services:										
Pupil Services	10,993,338	17,314,885	19,658,309	9,619,688	10,091,771	9,564,128	9,621,532	15,812,433	17,598,585	19,637,146
Instructional Staff	12,245,025	19,745,594	21,233,146	10,203,709	10,708,539	12,920,986	10,926,897	15,877,072	18,594,484	20,588,490
General Administration	929,728	1,174,076	1,178,889	901,829	667,453	564,466	586,240	887,957	1,196,114	1,656,510
School Administration	10,050,222	16,130,484	17,713,318	7,831,541	8,731,043	7,805,289	8,227,451	12,299,283	13,558,112	15,747,599
Business Services	2,194,203	3,285,149	3,577,993	1,814,787	4,336,954	3,783,592	1,725,997	2,664,529	2,995,506	4,071,325
Maintenance/Operations	12,778,550	17,987,026	19,199,854	16,573,762	23,919,851	26,903,456	26,782,093	25,247,444	26,296,952	28,043,278
Pupil Transportation	5,094,970	7,473,023	9,025,031	4,471,317	4,671,833	3,647,757	4,325,847	4,800,571	6,850,675	8,457,502
Central Supporting Services	4,638,394	5,278,938	8,854,858	4,138,842	4,661,777	463,820	3,823,913	5,437,656	6,386,291	9,488,365
Nutrition Services	5,351,449	6,952,819	7,193,901	4,361,198	3,743,795	3,035,198	3,590,710	5,998,012	8,571,797	9,533,690
Community Services	1,097,471	1,403,235	1,513,697	893,015	770,437	(163,914)	477,874	811,443	1,037,942	1,094,957
Facilities Acquisition and Construction Services	-	-	115,280	1,170,230	165,235	44,209	444,073	68,086	504,631	566,190
Total Supporting Services	65,373,350	96,745,229	109,264,276	61,979,918	72,468,688	68,568,987	70,532,627	89,904,486	103,591,089	118,885,052
Charter School Allocation	8,381,383	8,732,477	9,832,809	10,608,878	12,933,826	13,780,897	18,925,723	21,061,375	23,860,463	25,688,594
Interest on Long-Term Debt	4,351,692	4,052,834	3,716,488	5,770,659	8,824,893	8,336,698	7,896,207	8,243,700	7,561,374	6,338,980
<b>Total Governmental Activities/Primary Government Expenses</b>	166,116,085	246,695,613	271,851,672	150,089,348	176,486,302	166,108,213	173,206,616	231,640,629	260,274,010	274,379,351
<b>GOVERNMENTAL ACTIVITIES/PRIMARY GOVERNMENT PROGRAM REVENUES</b>										
Charges for Services:										
Instruction	3,142,010	3,317,966	3,960,005	4,730,851	5,224,854	3,535,201	5,374,286	5,820,281	3,612,191	6,670,769
Supporting Services:										
Instructional Staff	171,564	181,172	216,229	258,320	-	-	-	-	-	-
Business Services	27,573	29,117	34,751	41,516	-	-	-	-	-	-
Central Supporting Services	841,379	909,125	-	1,980,815	3,257,852	668,495	4,526,295	7,490,960	6,871,163	6,438,297
Nutrition Services	1,625,659	1,696,069	1,458,574	1,733,745	1,336,733	45,673	-	-	-	-
Community Services	-	-	1,650,735	-	-	-	-	-	-	-
Operating Grants and Contributions	17,810,774	18,443,123	18,801,401	19,296,426	18,791,186	30,640,491	37,330,722	37,422,430	31,002,534	38,841,843
Capital Grants and Contributions	-	2,522,176	920,531	926,413	925,663	932,940	933,786	3,245,188	2,880,038	2,892,288
<b>Total Governmental Activities/Primary Government Program Revenues</b>	23,618,959	27,098,748	27,042,226	28,968,086	29,536,288	35,822,800	48,165,089	53,978,859	44,365,926	54,843,197
<b>GOVERNMENTAL ACTIVITIES/PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	(142,497,126)	(219,596,865)	(244,809,446)	(121,121,262)	(146,950,014)	(130,285,413)	(125,041,527)	(177,661,770)	(215,908,084)	(219,536,154)

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL ACTIVITIES/PRIMARY</b>										
<b>GOVERNMENT GENERAL REVENUES</b>										
Property Taxes Levied For:	\$ 59,033,335	\$ 60,240,623	\$ 65,698,648	\$ 88,397,363	\$ 105,496,898	\$ 104,021,114	\$ 109,676,205	\$ 119,325,784	\$ 140,687,985	\$ 140,433,922
Specific Ownership Taxes	4,958,453	5,549,436	6,039,905	7,100,619	7,934,385	8,312,971	8,296,788	8,799,653	9,062,477	5,559,465
Intergovernmental:										
Equalization	67,344,018	69,356,093	67,122,702	68,758,543	38,114,946	62,000,145	69,127,089	66,524,920	61,281,499	67,893,200
Loveland URA Distribution	4,965,571	-	-	-	-	-	-	-	-	-
Payments in Lieu of Land Dedication	714,098	1,349,264	1,104,655	1,481,394	1,590,592	1,268,647	1,301,976	1,090,084	1,210,275	1,168,763
Interest and Investment Earnings	147,610	328,125	570,953	2,792,351	3,571,228	320,650	371,994	3,014,831	3,537,150	3,101,535
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	785,832	-	-	-	-	-
Miscellaneous	-	-	-	-	-	1,442,046	425,000	3,396,862	-	226,430
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities/Primary Government General Revenues	<u>137,163,085</u>	<u>136,823,541</u>	<u>140,536,863</u>	<u>168,530,270</u>	<u>157,493,881</u>	<u>177,365,573</u>	<u>189,199,052</u>	<u>202,152,134</u>	<u>215,779,386</u>	<u>218,383,315</u>
<b>GOVERNMENTAL ACTIVITIES/PRIMARY</b>										
<b>GOVERNMENT CHANGE IN NET POSITION</b>	<u>\$ (5,334,041)</u>	<u>\$ (82,773,324)</u>	<u>\$ (104,272,583)</u>	<u>\$ 47,409,008</u>	<u>\$ 10,543,867</u>	<u>\$ 47,080,160</u>	<u>\$ 64,157,525</u>	<u>\$ 24,490,364</u>	<u>\$ (128,698)</u>	<u>\$ (1,152,839)</u>

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 4,080,528	\$ 4,239,338	\$ 4,538,090	\$ 4,571,386	\$ 5,128,807	\$ 4,994,639	\$ 5,304,029	\$ 5,723,790	\$ 6,130,491	\$ 6,908,409
Unassigned	18,287,873	15,545,987	12,736,408	18,049,603	19,769,212	29,743,901	28,131,811	28,043,514	33,862,208	21,301,031
Total General Fund	<u>22,368,401</u>	<u>19,785,325</u>	<u>17,274,498</u>	<u>22,620,989</u>	<u>24,898,019</u>	<u>34,738,540</u>	<u>33,435,840</u>	<u>33,767,304</u>	<u>39,992,699</u>	<u>28,209,440</u>
All Other Governmental Funds:										
Nonspendable	259,735	229,872	291,888	398,400	538,971	430,614	478,121	866,004	336,152	276,632
Restricted	19,380,094	21,249,417	20,688,918	27,952,478	27,332,525	23,962,491	26,315,995	29,105,919	32,922,041	35,875,698
Committed	1,539,972	1,594,763	1,569,462	1,563,630	3,432,316	3,249,612	3,332,990	3,515,569	3,659,735	3,609,715
Assigned	2,388,531	1,678,644	2,156,943	175,130,484	125,086,597	62,202,246	48,566,771	15,303,850	1,077,788	3,945,191
Unassigned	-	-	-	-	-	-	(1,968,775)	(2,429,645)	(801,483)	(1,369,630)
Total All Other Governmental Funds	<u>23,568,332</u>	<u>24,752,696</u>	<u>24,707,211</u>	<u>205,044,992</u>	<u>156,390,409</u>	<u>89,844,963</u>	<u>76,725,102</u>	<u>46,361,697</u>	<u>37,194,233</u>	<u>42,337,606</u>
Total Governmental Funds	<u>\$ 45,936,733</u>	<u>\$ 44,538,021</u>	<u>\$ 41,981,709</u>	<u>\$ 227,665,981</u>	<u>\$ 181,288,428</u>	<u>\$ 124,583,503</u>	<u>\$ 110,160,942</u>	<u>\$ 80,129,001</u>	<u>\$ 77,186,932</u>	<u>\$ 70,547,046</u>

**THOMPSON SCHOOL DISTRICT R2-J**  
**SCHEDULE OF CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Taxes	\$ 63,892,812	\$ 65,510,795	\$ 71,879,126	\$ 95,163,689	\$ 106,156,274	\$ 119,652,009	\$ 117,590,570	\$ 128,178,370	\$ 148,994,207	\$ 152,251,381
Intergovernmental	87,432,729	89,901,442	89,811,647	92,974,091	92,172,763	95,358,387	113,284,247	111,848,001	104,531,419	110,136,844
Loveland URA Distribution	4,965,571	1,745,357	920,531	926,413	925,663	932,940	933,786	3,245,188	2,880,038	2,892,288
Charges for Services	3,507,030	3,580,553	3,730,463	3,773,230	2,332,869	481,396	801,298	2,849,331	1,119,675	1,074,605
Payments in Lieu of Land Dedication	714,098	1,349,264	1,104,655	1,481,394	1,590,592	1,268,647	1,301,976	1,090,084	1,210,275	1,168,763
Fundraising and Events	-	-	-	-	2,161,943	994,179	2,171,778	2,468,552	2,437,229	2,774,215
Investment Earnings	147,610	328,125	570,956	2,792,354	3,571,228	320,650	371,994	3,014,831	3,537,150	3,101,535
Other	23,218	39,752	126,441	52,892	57,995	56,042	526,069	92,707	170,587	109,943
<b>Total Revenues</b>	<b>160,683,068</b>	<b>162,455,288</b>	<b>168,143,819</b>	<b>197,164,063</b>	<b>208,969,327</b>	<b>219,064,250</b>	<b>236,981,718</b>	<b>252,787,064</b>	<b>264,880,580</b>	<b>273,509,574</b>
<b>EXPENDITURES</b>										
Current:										
Instruction:										
Salaries and Benefits	69,664,733	71,918,171	73,998,932	78,364,481	85,236,574	82,185,554	94,012,141	96,811,857	96,943,801	105,135,171
Purchased Services	2,222,607	2,484,575	2,807,242	3,954,276	3,807,841	4,389,040	3,912,083	6,363,094	5,117,381	6,317,168
Supplies and Materials	2,361,200	2,965,033	2,795,027	4,022,254	3,858,703	3,274,652	4,312,646	4,231,543	4,055,632	5,614,360
Equipment	-	-	1,684,266	1,576,189	3,263,954	543,703	616,507	1,461,028	1,733,241	-
Other	66,163	144,203	152,288	169,741	853,165	660,601	911,222	788,717	888,641	719,462
Supporting Services:										
Pupil Services	9,990,714	10,782,257	11,617,097	12,208,490	13,071,570	14,141,280	16,001,701	17,362,658	17,191,041	18,777,618
Instructional Staff	11,157,102	12,657,214	12,507,842	13,012,747	13,870,450	19,104,645	18,172,672	17,433,635	18,163,877	19,687,320
General Administration	886,384	891,672	831,272	1,013,741	864,532	834,606	974,984	975,012	1,168,415	1,584,004
School Administration	9,046,390	9,589,989	9,662,422	10,423,457	11,309,058	11,540,704	13,683,187	13,505,084	13,244,136	15,058,318
Business Services	2,012,396	2,100,577	2,119,866	2,284,218	5,617,528	5,594,324	2,870,529	2,925,755	2,926,136	3,893,120
Maintenance/Operations	11,898,106	12,644,066	12,931,777	18,677,165	31,466,826	44,460,350	44,707,422	27,845,376	25,608,984	26,815,809
Pupil Transportation	4,590,664	4,607,771	6,890,436	4,940,068	5,338,862	4,778,258	6,037,846	6,365,005	6,695,954	8,087,313
Central Supporting Services	4,210,100	3,709,390	6,989,220	4,272,510	4,566,000	4,303,043	6,403,440	6,088,319	7,068,390	9,073,054
Nutrition Services	5,067,055	5,220,820	5,129,264	4,980,928	4,865,053	4,443,007	5,921,412	6,558,022	8,479,487	9,116,395
Community Services	1,040,474	1,034,422	1,179,701	1,006,865	977,290	658,493	797,000	839,134	946,380	1,047,030
Facilities Acquisition and Construction Services	-	-	115,280	1,170,230	214,030	65,365	738,548	74,759	492,945	541,408
Capital Projects	15,364,952	2,579,769	-	-	34,081,855	43,658,100	10,494,980	32,703,400	10,997,904	7,600,582
Charter School Allocation	8,381,383	8,732,477	9,832,809	10,608,878	12,933,826	13,780,897	18,925,723	21,061,375	23,860,463	25,688,594
Debt Service:										
Principal	7,030,000	7,495,000	8,427,870	8,901,137	10,491,776	10,203,886	10,693,212	12,782,632	12,877,148	13,131,762
Interest	4,633,180	4,296,594	3,974,715	6,374,060	10,569,484	10,079,667	9,592,466	10,039,600	9,365,692	8,816,795
Debt Issuance Costs	-	-	-	813,162	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>169,623,603</b>	<b>163,854,000</b>	<b>173,647,326</b>	<b>188,774,597</b>	<b>257,258,377</b>	<b>278,700,175</b>	<b>269,779,721</b>	<b>286,216,005</b>	<b>267,825,648</b>	<b>286,705,283</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Debt Issued	-	-	-	149,000,000	-	-	14,870,000	-	-	5,546,620
Debt Premiums	-	-	-	28,630,659	-	-	1,127,019	-	-	-
Payments to Escrow Agent	-	-	-	-	-	-	(121,576)	-	-	-
Transfers In	5,743,039	3,916,628	3,722,324	3,611,162	3,815,296	2,572,709	3,636,922	2,985,606	3,633,316	11,335,808
Transfers Out	(5,743,039)	(3,916,628)	(3,722,324)	(3,611,162)	(3,815,296)	(2,572,709)	(3,636,922)	(2,985,606)	(3,633,316)	(11,335,808)
Proceeds from Sale of Assets	-	-	2,947,196	-	-	2,931,000	2,500,000	3,400,000	-	4,000,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>2,947,196</b>	<b>177,630,659</b>	<b>-</b>	<b>2,931,000</b>	<b>18,375,443</b>	<b>3,400,000</b>	<b>-</b>	<b>9,546,620</b>
<b>NET CHANGE TO FUND BALANCE</b>	<b>\$ (8,940,535)</b>	<b>\$ (1,398,712)</b>	<b>\$ (2,556,311)</b>	<b>\$ 186,020,125</b>	<b>\$ (48,289,050)</b>	<b>\$ (56,704,925)</b>	<b>\$ (14,422,560)</b>	<b>\$ (30,028,941)</b>	<b>\$ (2,945,068)</b>	<b>\$ (3,649,089)</b>
Debt Service as a Percentage of Noncapital Expenditures	7.59 %	7.27 %	7.39 %	8.16 %	9.44 %	8.63 %	7.82 %	9.00 %	8.66 %	8.54 %

**THOMPSON SCHOOL DISTRICT R2-J**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Year Ended December 31,	Residential Property	Commercial Property	Vacant Land	Industrial Property	Utilities	Agricultural	Natural Resources	Oil and Gas	Total Taxable Assessed Value	Tax Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	
2015	\$ 911,790,305	\$ 523,152,792	\$ 71,707,608	\$ 69,877,322	\$ 42,538,454	\$ 11,129,382	\$ 1,014,980	\$ 22,609,402	\$ 1,653,820,245	\$ 329,168,816	38.393	\$ 13,964,441,174	11.84 %	
2016	943,539,940	530,258,495	63,857,641	65,497,111	44,783,490	11,313,850	1,000,310	29,486,433	1,689,737,270	332,498,244	38.349	14,362,926,391	11.76	
2017	1,067,616,796	612,219,567	85,081,265	76,820,853	43,831,540	12,433,478	902,870	36,765,089	1,935,671,458	336,254,684	36.315	17,743,625,537	10.91	
2018	1,100,898,007	640,688,615	74,991,614	81,499,466	43,087,047	12,476,569	1,031,571	47,679,320	2,002,352,209	334,767,923	47.428	18,302,719,005	10.94	
2019	1,308,365,541	735,602,627	98,580,844	92,570,545	44,924,554	12,020,449	1,295,627	266,533,866	2,559,894,053	348,079,102	43.838	22,020,409,617	11.63	
2020	1,343,419,738	756,186,357	95,524,175	94,975,431	46,874,433	12,646,154	1,255,463	123,450,618	2,474,332,369	352,088,993	44.578	22,423,140,546	11.03	
2021	1,486,076,489	809,478,055	99,902,677	112,091,908	51,876,458	12,922,428	1,246,728	53,308,679	2,626,903,422	403,190,414	44.588	24,615,419,689	10.67	
2022	1,486,849,889	820,181,345	90,014,743	104,960,124	58,975,935	820,181,345	11,777,887	1,442,048	282,145,508	2,856,348,489	386,904,030	44.571	25,531,674,697	11.19
2023	1,827,630,035	1,006,244,057	122,399,904	135,162,538	57,895,151	13,850,279	1,486,489	315,101,193	3,479,769,646	544,459,020	42.760	32,478,658,858	10.71	
2024	1,867,849,350	1,016,017,794	112,404,392	132,192,196	61,210,458	13,860,080	1,459,839	145,751,833	3,350,745,942	560,509,483	44.883	32,884,652,947	10.19	

Total Taxable Assessed Value includes urban renewal property values where the tax increment is paid to the urban renewal authority.

From 2015 to 2024, commercial real property, undeveloped land, personal property and utilities were assessed at 29% of replacement cost calculated on the base year's appraised value.

Residential real property was assessed as follows:

Year	Assessment Percentage	Base Year
2015	7.96 %	2013 Appraised Value
2016	7.96	2015 Appraised Value
2017	7.96	2015 Appraised Value
2018	7.20	2017 Appraised Value
2019	7.20	2017 Appraised Value
2020	7.15	2019 Appraised Value
2021	7.15	2019 Appraised Value
2022	6.95	2021 Appraised Value
2023	6.95	2021 Appraised Value
2024	6.70	2023 appraised value

Sources: Larimer County Assessor's Office, Weld County Assessor's Office, and Boulder County Assessor's Office

Note: All residential and commercial real properties are reappraised every two years in the odd year cycle bringing properties to the current market level of valuation. The residential assessment rate is set by the Legislature and coincides with changes in the level of value. This is constitutionally required and designed to stabilize the tax burden on residential property. Colorado State Statutes and Constitution limit the annual increase in ad valorem tax yield over the previous year and prohibit any increase in the mill levy, except upon the favorable approval of the electorate. At an election held on November 2, 1999, Larimer County voters approved a measure exempting the County from any revenue or property tax increase limitation; however, tax rates cannot be increased.

**THOMPSON SCHOOL DISTRICT R2-J  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Thompson School District R2-J Rates			Overlapping Rates			
	General Fund	Debt Service	Total Direct Rate	Larimer County	City of Loveland	Other Cities and Towns	Other Special Districts <sup>1</sup>
2016	31.454	6.939	38.393	21.882	9.564	55.308	-
2017	31.497	6.852	38.349	22.521	9.564	55.157	-
2018	30.272	6.043	36.315	22.092	9.564	54.910	-
2019	37.406	10.022	47.428	22.403	9.564	55.101	-
2020	35.894	7.944	43.838	21.863	9.564	53.962	3,815.059
2021	36.320	8.258	44.578	22.458	9.564	55.443	4,424.399
2022	36.798	7.790	44.588	22.425	9.564	55.430	4,666.955
2023	37.438	7.133	44.571	22.436	9.564	55.422	4,837.591
2024	36.937	5.823	42.760	21.745	9.564	54.846	5,727.430
2025	38.808	6.075	44.883	22.461	9.564	55.410	5,721.456

Source: Larimer County Assessor's Office

Note:

(1) This represents the gross millage of all Larimer County special taxing entities within the District boundaries. The total is not representative of the mill levy assessed to an individual taxpayer.

**THOMPSON SCHOOL DISTRICT R2-J  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Kerr McGee Oil and Gas Onshore LP	\$ 43,328,854	1	1.37 %	\$ 13,705,738	4	0.89 %
Public Service Company of Colorado (Xcel)	29,643,875	2	0.94	14,488,200	3	0.94
Kerr McGee Gathering LLC	24,970,896	3	0.79	-	-	-
Promenade Shops LLC	21,326,760	4	0.68	-	-	-
Extraction Oil and Gas LLC	17,068,813	5	0.54	-	-	-
Wal-Mart Stores East, LP	15,489,115	6	0.49	15,256,746	2	0.99
Stag Industrial Holdings LLC	12,808,890	7	0.41	-	-	-
Hach Chemical Company	10,476,399	8	0.33	-	-	-
Magpie Operating Co (52530)	10,110,882	9	0.32	-	-	-
Fossil Ridge Holdings LLC	8,670,374	10	0.27	-	-	-
G and I VI Promenade LLC	-	-	-	20,938,000	1	1.36
HR Assets LLC	-	-	-	12,699,129	5	0.82
Centerra Retail Shops LLC	-	-	-	11,491,250	6	0.74
Qwest Corporation	-	-	-	10,404,700	7	0.67
Loveland Medical Enterprises LLC	-	-	-	7,250,145	8	0.47
John Q. Hammons Hotels	-	-	-	7,105,000	9	0.46
Thompson Valley Station Outlet LLC	-	-	-	5,727,935	10	0.37
Total	<u>\$ 193,894,858</u>		<u>6.15%</u>	<u>\$ 119,066,843</u>		<u>7.71%</u>
Total Assessed Valuation	<u>\$ 3,154,908,551</u>			<u>\$ 1,543,538,472</u>		

Sources: Larimer County Assessor's Office, Weld County Assessor's Office, and Boulder County Assessor's Office

**THOMPSON SCHOOL DISTRICT R2-J  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)**

Assessment Year	Year Ended June 30	Taxes Levied for the Year	Collected Within the Year of the Levy		Delinquent Tax Collections	Total Collection to Date	
			Amount	% of Levy		Amount	% of Levy
2015	2016	\$ 59,261,073	\$ 56,828,127	95.9 %	\$ 2,106,232	\$ 58,934,359	99.4 %
2016	2017	60,501,426	58,429,130	96.6	1,532,229	59,961,359	99.1
2017	2018	65,741,247	63,595,937	96.7	2,243,284	65,839,221	100.1
2018	2019	88,508,422	85,416,259	96.5	2,646,811	88,063,070	99.5
2019	2020	105,605,314	95,326,741	90.3	2,895,148	98,221,889	93.0
2020	2021	103,275,123	99,473,042	96.3	11,865,996	111,339,038	107.8
2021	2022	109,530,845	105,747,058	96.5	3,546,724	109,293,782	99.8
2022	2023	119,566,475	115,861,442	96.9	3,517,274	119,378,716	99.8
2023	2024	140,579,166	135,788,219	96.6	4,143,512	139,931,731	99.5
2024	2025	141,601,760	137,237,970	96.9	3,195,951	140,433,921	99.2

Sources: Larimer County Assessor's Office, Weld County Assessor's Office, and Boulder County Assessor's Office

Note: Delinquent property tax data is not available from the counties for the district to apply to prior years, therefore property tax collections include delinquent taxes which may make total collections exceed the current year levy.

**THOMPSON SCHOOL DISTRICT R2-J**  
**RATIOS OF OUTSTANDING DEBT BY TYPE (GOVERNMENTAL ONLY)**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Year	General Obligation Bonds	Certificates of Participation	Financed Purchases	Total Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2016	\$ 99,166,209	\$ 11,932,458	\$ -	\$ 111,098,667	3.53 %	\$ 1,539
2017	91,139,957	11,061,450	-	102,201,407	3.07	1,394
2018	82,869,479	10,160,442	2,434,326	95,464,247	2.74	1,290
2019	251,163,188	9,214,434	1,963,189	262,340,811	6.95	3,512
2020	239,451,177	8,223,426	1,486,413	249,161,016	6.09	3,305
2021	227,799,166	7,182,418	1,287,527	236,269,111	5.59	3,125
2022	215,707,155	22,077,128	1,084,314	238,868,597	5.46	3,102
2023	203,185,144	19,286,301	876,682	223,348,127	3.65	2,697
2024	190,338,133	16,728,133	664,533	207,730,799	3.04	2,488
2025	176,937,485	14,034,650	5,994,391	196,966,526	2.75	2,273

*Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.*

*(1) See the Demographic page in the Statistical Section for personal income and population data.*

**THOMPSON SCHOOL DISTRICT R2-J  
RATIOS OF GROSS GENERAL BONDED DEBT TO ASSESSED VALUE  
AND GROSS BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year	Gross Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Ratio of Gross Bonded Due to Assessed Value <sup>1</sup>	Gross Bonded Debt Per Capita
2016	\$ 99,166,209	\$ 13,129,412	\$ 86,036,797	6.42 %	\$ 1,373
2017	91,139,957	13,351,499	77,788,458	5.78	1,243
2018	82,869,479	13,821,693	69,047,786	4.58	1,120
2019	251,163,188	19,111,226	232,051,962	13.46	3,362
2020	239,451,177	17,861,925	221,589,252	9.94	3,176
2021	227,799,166	19,772,144	208,027,022	9.83	3,013
2022	215,707,155	20,203,860	195,503,295	8.78	2,801
2023	203,185,144	21,035,043	182,150,101	7.57	2,454
2024	190,338,133	22,205,316	168,132,817	5.79	2,279
2025	176,937,485	22,658,900	154,278,585	4.89	2,099

Sources: Larimer County Assessor's Office, Weld County Assessor's Office, and Boulder County Assessor's Office

(1) Assessed Value is \$3,154,908,551 for 2025.

**THOMPSON SCHOOL DISTRICT R2-J  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>Long-Term Debt Outstanding</u>	<u>Percent Applicable to the District<sup>1</sup></u>	<u>Net Direct and Overlapping Debt</u>
Direct Debt:			
Thompson School District R2-J	\$ 192,090,836	100.00 %	\$ 192,090,836
Overlapping Debt:			
Town of Berthoud	6,790,000	100.00 %	6,790,000
Berthoud Fire District	<u>173,277</u>	31.43	<u>54,461</u>
Total Overlapping Debt	<u>6,963,277</u>		<u>6,844,461</u>
Total	<u>\$ 199,054,113</u>		<u>\$ 198,935,297</u>

*(1) Determined by calculating ratio of assessed valuation of taxable property within the District to assessed valuation of the overlapping unit.*

**THOMPSON SCHOOL DISTRICT R2-J  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN YEARS  
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed Value	\$ 1,543,538,472	\$ 1,577,653,289	\$ 1,810,305,577	\$ 1,866,163,922	\$ 2,408,990,243	\$ 2,316,728,490	\$ 2,456,509,497	\$ 2,682,606,963	\$ 3,287,632,513	\$ 3,154,908,551
Debt Limit (20% of Assessed Valuation)	308,707,694	315,530,658	362,061,115	373,232,784	481,798,049	463,345,698	491,301,899	536,521,393	657,526,503	630,981,710
Total Net Debt Applicable to Limit	88,166,209	91,139,957	82,869,479	251,163,188	239,451,177	227,799,166	215,707,155	203,185,144	190,338,133	177,354,989
Legal Debt Margin	<u>\$ 220,541,485</u>	<u>\$ 224,390,701</u>	<u>\$ 279,191,636</u>	<u>\$ 122,069,596</u>	<u>\$ 242,346,872</u>	<u>\$ 235,546,532</u>	<u>\$ 275,594,744</u>	<u>\$ 333,336,249</u>	<u>\$ 467,188,370</u>	<u>\$ 453,626,721</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	32.12 %	28.88 %	22.89 %	67.29 %	49.70 %	49.16 %	43.91 %	37.87 %	28.95 %	28.11 %

**Note:**

*Under state finance law, the outstanding general obligation debt should not exceed 20% of total assessed property value.*

*Sources: Larimer County Assessor's Office, Weld County Assessor's Office, and Boulder County Assessor's Office  
District Financial Records*

**THOMPSON SCHOOL DISTRICT R2-J  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment <sup>a</sup>
Thompson School District R2-J	2,626	1	5.9%	2,453	1	5.8%
Medical Center of the Rockies	1,750	2	4.0%	1,329	2	3.1%
City of Loveland	1,400	3	3.2%	995	4	2.3%
Hach Company	900	4	2.0%	980	5	2.3%
Wal-Mart Distribution Center	900	4	2.0%	1,000	3	2.3%
McKee Medical Center	750	6	1.7%	505	6	
University Colorado Hospital Authority - Specialty Care Medical Offices	700	7	1.6%			
Simply Delicious LLC / Bobos	500	8	1.1%			
Mears Group Inc	400	9	0.9%			
Nutrein USA	400	9	0.9%	360	10	0.8%
Woodward Governor	-			500	7	1.2%
Elevations Credit Union	-			380	8	0.9%
Miramont Lifestyle Fitness	-			370	9	0.9%
<b>Total</b>	<b><u>10,326</u></b>		<b>23.3%</b>	<b><u>8,872</u></b>		<b>19.6%</b>
<b>Total City Employment</b>	<b><u>44,300</u></b>			<b><u>42,663</u></b>		

Sources: City of Loveland December 31, 2024 Annual Comprehensive Financial Report  
District Financial Records

<sup>a</sup> Numbers prior to 2016 reflect full employment, 2016 forward will reflect full time equivalents (FTEs).

**THOMPSON SCHOOL DISTRICT R2-J  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Population (thousands)</u>	<u>Personal Income (millions)</u>	<u>County Per Capita Income<sup>b</sup> (thousands)</u>	<u>Median Age</u>	<u>Unemployment Percentage<sup>a</sup></u>
2015	72.2	\$ 3,144.80	\$ 43.6	38.4	3.8 %
2016	73.3	3,324.03	45.3	39.1	3.2
2017	74.0	3,486.05	47.1	40.1	2.5
2018	74.7	3,776.22	50.6	40.2	2.9
2019	75.4	4,088.00	54.2	40.2	2.3
2020	75.6	4,224.83	55.9	39.9	7.4
2021	77.0	4,377.28	56.8	40.0	6.4
2022	82.8	6,118.61	73.9	40.2	5.0
2023	83.5	6,837.17	81.9	40.4	3.3
2024	84.5	6,980.76	82.6	40.8	4.7

<sup>a</sup> Separate City statistics were not previously available, but are available as of 2016 retroactively to 2007

<sup>b</sup> Larimer County, separate City statistics not available

Source: City of Loveland December 31, 2024 Annual Comprehensive Financial Report

**THOMPSON SCHOOL DISTRICT R2-J  
NUMBER OF EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Employees (Full and Part Time Positions):										
Administration:										
Instructional Central Office Administrators	9	10	9	10	14	14	15	14	14	14
Principals and Assistant Principals	49	47	47	47	48	50	51	51	49	49
Support Central Office Administrators	8	8	11	13	16	17	22	30	31	43
Teaching Staff:										
Teachers	931	950	964	987	1,007	979	1,021	997	985	988
Substitute Teachers	524	472	525	462	516	458	385	454	469	549
Guidance Counselors	44	46	48	44	48	47	54	54	53	53
Media Specialist	7	8	7	9	8	8	8	6	6	6
Teacher Aides	195	210	224	232	226	200	195	213	212	228
Support Services:										
Nurses, Psychologists, and Social Workers	31	34	34	41	41	42	41	37	40	43
Pupil Transportation	97	96	99	100	102	95	97	96	92	100
Personnel Services	12	12	12	13	10	10	11	10	12	10
Operations and Maintenance	144	141	144	143	145	145	139	148	153	159
Fiscal Services and Data Processing	14	14	14	13	13	13	13	14	14	15
School Building Clerical	118	121	124	120	119	113	108	105	102	106
Other Professional Support Staff	134	141	142	138	136	131	141	136	141	140
Other Clerical Support	21	21	22	21	23	24	39	38	34	39
Food Services	73	76	74	62	61	53	60	73	80	84
Total	<u>2,411</u>	<u>2,407</u>	<u>2,500</u>	<u>2,455</u>	<u>2,533</u>	<u>2,399</u>	<u>2,400</u>	<u>2,476</u>	<u>2,487</u>	<u>2,626</u>

Source: Thompson School District Human Resources Department

**THOMPSON SCHOOL DISTRICT R2-J  
OPERATING INDICATORS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Funding Per Students	\$ 6,938	\$ 7,045	\$ 7,275	\$ 7,713	\$ 8,061	\$ 7,715	\$ 8,525	\$ 9,071	\$ 10,091	\$ 10,747
Funded Pupil County	15,065	15,252	15,230	15,195	15,544	15,269	15,155	15,007	14,778	14,562
Total Funding Per School Finance Act	<u>\$ 104,520,276</u>	<u>\$ 107,450,340</u>	<u>\$ 110,796,068</u>	<u>\$ 117,195,179</u>	<u>\$ 125,303,408</u>	<u>\$ 117,799,564</u>	<u>\$ 129,190,559</u>	<u>\$ 136,132,125</u>	<u>\$ 149,130,929</u>	<u>\$ 156,497,814</u>

*Source: Thompson School District Finance Department*

**THOMPSON SCHOOL DISTRICT R2-J  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

SCHOOLS	Sq. Ft.	Capacity	Enrollment History by Fiscal Year									
			2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Elementary Schools:</b>												
Berthoud	54,903	580	474	431	463	481	486	419	442	482	506	465
BF Kitchen	33,800	280	219	226	237	224	217	202	193	187	168	159
Big Thompson	29,100	255	220	221	240	232	222	179	195	206	201	179
Carrie Martin	33,350	280	240	220	251	285	273	215	239	212	252	219
Centennial	57,750	530	457	455	435	441	439	364	347	335	331	300
Cottonwood Plans	57,400	530	446	416	419	428	419	363	373	357	345	313
Coyote Ridge	58,300	375	339	368	366	379	362	296	273	264	264	229
Garfield	34,900	300	245	266	262	255	255	212	211	205	212	213
Ivy Stockwell	40,944	455	301	312	333	375	407	356	389	402	423	426
Laurene Edmondson	32,650	280	210	214	213	208	223	211	229	236	241	211
Lincoln	40,500	355	208	213	244	245	248	192	192	186	217	146
Mary Blair (MBES)	*49,150	*480	375	326	313	267	261	205	188	170	-	-
Monroe (MES)	*51,050	*505	294	227	209	198	242	224	247	215	-	-
Namaqua	51,550	505	323	312	274	256	314	253	243	252	242	236
Ponderosa	71,500	550	445	419	407	404	402	355	364	335	353	312
Sarah Milner	36,700	405	298	318	316	286	258	246	235	229	272	211
Stansberry	31,800	280	225	199	170	118	-	-	-	-	-	-
Truscott	45,700	330	257	246	221	215	231	223	224	193	203	194
Van Buren	-	-	150	142	124	123	-	-	-	-	-	-
Winona	65,500	550	442	405	349	367	327	291	241	222	250	214
<b>Pre-K-8 Schools:</b>												
High Plains	90,244	750	-	391	473	533	568	503	425	442	491	467
Peakview Academy at Conrad Ball	107,028	950	-	-	-	-	-	-	-	-	624	500
Riverview	128,000	1,000	-	-	-	-	-	-	454	700	814	863
<b>Middle Schools:</b>												
Bill Reed	146,500	900	685	658	628	661	673	624	542	511	514	530
Conrad Ball	-	-	638	553	528	499	457	425	333	294	-	-
Lucile Erwin	115,500	900	879	919	890	850	898	829	816	712	692	686
Turner	72,750	770	438	464	477	479	466	460	476	461	448	448
Walt Clark	96,850	900	494	481	495	499	472	418	362	366	357	340
<b>High Schools:</b>												
Berthoud	143,100	990	727	714	715	678	696	649	685	694	699	723
Ferguson/Technical Career Center	60,181	185	103	127	109	118	122	120	114	129	154	164
Loveland	211,250	1,500	1,530	1,617	1,628	1,638	1,595	1,560	1,520	1,528	1,490	1,368
Mountain View	252,300	1,475	1,268	1,218	1,250	1,203	1,172	1,170	1,196	1,138	1,119	1,075
Thompson Valley	218,000	1,475	1,177	1,209	1,147	1,087	1,089	1,043	1,060	1,041	1,034	1,005
<b>Total</b>	<b>2,418,050</b>	<b>18,635</b>	<b>14,107</b>	<b>14,287</b>	<b>14,186</b>	<b>14,032</b>	<b>13,794</b>	<b>12,607</b>	<b>12,808</b>	<b>12,704</b>	<b>12,916</b>	<b>12,196</b>

\* MBES & MES Not Included in Total Sq. Ft. or Capacity

Source: Thompson School District Planning Department

## COMPLIANCE SECTION



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

Board of Education  
Thompson School District R2-J

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Thompson School District R2-J (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2025. Our report includes a reference to other auditors who audited the financial statements of Loveland Classical Schools and New Vision Charter School as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Loveland Classical Schools and New Vision Charter School were not audited under *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

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

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

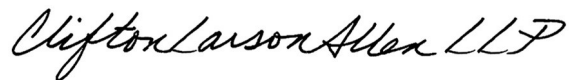
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Denver, Colorado  
December 23, 2025

**EMMA, CONTINUING DISCLOSURE SECTION**

## EMMA, CONTINUING DISCLOSURE SECTION INFORMATION

This part of the Thompson School District’s annual comprehensive financial report presents certain information about tax exempt bonds that arises after the initial issuance of the bonds. This information generally reflects the financial or operating condition of the issuer (or the other party responsible for the repayment of some or all of the bonds, an “obligor”) as it changes over time, as well as specific events occurring after issuance that can have an impact on the ability of issuer or obligated person to pay amounts owing on the bonds, the value of the bonds if it is bought or sold prior to its maturity, the timing of repayment of principal, and other key features of the bonds.

<u>Contents</u>	<u>Pages</u>
<b>District Enrollment, Historical Enrollment as of October Student Counts</b>	125
<b>History of District’s Mill Levy</b>	126
<b>History of District’s Assessed Valuation</b>	127
<b>History of District’s Property Tax Collections</b>	128
<b>History of General Fund Revenues, Expenditures and Fund Balances</b>	129
<b>General Fund Budget Summary and Comparison</b>	130
<b>General Obligation Debt Ratios, Historical Debt Ratios (as of June 30)</b>	131

**THOMPSON SCHOOL DISTRICT R2-J  
DISTRICT ENROLLMENT  
HISTORICAL ENROLLMENT AS OF OCTOBER STUDENT COUNTS  
LAST TEN YEARS  
(UNAUDITED)**

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Increase Based Upon Total Enrollment</u>
2016	16,043	(0.56)%
2017	16,280	1.48
2018	16,278	(0.01)
2019	16,181	(0.60)
2020	16,163	(0.11)
2021	14,965	(7.41)
2022	15,291	2.18
2023	15,212	(0.52)
2024	15,039	(1.14)
2025	14,751	(0.02)

**THOMPSON SCHOOL DISTRICT R2-J  
HISTORY OF DISTRICT'S MILL LEVY  
LAST TEN YEARS  
(UNAUDITED)**

<u>School Year</u>	<u>General Fund Mill Levy</u>	<u>Bond Fund Mill Levy</u>	<u>Mill Levy Override</u>	<u>Abatements</u>	<u>Total Mill Levy</u>
2016	22.360	6.939	9.008	0.086	38.393
2017	22.360	6.852	8.898	0.239	38.349
2018	22.360	6.043	7.754	0.158	36.315
2019	22.360	10.022	14.916	0.130	47.428
2020	22.360	7.944	13.427	0.107	43.838
2021	22.360	8.258	13.659	0.301	44.578
2022	23.360	7.790	13.315	0.123	44.588
2023	24.360	7.133	12.834	0.244	44.571
2024	25.360	5.823	11.514	0.063	42.760
2025	26.360	6.075	12.051	0.397	44.883

**THOMPSON SCHOOL DISTRICT R2-J  
HISTORY OF DISTRICT'S ASSESSED VALUATION  
LAST TEN YEARS  
(UNAUDITED)**

Levy/Collection Year	Gross Assessed Valuation				Tax Increment Valuation	Net Assessed Valuation	Percent Change
	Larimer County	Weld County	Boulder County	Total			
2015/2016	\$ 1,634,814,386	\$ 15,082,540	\$ 3,923,319	\$ 1,653,820,245	\$ 110,281,773	\$ 1,543,538,472	16.20 %
2016/2017	1,650,085,690	35,755,870	3,895,710	1,689,737,270	112,083,981	1,577,653,289	2.21
2017/2018	1,905,697,165	25,884,930	4,089,363	1,935,671,458	125,365,881	1,810,305,577	14.75
2018/2019	1,966,738,446	31,467,000	4,146,763	2,002,352,209	136,188,287	1,866,163,922	3.09
2019/2020	2,461,350,268	93,848,420	4,695,365	2,559,894,053	150,903,810	2,408,990,243	29.09
2020/2021	2,392,549,086	77,095,470	4,687,813	2,474,332,369	157,603,879	2,316,728,490	(3.83)
2021/2022	2,572,251,062	49,265,470	5,386,890	2,626,903,422	170,393,925	2,456,509,497	6.03
2022/2023	2,773,874,673	77,077,790	5,395,016	2,856,347,479	173,740,516	2,682,606,963	9.20
2023/2024	3,400,115,294	72,449,840	7,204,512	3,479,769,646	192,137,133	3,287,632,513	22.55
2024/2025	3,277,925,622	65,766,270	7,054,050	3,350,745,942	195,837,391	3,154,908,551	(4.04)

**THOMPSON SCHOOL DISTRICT R2-J  
HISTORY OF DISTRICT'S PROPERTY TAX COLLECTIONS  
LAST TEN YEARS  
(UNAUDITED)**

Assessment Year	Collection Year	Total Taxes Levied	Taxes Collected	Percent Collected
2015	2016	\$ 59,261,073	\$ 58,934,359	99.4 %
2016	2017	60,501,426	59,961,359	99.1
2017	2018	65,741,247	65,839,221	100.1
2018	2019	88,508,422	88,063,070	99.5
2019	2020	105,605,314	98,221,889	93.0
2020	2021	103,275,123	111,339,038	107.8
2021	2022	109,530,845	109,293,782	99.8
2022	2023	119,566,475	119,378,716	99.8
2023	2024	140,579,166	139,931,731	99.5
2024	2025	141,601,760	140,433,921	99.2

**THOMPSON SCHOOL DISTRICT R2-J**  
**HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND FUND BALANCES**  
**LAST TEN YEARS**  
**(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Taxes:										
Local Property - School Finance Act	\$ 34,410,569	\$ 35,239,167	\$ 40,728,957	\$ 41,844,442	\$ 50,233,673	\$ 56,449,633	\$ 57,362,529	\$ 65,634,485	\$ 83,048,043	\$ 83,355,788
Local Property - Mill Levy Override	13,860,291	14,007,199	14,139,040	27,667,897	30,161,881	34,245,252	32,729,631	34,615,127	37,782,524	38,100,132
Specific Ownership	4,958,453	5,549,436	6,039,905	7,100,619	7,934,385	8,312,971	8,296,788	8,799,653	9,062,477	5,559,465
Equalization Entitlements	67,344,018	69,356,093	67,122,702	68,758,543	68,114,946	62,000,145	69,127,089	66,524,920	61,281,499	67,893,200
Universal Pre-K Revenue	-	-	-	-	-	-	-	-	2,474,722	2,009,177
Special Education	3,295,248	3,149,449	3,274,728	3,460,949	3,718,287	3,642,465	3,913,253	5,429,821	6,020,525	6,351,401
Vocational Education	617,848	438,570	456,561	446,565	314,118	412,856	731,807	306,429	344,230	383,676
Transportation	1,081,771	1,025,549	1,050,582	1,162,404	1,114,540	1,174,627	1,186,087	1,213,058	1,385,587	1,384,969
Other	2,398,571	2,531,550	3,517,528	4,967,444	5,310,369	2,757,442	6,910,374	9,842,000	4,396,441	10,955,280
Investment Earnings	106,464	243,468	394,081	581,839	487,015	65,271	180,329	1,513,126	2,186,961	2,016,918
Total Revenues	128,073,233	131,540,481	136,724,084	155,990,702	167,389,214	169,060,662	180,437,887	193,878,619	207,983,009	218,010,006
<b>EXPENDITURES</b>										
Current Operating:										
Instruction	68,290,676	70,648,085	73,055,038	79,248,312	87,469,953	82,523,446	91,340,146	97,357,204	98,030,235	108,878,744
Supporting Services	46,936,538	49,962,439	52,036,925	55,453,996	61,167,972	60,318,089	67,797,070	72,124,521	76,112,902	89,190,047
Capital Outlay	631,741	863,928	587,816	1,386,012	60,987	25,000	40,726	15,450	123,698	177,316
Charter School Allocation	8,381,383	8,732,477	9,832,809	10,608,878	12,933,826	13,780,897	18,925,723	21,061,375	23,860,463	25,688,594
Total Expenditures	124,240,338	130,206,929	135,512,588	146,697,198	161,632,738	156,647,432	178,103,665	190,558,550	198,127,298	223,934,701
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	3,832,895	1,333,552	1,211,496	9,293,504	5,756,476	12,413,230	2,334,222	3,320,069	9,855,711	(5,924,695)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers Out	(5,743,039)	(3,916,628)	(3,722,324)	(3,611,162)	(3,815,296)	(2,572,709)	(3,636,922)	(2,985,606)	(3,633,316)	(2,867,766)
<b>NET CHANGE IN FUND BALANCES</b>	(1,910,144)	(2,583,076)	(2,510,828)	5,682,342	1,941,180	9,840,521	(1,302,700)	334,463	6,222,395	(8,792,461)
Fund Balances - Beginning of Year	24,278,545	22,368,401	19,785,325	17,274,498	22,956,840	24,898,019	34,738,540	33,435,840	33,770,304	39,992,699
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,368,401</u>	<u>\$ 19,785,325</u>	<u>\$ 17,274,497</u>	<u>\$ 22,956,840</u>	<u>\$ 24,898,020</u>	<u>\$ 34,738,540</u>	<u>\$ 33,435,840</u>	<u>\$ 33,770,303</u>	<u>\$ 39,992,699</u>	<u>\$ 31,200,238</u>

Sources: District Annual Comprehensive Financial Reports for years ended June 30, 2016 to June 30, 2025

**THOMPSON SCHOOL DISTRICT R2-J  
GENERAL FUND BUDGET SUMMARY AND COMPARISON  
LAST TEN YEARS  
(UNAUDITED)**

	Budget										(Audited) Year End
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2025
<b>FUND BALANCE - BEGINNING OF YEAR</b>	\$ 19,600,197	\$ 17,859,560	\$ 14,573,076	\$ 18,732,552	\$ 24,898,019	\$ 34,738,540	\$ 35,291,363	\$ 36,335,840	\$ 34,780,533	\$ 30,021,913	\$ 39,992,699
<b>REVENUES</b>											
School Finance Act:											
Property Taxes	35,446,569	36,403,208	41,786,362	50,994,294	53,797,698	52,368,678	59,352,134	62,980,922	96,414,013	97,684,341	83,355,788
Specific Ownership Taxes	2,824,621	2,989,675	3,386,421	3,987,568	3,391,594	3,262,579	4,333,562	4,473,328	5,011,829	5,079,267	5,559,465
State Equalization	68,245,587	72,587,269	72,661,813	70,815,423	49,762,225	73,818,605	72,149,047	80,180,353	55,739,618	56,461,575	67,893,200
Total School Finance Act	106,516,777	111,980,152	117,834,596	125,797,285	106,951,517	129,449,862	135,834,743	147,634,603	157,165,460	159,225,183	156,808,453
Mill Levy Override and Other:											
Property Taxes from Override	14,036,939	14,040,000	14,040,000	30,347,838	31,647,137	32,527,493	32,989,514	38,199,558	39,291,365	39,998,587	38,100,132
Specific Ownership Taxes	2,204,555	2,307,427	2,810,637	2,576,757	2,575,000	3,250,000	4,175,429	3,600,000	3,800,000	3,769,554	3,778,865
Universal Pre-K (UPK) Revenue	-	-	-	-	-	-	-	-	3,489,377	2,548,964	2,009,177
Transportation Reimbursement	1,068,412	1,087,783	1,068,690	1,146,628	1,143,510	1,000,000	1,114,122	1,200,000	1,193,245	1,256,723	1,384,969
ECEA Funding	3,476,306	3,387,515	2,999,272	3,130,868	3,122,210	4,467,577	5,352,503	5,800,000	6,029,912	6,160,411	6,351,401
All Other Revenue	2,587,867	2,769,007	3,618,546	3,687,689	3,684,280	3,600,000	3,838,152	5,662,860	2,926,843	5,229,230	9,577,009
Total Mill Levy Override and Other	23,374,079	23,591,732	24,537,145	40,889,780	42,172,137	44,845,070	47,469,720	54,462,418	56,730,742	58,963,469	61,201,553
Total Revenues	129,890,856	135,571,884	142,371,741	166,687,065	149,123,654	174,294,932	183,304,463	202,097,021	213,896,202	218,188,652	218,010,006
<b>EXPENDITURES</b>											
Student Instruction	72,190,892	74,331,478	77,237,810	85,713,270	82,821,806	95,003,520	90,280,013	97,808,795	104,050,588	103,963,859	108,878,744
Student Support	7,363,909	8,524,441	8,669,611	8,590,579	8,577,714	10,108,929	10,496,653	11,531,349	11,895,626	12,278,013	13,097,679
Instruction Support	10,637,770	11,473,461	11,819,855	13,846,655	13,730,505	14,582,659	14,590,189	16,144,493	18,622,084	20,501,612	17,810,336
General Administration	767,804	779,072	859,713	1,180,992	868,227	1,111,625	1,176,644	1,245,216	1,886,331	1,989,513	1,517,944
School Administration	8,817,955	8,971,624	9,359,973	9,934,889	9,998,384	10,476,865	11,149,437	11,189,242	11,701,658	11,982,274	14,261,962
Business Services	2,143,197	2,107,901	2,212,503	2,384,057	2,452,651	2,560,702	2,680,422	2,882,139	3,236,785	3,445,046	3,649,075
Facilities/Operations	12,213,239	12,724,198	13,545,848	15,271,171	15,277,107	15,612,672	17,160,211	18,516,599	21,442,842	21,967,855	23,287,161
Student Transportation	4,674,322	4,842,284	5,097,475	5,009,815	5,352,981	5,632,403	6,410,065	6,562,168	7,585,288	8,454,605	8,082,678
Central Support	3,913,144	3,884,491	4,324,705	4,600,790	4,530,373	4,976,744	5,291,722	6,033,439	6,513,164	7,000,322	7,283,192
Nutrition Services	-	-	-	-	-	-	-	-	-	-	112,702
Community Services	-	-	-	-	-	-	-	-	-	-	7,839
Facilities	-	-	-	-	-	-	-	-	-	-	79,479
Allocation to Charters	8,799,690	9,313,040	10,314,079	14,508,857	14,870,797	18,630,350	19,897,519	23,606,737	25,599,417	27,538,893	25,688,594
Transfers to Other Funds	3,418,418	3,516,024	3,836,490	3,947,365	2,708,284	3,176,250	3,187,648	3,163,368	1,972,766	2,057,458	2,867,766
Capital Outlay	-	-	-	-	-	-	1,870,359	2,403,247	2,380,447	-	177,316
Total Expenditures	134,940,340	140,468,014	147,278,062	164,988,440	161,188,829	181,872,719	184,190,882	201,086,792	216,886,996	221,179,450	226,802,467
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,049,484)</b>	<b>(4,896,130)</b>	<b>(4,906,321)</b>	<b>1,698,625</b>	<b>(12,065,175)</b>	<b>(7,577,787)</b>	<b>(886,419)</b>	<b>1,010,229</b>	<b>(2,990,794)</b>	<b>(2,990,798)</b>	<b>(8,792,461)</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 14,550,713</b>	<b>\$ 12,963,430</b>	<b>\$ 9,666,755</b>	<b>\$ 20,431,177</b>	<b>\$ 12,832,844</b>	<b>\$ 27,160,753</b>	<b>\$ 34,404,944</b>	<b>\$ 37,346,069</b>	<b>\$ 31,789,739</b>	<b>\$ 27,031,115</b>	<b>\$ 31,200,238</b>

Source: District Adopted Budgets

**THOMPSON SCHOOL DISTRICT R2-J  
GENERAL OBLIGATION DEBT RATIOS  
HISTORICAL DEBT RATIOS AS OF JUNE 30  
LAST TEN YEARS  
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Outstanding	\$ 89,085,000	\$ 82,340,000	\$ 75,205,000	\$ 216,600,000	\$ 207,455,000	\$ 198,370,000	\$ 188,845,000	\$ 178,890,000	\$ 168,610,000	\$ 157,910,000
Estimated Population	110,532	112,165	112,152	111,483	111,359	103,105	105,353	104,809	103,617	101,632
Debt Per Capita	\$ 806	\$ 734	\$ 671	\$ 1,943	\$ 1,863	\$ 1,924	\$ 1,792	\$ 1,707	\$ 1,627	\$ 1,554
Assessed Value <sup>1</sup>	\$ 1,653,820,245	\$ 1,689,737,270	\$ 1,935,671,458	\$ 2,002,352,209	\$ 2,559,894,053	\$ 2,474,332,369	\$ 2,626,903,422	\$ 2,856,347,479	\$ 3,479,769,646	\$ 3,350,745,942
Ratio of Debt to Assessed Value	5.39 %	4.87 %	3.89 %	10.82 %	8.10 %	8.02 %	7.19 %	6.26 %	4.85 %	4.71 %
Personal Income Per Capita (Larimer County)	\$ 48,327	\$ 51,471	\$ 53,935	\$ 56,851	\$ 60,219	\$ 64,258	\$ 67,849 <sup>2</sup>	\$ 67,849 <sup>2</sup>	\$ 71,359	N/A
Ratio of Debt Per Capita to Personal Income Per Capita	1.67 %	1.43 %	1.24 %	3.42 %	3.09 %	2.99 %	2.64 %	2.52 %	2.28 %	N/A

<sup>1</sup> Includes \$110,281,773; \$112,083,981; \$125,365,881; \$136,188,287; \$150,903,810; \$157,603,879; \$170,393,925; \$173,740,516; \$192,137,133; \$195,837,391 for incremental assessed valuation attributable to the various Larimer County Urban Renewal Authorities in 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, and 2025 levy years, respectively, in excess of "base" valuation in tax increment areas from which the District does not receive property tax revenues.

<sup>2</sup> Estimate. Most current data available.

Source: District Annual Comprehensive Financial Report

**THOMPSON SCHOOL DISTRICT R2-J  
SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2025**



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**THOMPSON SCHOOL DISTRICT R2-J  
SINGLE AUDIT  
YEAR ENDED JUNE 30, 2025**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 2

Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Federal Awards Required by the Uniform Guidance ..... 4

Schedule of Expenditures of Federal Awards ..... 7

Notes to Schedule of Expenditures of Federal Awards ..... 8

Schedule of Findings and Questioned Costs ..... 9

Summary Schedule of Prior Audit Findings ..... 11



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

Board of Education  
Thompson School District R2-J  
Loveland, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Thompson School District R2-J (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2025. Our report includes a reference to other auditors who audited the financial statements of Loveland Classical Schools and New Vision Charter School, as described in our report on the District's financial statements. The financial statements of Loveland Classical Schools and New Vision Charter School were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Loveland Classical Schools and New Vision Charter School that are reported on separately by those auditors who audited the financial statements of Loveland Classical Schools and New Vision Charter School.

***Report on Internal Control Over Financial Reporting***

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

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

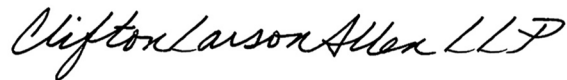
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Denver, Colorado  
December 23, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT  
ON THE SCHEDULE OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Thompson School District R2-J  
Loveland, Colorado

**Report on Compliance for Each Major Federal Program**

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

We have audited Thompson School District R2-J (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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


Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated December 23, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Denver, Colorado  
February 13, 2026

**THOMPSON SCHOOL DISTRICT R2-J  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Expenditures</b>
<b>U.S. Department of Education</b>			
<b>Passed through Colorado Department of Education</b>			
Title I, Part A: Improving Basic Programs	84.010	4010	2,456,688
Title I, Part A: Improving Basic Programs	84.010	5010	4,150
Title I, Part A: Improving Basic Programs	84.010	9202	70,026
Title I, Part A: Improving Basic Programs	84.010	9205	28,432
Title I, Part A: Improving Basic Programs	84.010	9206	497,854
Title I, Part A: Improving Basic Programs	84.010	9211	24,569
			<u>3,081,719</u>
Title III, Part A: English Language Acquisition	84.365	4365	37,493
Title II, Part A: Improving Teacher Quality	84.367	4367	651,668
Title IV, Part A: Student Support and Academic Enrichment	84.424	4424	170,946
Title VII, Education for Homeless Children and Youth	84.196	5196	38,750
COVID-19 - ESSER III	84.425U	4414	208,626
COVID-19 - Homeless Children and Youth Group 1	84.425W	8425	62,634
COVID-19 - Homeless Children and Youth Group 2	84.425W	8426	6,164
<b>Special Education Cluster</b>			
Individuals with Disabilities Education Act Part B	84.027	4027	3,570,948
Individuals with Disabilities Education Act Preschool	84.173	4173	74,047
			<u>3,644,995</u>
<b>Passed through the State Board for Colorado Community College and Occupational Education System</b>			
Carl Perkins: Career and Technical Education	84.048	4048	167,084
			<u>167,084</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>8,070,079</u></b>
<b>U.S. Department of Health and Human Services</b>			
Head Start	93.600		1,827,905
<b>Passed through Colorado Department of Education</b>			
Child Care Assistance Block Grant (Child Care Stabilization)	93.575	7575	50,710
			<u>50,710</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>1,878,615</u></b>
<b>U.S. Department of Treasury</b>			
<b>Passed through Colorado Department of Local Affairs</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	7127	3,131,715
			<u>3,131,715</u>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<b><u>3,131,715</u></b>
<b>U.S. Department of Agriculture</b>			
<b>Passed through Colorado Department of Public Health &amp; Environment</b>			
Child and Adult Care Food Program	10.558	4558	2,407
<b>Child Nutrition Cluster</b>			
<b>Passed through Colorado Department of Human Services</b>			
National School Lunch Program - Donated Commodities	10.555	4555	757,650
<b>Passed through Colorado Department of Education</b>			
School Breakfast Program	10.553	4553	1,092,793
National School Lunch Program	10.555	4555	3,634,671
National School Lunch Program - Supply Chain Assistance	10.555	6555	211,465
Summer Food Service Program for Children	10.559	4559	98,828
			<u>5,795,407</u>
<b>Total of Child Nutrition Cluster</b>			<b><u>5,795,407</u></b>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u>5,797,814</u></b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b><u>\$ 18,878,223</u></b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**THOMPSON SCHOOL DISTRICT R2-J**  
**NOTES TO SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 1 BASIS OF PRESENTATION**

In the accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

**NOTE 2 NONCASH FEDERAL AWARDS**

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program and are valued based on the USDA's Donated Commodity Price List. Commodities are recorded under Assistance Listing #10.555 on the Schedule of Expenditures of Federal Awards. The commodities, in the amount of \$757,650, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools.

**NOTE 3 INDIRECT COSTS**

The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 SUBRECIPIENTS**

The District provided no federal awards to subrecipients.

**THOMPSON SCHOOL DISTRICT R2-J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

<b>AL Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010	Title I Grants to Local Educational Agencies
93.600	Head Start
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        x   no

**THOMPSON SCHOOL DISTRICT R2-J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**THOMPSON SCHOOL DISTRICT R2-J  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2025**

Thompson School District R2-J respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2025.

Prior Audit period: June 30, 2024

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2024-001**

**Condition:** Inadequate segregation of duties exists across several functions of the District. The District does not have reconciliations, processes, or procedures in place to reconcile material accounts within the in the financial statements. These conditions resulted in the books and records for the 2024 fiscal year not being reconciled and closed in a timely manner. As a result, closing procedures took place throughout the duration of the audit, and the audit process identified several state and federal revenue balances had been improperly recorded. Several adjustments and reclassifications to the District's general ledger were discussed with and recorded by management during the audit process to reflect the appropriate balances.

**Status:** Implemented.

**2024-002**

**Condition:** The District's general ledger contained several material errors within accounts receivable, revenue, unearned revenue, and deferred inflows of resources accounts. Several adjustments were discussed with and recorded by management during the audit process to adjust the District's general ledger to the appropriate balances.

**Status:** Implemented.

**2024-003**

**Condition:** The June 30, 2023 net pension calculation had a formula error impacting the deferred outflows of resources.

**Status:** Implemented.

**THOMPSON SCHOOL DISTRICT R2-J  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

**2024-004 – 93.600 Head Start**

**Condition:** During allowability testing, it was discovered the District has no formalized reviewed of expenditures charged to grant. This included expenditures related to payroll, supplies, and indirect costs.

**Status:** Implemented.

**2024-005 – 93.600 Head Start**

**Condition:** Throughout the year, there was no control in place to ensure required reports were filed timely and in accordance with the grant agreement. The District does not currently have a control in place where a review of inputs of SF-425 and SF-429 reports could result in inaccurate reporting.

**Status:** Implemented.

**2024-006 – 21.027 Coronavirus State and Local Fiscal Recovery Funds**

**Condition:** The District did not have sufficient controls in place to ensure compliance with its procurement policy and that appropriate documentation is retained regarding the procurement methodology chosen and support for compliance with the suspension and debarment requirements.

**Status:** Implemented.



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