

**HOUSING AUTHORITY OF THE TOWN OF
LIMON, COLORADO**

**BASIC FINANCIAL STATEMENTS,
REQUIRED SUPPLEMENTAL INFORMATION
AND
SUPPLEMENTAL INFORMATION**

Year Ended December 31, 2025

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**REQUIRED SUPPLEMENTAL INFORMATION-
MANAGEMENT'S DISCUSSION AND ANALYSIS**



EOH

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MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended December 31, 2025

This section of the Housing Authority of the Town of Limon, Colorado's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended on December 31, 2025. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

FINANCIAL HIGHLIGHTS

The term "Net Position" refers to the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Authority's total net position as of December 31, 2025 was \$321,236. Of this amount, \$233,858 was reported as "unrestricted net position". The net position increased by \$92,286, an increase of 40% over the prior year.

Operating income for the Authority was \$205,060 for the year ended December 31, 2025. This was an increase of \$13,685 or 7% over the prior year.

Operating expenses for the Authority were \$385,595 for the year ended December 31, 2025. This was an increase of \$11,842 or 3% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *management's discussion and analysis* report, the *basic financial statements* and the *notes to financial statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of supplemental information. In addition, the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions, Notes to Required Supplementary Information is included as RSI. Since the Authority is comprised of all enterprise funds, no entity-wide basic financial statements are shown.

Required Financial Statements

Proprietary Fund Financial Statements - The basic financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The Authority's Public Housing Program is the only major proprietary fund for presentation purposes.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *supplemental information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. The submitted financial information transmitted to the Real Estate Assessment Center (REAC) for the year ended December 31, 2025 is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

CONDENSED STATEMENT OF NET POSITION

	FY 2025	FY 2024	Dollar Change	Percent Change
Current and other assets	\$ 344,020	\$ 235,950	\$ 108,070	46%
Capital assets	87,378	97,050	(9,672)	-10%
Total Assets	431,398	333,000	98,398	30%
Deferred Outflows of Resources	64,540	68,887	(4,347)	-6%
Current liabilities	39,145	30,742	8,403	27%
Noncurrent liabilities	122,956	126,498	(3,542)	-3%
Total Liabilities	162,101	157,240	4,861	3%
Deferred Inflows of Resources	12,601	15,697	(3,096)	-20%
Net Position				
Net investment in capital assets	87,378	97,050	(9,672)	-10%
Unrestricted	233,858	131,900	101,958	77%
Total Net Position	\$ 321,236	\$ 228,950	\$ 92,286	40%

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

FINANCIAL ANALYSIS (CONT'D)

Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$321,236 at the close of the year ended December 31, 2025. This represents an increase of \$92,286 which is an increase of 40% over the prior year. The increase was attributed to operations for the year end December 31, 2025.

Current and other assets increased by \$108,070. This was attributed to operations before depreciation and capital improvements which resulted in a net increase in cash and investments of \$50,450. In addition, the amount receivable from HUD increased by \$57,950 which is the result of when funds are requisitioned.

Current liabilities increased by \$8,403, which was due to the variability from year to year based on timing of payments.

Other liabilities decreased by (\$3,542) which consists of the Net Pension Liability which represents the Authority's proportionate share of Colorado PERA unfunded pension liability and the Collective Net OPEB Liability which represents the Authority's proportionate share of Colorado PERA unfunded liability of the OPEB plan. There were no significant changes in these liabilities. In addition, accrued compensated absences decreased by (\$2,536) which was due to leave being recognized in the prior year as the result of the retirement of a long-time employee.

A portion of the Authority's net position reflects its net investment in capital assets (e.g. land, buildings and equipment less accumulated depreciation). The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

Unrestricted net position as of December 31, 2025 was \$233,858, an increase of \$101,958 over the prior year. Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to creditors and operations of facilities. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year as well as the financial capacity to sustain operations. The Authority had no restricted net position that is subject to external restrictions on how they may be used.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen on the next page, total revenues increased by \$84,033, primarily due to the increase in Federal operating funds of \$72,953 and by an increase of \$13,907 or 8% in rental income. The increase in rental income was due to the changes in occupancy and rent compositions for the year ended December 31, 2025.

HUD operating subsidy for the Authority was \$37,119 for the year ended December 31, 2025. This was a decrease of (\$21,124) from the prior year. The operating subsidy funding is determined by HUD on an annual basis and is primarily based on income and utility expenses. The Authority also expended \$235,994 of HUD capital grants for operations for the fiscal year ended December 31, 2025 compared to \$141,917 in the previous year. This amount will vary on the approved budget by HUD. The Authority has flexibility in the use of these funds.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

FINANCIAL ANALYSIS (CONT'D)

**CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental	\$ 188,475	\$ 174,568	\$ 13,907	8%
HUD program contributions	273,113	200,160	72,953	36%
Management fee income	9,329	11,469	(2,140)	-19%
Other	7,256	5,338	1,918	36%
General revenues				
Interest	556	3,161	(2,605)	-82%
Total Revenues	<u>478,729</u>	<u>394,696</u>	<u>84,033</u>	<u>21%</u>
Expenses				
Depreciation	16,167	17,631	(1,464)	-8%
Operating	369,428	356,122	13,306	4%
Total Expenses	<u>385,595</u>	<u>373,753</u>	<u>11,842</u>	<u>3%</u>
Excess (deficiency) before contributions and special items	93,134	20,943	72,191	345%
Capital Contributions	6,494	20,471	(13,977)	
Special Items:				
Nonroutine maintenance	(7,342)	-	(7,342)	
Changes in Net Position	92,286	41,414	50,872	
Beginning Net Position	228,950	187,536	41,414	
Ending Net Position	<u>\$ 321,236</u>	<u>\$ 228,950</u>	<u>\$ 92,286</u>	

Operating expenses for the Authority were \$369,428 for the year ended December 31, 2025. This was an increase of \$13,306 or 4% over the prior year. The most significant increase was in administrative expenses which increased by \$11,372 and was mostly due to an increase in benefits as the result of changes in the pension and OPEB amounts.

CAPITAL ASSETS

The Authority's net investment in capital assets as of December 31, 2025 amounts to \$87,378. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, less accumulated depreciation.

The total decrease the Authority's net investment in capital assets for the current fiscal year was 10% in terms of net book value. The actual amount to purchase or construct capital assets was \$6,495 for the year. Depreciation charges for the year totaled \$16,167. Additional information on the Authority's capital assets can be found in Note F of the notes to the financial statements of this report.

**HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2026 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The operating expenses are expected to increase by the economy's inflation rate.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Housing Authority of the City of Limon, and 1880 Circle Lane, Limon, CO 80828.

INDEPENDENT AUDITOR'S REPORT

Randal D. Niewedde, CPA
Jeffrey J. Wiens, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the Town of Limon, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the major fund of the Housing Authority of the Town of Limon, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Limon, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Housing Authority of the Town of Limon, Colorado as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the Town of Limon, Colorado, 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 opinion.

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 Housing Authority of the Town of Limon, Colorado's ability to continue as a going concern for twelve months beyond the financial date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 purposes of expressing an opinion on the effectiveness of the Housing Authority of the Town of Limon, Colorado'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 Housing Authority of the Town of Limon, Colorado'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, schedule of employer's proportionate share of net pension liability, schedule of employer's proportionate share of the collective net OPEB liability, schedule of employer's contributions-pension plan, schedule of employer contributions-OPEB plan and the notes to required supplementary information for the pension plan and OPEB plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the Town of Limon, Colorado's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedules are 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2026 on our consideration of the Housing Authority of the Town of Limon, Colorado'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 Housing Authority of the Town of Limon, Colorado'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 the Housing Authority of the Town of Limon, Colorado's internal control over financial reporting and compliance.

Niewedde & Wiens, CPA's

York, Nebraska
July 23, 2026

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
STATEMENT OF NET POSITION - PROPRIETARY FUND
December 31, 2025

	Public Housing
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 109,986
Investments	76,163
Accounts receivable, net	5,022
Due from other governments	117,953
Accrued interest receivable	27
Prepaid insurance	19,781
<i>Restricted:</i>	
Cash and cash equivalents	15,088
TOTAL CURRENT ASSETS	344,020
NONCURRENT ASSETS:	
Capital Assets, non-depreciable	6,059
Capital Assets, depreciable, net	81,319
TOTAL NONCURRENT ASSETS	87,378
TOTAL ASSETS	431,398
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferred outflows of resources	60,815
OPEB related deferred outflows of resources	3,725
TOTAL DEFERRED OUTFLOWS OF RESOURCES	64,540
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	9,695
Accrued payroll and benefits payable	9,670
Due to other governments	2,269
Tenant security deposits payable	15,088
Compensated absences payable	2,420
Unearned revenue	3
TOTAL CURRENT LIABILITIES	39,145
NONCURRENT LIABILITIES:	
Compensated absences payable	3,746
Net pension liability	112,255
Net OPEB liability	6,955
TOTAL NONCURRENT LIABILITIES	122,956
TOTAL LIABILITIES	162,101
DEFERRED INFLOWS OF RESOURCES:	
Pension related deferred inflows of resources	7,924
OPEB related deferred inflows of resources	4,677
TOTAL DEFERRED INFLOWS OF RESOURCES	12,601
NET POSITION	
Net investment in capital assets	87,378
Unrestricted	233,858
TOTAL NET POSITION	\$ 321,236

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2025

	Public Housing
OPERATING REVENUES	
Rental income	\$ 188,475
Management fee income	9,329
Other income	<u>7,256</u>
TOTAL OPERATING REVENUES	205,060
OPERATING EXPENSES	
Administrative	139,362
Utilities	32,231
Ordinary maintenance and operations	156,645
General expense	41,190
Depreciation	<u>16,167</u>
TOTAL OPERATING EXPENSES	<u>385,595</u>
OPERATING INCOME (LOSS)	<u>(180,535)</u>
NONOPERATING REVENUES (EXPENSES)	
HUD operating subsidy	37,119
HUD capital grants - operations	235,994
Interest income	<u>556</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>273,669</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND SPECIAL ITEMS	93,134
CAPITAL CONTRIBUTIONS	
HUD capital fund grants	6,494
SPECIAL ITEMS	
Nonroutine maintenance	<u>(7,342)</u>
INCREASE (DECREASE) IN NET POSITION	92,286
NET POSITION	
Net position, beginning balance	<u>228,950</u>
TOTAL NET POSITION - ENDING BALANCE	\$ <u><u>321,236</u></u>

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended December 31, 2025

	<u>Public Housing</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	\$ 188,987
Management fee receipts	9,329
Other receipts	7,256
Tenant security deposits	804
Cash payments for goods and services	(101,242)
Cash payments to employees for services	<u>(265,343)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(160,209)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	37,119
HUD capital grants - operations	178,044
Nonroutine maintenance	<u>(7,342)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	207,821
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(6,494)
HUD capital grants	<u>6,494</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (deposits) withdrawals to investments	38,248
Interest received	<u>2,838</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>41,086</u>
NET INCREASE (DECREASE) IN CASH	88,698
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>36,376</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 125,074</u>

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONT'D)
Year Ended December 31, 2025

RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	Public Housing
Operating income (loss)	\$ (180,535)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	16,167
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	567
(Increase) decrease in prepaid insurance	(250)
(Increase) decrease in deferred outflows of resources, pension	5,657
(Increase) decrease in deferred outflows of resources, OPEB	(1,310)
Increase (decrease) in accounts payable	5,370
Increase (decrease) in tenant security deposits	804
Increase (decrease) in accrued payroll and benefits	807
Increase (decrease) in accrued compensated absences	(3,329)
Increase (decrease) in net pension liability	665
Increase (decrease) in net OPEB liability	(1,671)
Increase (decrease) in deferred inflows of resources, pension	(3,808)
Increase (decrease) in deferred inflows of resources, OPEB	712
Increase (decrease) in unearned revenue	(55)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(160,209)</u>

See accompanying notes.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Authority was created under the laws of the State of Colorado. The purpose of the Authority is to administer the Housing programs authorized by the United States Housing Act of 1937 and amendments contained in the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit. Based on these criteria, there are no additional agencies or entities which should be included in the financial statements of the Authority.

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The model as defined in Statement No. 34 establishes criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds. If non-major funds exist, these funds are combined in a single column in the fund financial statements.

The Authority has a sole enterprise fund which includes the activities of the following program:

Public Housing Program - This program accounts for the operation, maintenance, and development of housing units which are owned by the Authority. The development of the projects were funded primarily by the U.S. Department of Housing and Urban Development through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and therefore no outstanding liabilities are recorded. The program is subsidized annually by operating subsidy from HUD and through Capital Grants for capital improvements.

Budgetary Process

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Cash and Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificates of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalizes assets with cost of \$500 or more as purchases and construction outlays occur.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Building improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply restricted net position first.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan OPEB investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability and OPEB liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension liability and OPEB liability and collective deferred outflows of resources and deferred inflows of resources related to pensions and OPEB. Deferred outflows also contain employer pension and OPEB contributions made after the measurement date.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Colorado Public Employees Retirement Association (Colorado PERA) and additions to/deductions from Colorado PERA'S fiduciary net position have been determined on the same basis as they are reported by Colorado PERA. 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.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan and OPEB investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability and OPEB liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportion share of the collective net pension liability and OPEB liability and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Compensated Absences

The Authority's policy allows employees to accumulate unused vacation leave. Sick leave may be accumulated but not paid upon termination.

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has adopted a plan and has obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Leases

The leases entered into are considered short-term operating leases. The Authority has not entered into any material leases to be accrued as defined by GASB 87.

Subscription-Based Information Technology Arrangements

The Authority has not entered into any material subscription-based information technology arrangements to be accrued as defined by GASB 96.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes

The Authority is a governmental subdivision of the State of Colorado and is exempt from Federal and State income taxes.

Taxpayer's Bill of Rights

In November, 1992, the voters of the State of Colorado approved an amendment to the State's Constitution limiting the amount of revenue which may be spent or retained by Colorado governmental entities. The amendment is in effect for most governmental entities for the years beginning after 1992, but exempts "enterprise" funds from the limitations. The Board of Commissioners of the Authority believes it is exempt from the provisions of the TABOR amendment because it is an "enterprise" (a business operation able to issue its own revenue bonds and receiving less than 10% of its revenue from state and local grants) as defined in the constitutional amendment. The Board also believes it is not subject to the provisions of TABOR because the governing board is not an elected board, does not have an electoral constituency, and does not have the power to impose taxes, all basic operational requirements of TABOR.

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2025, the Authority's carrying amount of deposits was \$201,137 and the bank balances were \$206,545. As required by the Colorado Public Deposit Protection Act (PDPA), any amount in excess of the FDIC insurance threshold shall be collateralized as required by the Public Deposit Protection Acts, article 10.5 of title 11, C.R.S., as amended or article 47 of title 11, C.R.S, as amended. All of the bank balances were covered by FDIC insurance. The Authority had cash on hand of \$100 as of December 31, 2025.

NOTE C – ACCOUNTS RECEIVABLE

A summary of accounts receivable as presented in the Statement of Net Position at December 31, 2025 are as follows:

Tenants	\$	5,022
Allowance for doubtful accounts		--
	\$	<u>5,022</u>

NOTE D – DUE FROM OTHER GOVERNMENTS

A summary of due from other governments as presented in the Statement of Net Position at December 31, 2025 is as follows:

HUD – operating subsidy	\$	3
HUD – capital fund grants		117,950
	\$	<u>117,953</u>

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE H – DUE TO OTHER GOVERNMENTS

A summary of due to other governments as presented in the Statement of Net Position at December 31, 2025 is as follows:

Health and Human Services – interest \$ 2,269 [1]

[1] – This represents interest income earned in excess of \$500 to be remitted to U.S Treasury via Health and Human Services as required by 2 CFR 200.305(b)(12).

NOTE I—ACCRUED COMPENSATED ABSENCES

A summary of accrued compensated absences as presented in the Statement of Net Position as of December 31, 2025 is as follows:

	<u>Beginning Balance</u>	<u>Net Decrease</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Compensated absences \$	<u>9,494</u>	<u>(3,328)</u>	<u>\$ 6,166</u>	<u>\$ 2,420</u>

NOTE J—NET POSITION

The fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets and unrestricted.

- **Net Investment in Capital Assets** – This component groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation reduces the balance in this category.
- **Unrestricted** – This category represents net position of the Authority, not restricted for any project or other purposes.

NOTE K – CONTINGENCIES

The Authority recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any to be immaterial.

NOTE L - RISK MANAGEMENT

The Authority 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 for which the Authority purchases commercial insurance.

During the year ended December 31, 2025, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN

The Limon Housing Authority, participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF 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.

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

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

C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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 LGDTF. 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.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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. For Safety Officers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of December 31, 2025: Eligible employees of, Limon Housing Authority and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2025, through December 31, 2025 are summarized in the following tables:

	January 1, 2025 Through December 31, 2025
Employee contribution (all employees other than Safety Officers)	9.00%

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

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	January 1, 2025 Through December 31, 2025
Employer contribution rate	11.00%
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 LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.11%
Total employer contribution rate to the LGDTF	13.79%

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

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Limon Housing Authority is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Limon Housing Authority were \$24,157 for the pension year ended December 31, 2024.

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

The net pension liability for the LGDTF 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, 2024. The Limon Housing Authority's proportion of the net pension liability was based on the Limon Housing Authority contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025, the Limon Housing Authority reported a liability of \$112,255 for the pension year 2024 for which its proportionate share of the net pension liability.

At December 31, 2025, the Limon Housing Authority proportion was .0182946214% for the pension year 2024, which was an increase of .00309250% over its proportion measured as of December 31, 2024.

For the year ended December 31, 2025, the Limon Housing Authority recognized pension expense of \$26,008. At December 31, 2025, the Limon Housing Authority 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
Changes in assumptions	\$ 3,313	\$ --
Difference between expected and actual experience	\$ 8,470	\$ --
Difference between projected and actual earnings on pension plan investments	\$ 10,564	\$ --
Changes in proportion differences between employer contributions and proportionate share of contributions	\$ 12,166	\$ 7,924
Contributions paid to IPERS from January 1, 2025 through the FYE December 31, 2025	\$ 26,302	\$ --
Total	\$ 60,815	\$ 7,924

At December 31, 2025, the Authority reported deferred outflows of resources of \$26,302 which represents contributions from January 1, 2025 to December 31, 2025. These contributions will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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

Year Ended December 31,	Total
2026	\$12,886
2027	\$17,886
2028	(\$10,537)
2029	(\$2,260)
2030	\$8,614
Thereafter	-
Total	\$26,589

Actuarial assumptions. The TPL in the December 31, 2024, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.20%-11.30%
Safety Officers	3.20%-12.40%
Long-term investment rate of return, net of pension plan	7.25%
investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

¹ 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.

As of December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

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.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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

The actuarial assumptions used in the December 31, 2024, valuations 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, 2024, 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:

Members other than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

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%.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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.

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

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.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the 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 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.
- 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.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE M – DEFINED BENEFIT PENSION PLAN (CONT'D)

- 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.
- Beginning with the December 31, 2024, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF'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 Limon Housing Authority'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 one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$245,705	\$112,255	\$143

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

Payables to the Pension Plan

At December 31, 2025, the Authority had zero payable to the defined benefit pension plan for legally required employer and employee contributions which had been withheld from employee wages but not yet remitted to PERA.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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.

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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Limon Housing Authority is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Limon Housing Authority were \$1,241 for the pension year ended December 31, 2024.

At December 31, 2025, the Limon Housing Authority reported a liability of \$6,955 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, 2024. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Limon Housing Authority proportion of the net OPEB liability was based on Limon Housing Authority contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the measurement date, the Limon Housing Authority proportion was .0014545850%, which was an increase of .00024602% over its proportion measured as of December 31, 2023.

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

For the year ended December 31, 2025, the Limon Housing Authority recognized OPEB income of \$761. At December 31, 2025, the Limon Housing Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 80	\$ 2,223
Difference between expected and actual experience	\$ --	\$ 1,534
Difference between projected and actual earnings on OPEB plan investments	\$ 24	\$ --
Changes in proportion differences between employer contributions and proportionate share of contributions	\$ 1,811	\$ 920
Contributions paid to PERA from January 1, 2025 through the FYE December 31, 2025	\$ 1,810	\$ --
Total	<u>\$ 3,725</u>	<u>\$ 4,677</u>

\$1,810 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 December 31, 2025. 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 December 31,	Total
2026	(\$1,210)
2027	(\$573)
2028	(\$15)
2029	(\$81)
2030	\$17
Thereafter	(900)
Total	(\$2,762)

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

Actuarial assumptions. The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.5% in 2024
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 Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2023. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

Each year the per capita health care costs are developed by plan option. As of December 31, 2024, 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 are 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	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	.5%
72	2.3%	.7%
73	1.2%	.8%
74	.9%	1.5%
75-85	.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$48	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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.

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. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans ¹	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

Mortality assumptions used in the December 31, 2024, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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, 2024, 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, 2024, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2024, 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	Local 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.

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

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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

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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$5,759	\$4,699	\$3,786

¹For the January 1, 2025, plan year.

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NOTES TO FINANCIAL STATEMENTS
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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

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.
- 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 Limon Housing Authority proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$8,524	\$6,955	\$5,603

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.

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NOTES TO FINANCIAL STATEMENTS
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NOTE N – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONT'D)

Payables to the Pension Plan

At December 31, 2025, the Authority reported zero payable to the defined benefit pension plan for legally required employer and employee contributions which have been withheld from employee wages but not yet remitted to PERA.

**REQUIRED SUPPLEMENTAL INFORMATION-
GASB 68 - PENSION SCHEDULES AND NOTES**

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Ten Fiscal Years

PERA Pension Plan Year Ended	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability		Authority's Covered- Payroll	Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll		Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		Share of the Net Pension Liability	Share of the Net Pension Liability		Percentage of its Covered-Payroll	Percentage of the Total Pension Liability	
12/31/2015	0.0198196955%	\$ 218,330	\$	112,561	194%	77%	
12/31/2016	0.0177744733%	\$ 240,016	\$	107,254	224%	74%	
12/31/2017	0.0168739840%	\$ 187,880	\$	106,903	176%	79%	
12/31/2018	0.0164320886%	\$ 206,586	\$	107,252	193%	76%	
12/31/2019	0.0153441840%	\$ 112,226	\$	125,436	89%	86%	
12/31/2020	0.0180076960%	\$ 93,843	\$	124,713	75%	91%	
12/31/2021	0.0173067749%	\$ (14,838)	\$	129,675	-11%	101%	
12/31/2022	0.0158252494%	\$ 158,658	\$	128,095	124%	83%	
12/31/2023	0.0152021249%	\$ 111,590	\$	127,612	87%	88%	
12/31/2024	0.0182946214%	\$ 112,255	\$	148,419	76%	90%	

See accompanying notes to required supplemental information.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - PENSION PLAN
For the Last Ten Fiscal Years

Authority's Fiscal Year Ended	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Authority's Covered- Payroll	Contributions as a percentage of Covered- Payroll
12/31/2016	\$ 14,760	\$ 14,760	\$ -	107,736	13.70%
12/31/2017	\$ 14,646	\$ 14,646	\$ -	106,903	13.70%
12/31/2018	\$ 13,600	\$ 13,600	\$ -	107,252	12.68%
12/31/2019	\$ 15,905	\$ 15,905	\$ -	125,436	12.68%
12/31/2020	\$ 16,136	\$ 16,136	\$ -	124,713	12.94%
12/31/2021	\$ 17,104	\$ 17,104	\$ -	129,675	13.19%
12/31/2022	\$ 17,973	\$ 17,973	\$ -	128,095	14.03%
12/31/2023	\$ 18,835	\$ 18,835	\$ -	127,612	14.76%
12/31/2024	\$ 21,922	\$ 21,922	\$ -	148,419	14.77%
12/31/2025	\$ 26,302	\$ 26,302	\$ -	177,595	14.81%

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

2023 Changes in Plan Provisions Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.
- 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.

2022 Changes in Plan Provisions Since 2021

- House Bill (HB) 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.
- The total pension liability for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)

- Actual employee contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2021 Changes in Plan Provisions Since 2020

The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021 and effective July 1, 2022:

- Member contribution rates increase by .50%.
- Employer contribution rates increase by .50%.
- Annual Increase (AI) cap is lowered from 1.25% per year to 1.00%.

2020 Changes in Plan Provisions Since 2019

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 20-21 fiscal year.

2019 Changes in Plan Provisions Since 2018

- Senate Bill (SB) 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision (AAP). The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:

Member contribution rates increase by .5 percent
Employer contribution rates increase by .5 percent
Annual Increase (AI) cap is lowered from 1.5 percent per year to 1.25 percent per year.

- House Bill (HB) 19-1217, enacted May 20, 2019, repealed the member contribution increase scheduled for the Local Government Division pursuant to SB 18-200.

2018 Changes in Plan Provisions Since 2017

The following changes were made to the plan provisions as part of Senate Bill (SB) 18-200:

- Member contribution rates increase by .75 percent effective July 1, 2019, an additional .75 percent effective July 1, 2020, and an additional .50 percent effective July 1, 2021.
- An annual direct distribution of \$225 million (actual dollars) from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
- Annual Increase (AI) cap is lowered from 2.00 percent per year to 1.50 percent per year.
- Initial AI waiting period is extended from one year after retirement to three years after retirement.
- AI payments are suspended for 2018 and 2019.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)

- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.

2017 Changes in Plan Provisions Since 2016

Following the 2018 legislative session, Governor Hickenlooper signed into law SB 18-200, which includes the following reforms:

- Incrementally increases the member contribution percentage a total of 2.00 percent as follows:
 - .75 percent on July 1, 2019
 - .75 percent on July 1, 2020
 - .50 percent on July 1, 2021
- Increase employer contributions 0.25 percent on July 1, 2019, for all divisions except for the Local Government Division.
- PERA will receive an annual direct distribution from the State in the amount of \$225 million (in actual dollars). The distribution will occur on July 1, 2018 and on July 1 each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.
- Beginning January 1, 2021, and every year thereafter, employer contribution rates for the State and Local Government Divisions will be adjusted to include a defined contribution supplement. The defined contribution supplement for these two divisions will be the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made.

2016 Changes in Plan Provisions Since 2015

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

2015 Changes in Plan Provisions Since 2014

- Division's ratios of unfunded actuarial accrued liability (UAAL) to payroll, as of December 31, 2039. Subsequently, the Colorado General Assembly passed HB 15-1391, reducing the employer contribution rate of the DPS Division from 13.75% to 10.15%, effective January 1, 2015.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION:

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from .40% to .45%.

2023 Changes in Assumptions or Other Inputs Since 2022

- There were not changes made to the actuarial methods or assumptions.

2022 Changes in Assumptions or Other Inputs Since 2021

- There were not changes made to the actuarial methods or assumptions.

2021 Changes in Assumptions or Other Inputs Since 2020

- The assumption used to value the AI cap benefit provisions was changed from 1.25% to 1.00% price inflation assumption was lowered from 2.40 percent to 2.30 percent.

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment.
- Salary scale assumptions were revised to align with 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 and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION:

2020 Changes in Assumptions or Other Inputs Since 2019 (cont'd)

- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, 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 Disables Retiree Table using 99 percent of the rates from all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

The assumption used to value the AI cap benefit provision was changed from 1.5 percent to 1.25 percent.

2018 Changes in Assumptions or Other Inputs Since 2017

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2018, since the last actuarial valuation as of December 31, 2017.

2017 Changes in Assumptions or Other Inputs Since 2016

There are no changes in economic and demographic actuarial assumptions incorporated into the actuarial valuation as of December 31, 2017, since the last actuarial valuation as of December 31, 2016.

2016 Changes in Assumptions or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of 73 percent factor applied to ages below 80 and 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL VALUATION (CONT'D):

- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35 percent to .40 percent.
- The SEIR for the Local Government Division was lowered from 7.50 percent to 7.25 percent reflecting the change in the long-term rate of return.

2015 Changes in Assumptions or Other Inputs Since 2014

The following programming changes were made:

- Valuation of full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month AI timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions or Other Inputs Since 2013

- In 2012, a lawsuit was initiated to determine the amount owed to PERA by Memorial and the City of Colorado Springs (City) for Memorial's departure from PERA. In September 2014, PERA and the City agreed to resolve the lawsuit. The agreement provided for the City to pay PERA \$190,000 for the liabilities associated with the retirement and health care benefits already earned by 7,666 Memorial employees for the work that they performed before Memorial ceased to be a PERA employer. On October 3, 2014, PERA received a disaffiliation payment from the City, which was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$186,006 and \$3,994, respectively.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

**NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS
IN ACTUARIAL VALUATION (CONT'D):**

2013 Changes in Assumptions or Other Inputs Since 2012

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

REQUIRED SUPPLEMENTAL INFORMATION-
GASB 75 - OPEB SCHEDULES AND NOTES

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
For the Last Ten Fiscal Years*

PERA OPEB Plan Year Ended	Authority's Proportion of the Collective Net OPEB Liability	Authority's Proportionate Share of the Collective Net OPEB Liability	Authority's Covered- Payroll	Authority's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered-Payroll		Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
				Percentage of its Covered-Payroll	Percentage of the Total OPEB Liability	
12/31/2016	0.0013644069%	\$ 17,690	107,254	16%	17%	17%
12/31/2017	0.0013111727%	\$ 17,040	106,903	16%	18%	18%
12/31/2018	0.0012742716%	\$ 17,337	107,252	16%	17%	17%
12/31/2019	0.0011739345%	\$ 13,195	125,436	11%	24%	24%
12/31/2020	0.0013734350%	\$ 13,051	124,713	10%	33%	33%
12/31/2021	0.0013453890%	\$ 11,601	129,675	9%	39%	39%
12/31/2022	0.0012770366%	\$ 10,427	128,095	8%	39%	39%
12/31/2023	0.0012085630%	\$ 8,626	127,612	7%	46%	46%
12/31/2024	0.0014545850%	\$ 6,955	148,419	5%	60%	60%

* - The amounts presented for each fiscal year were determined as of the OPEB Plan fiscal year that occurred within the fiscal year. Additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - OPEB PLAN
For the Last Ten Fiscal Years*

Authority's Fiscal Year Ended	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Authority's Covered- Payroll	Contributions as a percentage of Covered- Payroll
12/31/2017	\$ 1,099	\$ 1,099	\$ -	106,903	1.03%
12/31/2018	\$ 1,094	\$ 1,094	\$ -	107,252	1.02%
12/31/2019	\$ 1,279	\$ 1,279	\$ -	125,436	1.02%
12/31/2020	\$ 1,272	\$ 1,272	\$ -	124,713	1.02%
12/31/2021	\$ 1,323	\$ 1,323	\$ -	129,675	1.02%
12/31/2022	\$ 1,307	\$ 1,307	\$ -	128,095	1.02%
12/31/2023	\$ 1,302	\$ 1,302	\$ -	127,612	1.02%
12/31/2024	\$ 1,514	\$ 1,514	\$ -	148,419	1.02%
12/31/2025	\$ 1,811	\$ 1,811	\$ -	177,595	1.02%

* - The amounts presented for each fiscal year were determined as of the Authority's fiscal year. Additional years will be displayed as they become available.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division 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 Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

2023 Changes in Plan Provisions Since 2022

- 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.

2022 Changes in Plan Provisions Since 2021

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

2021 Changes in Plan Provisions Since 2020

- There were no changes made to the plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to the plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to the plan provisions.

2018 Changes in Plan Provisions Since 2017

- There were no changes made to the plan provisions.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE A – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2017 Changes in Plan Provisions Since 2016

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the Health Care Trust Fund (HCTF) on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063 and \$96, respectively.
- The new Defined Benefit OPEB Funding Policy was adopted by the Board of Trustees on January 19, 2018.

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)

2024 Changes in Assumptions or Other Inputs Since 2023

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

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions or Other Inputs Since 2021

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

2021 Changes in Assumptions or Other Inputs Since 2020

- The timing of the retirement decrement was adjusted to middle-of-year.

HOUSING AUTHORITY OF THE CITY OF LIMON, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE B – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION (CONT'D)

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience

- The pre-retirement mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (Members other than State Troopers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, 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 Disabilities Retiree Table using 99 percent of the rates from all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

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

2018 Changes in Assumptions or Other Inputs Since 2017

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

2017 Changes in Assumptions or Other Inputs Since 2016

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

**SUPPLEMENTAL INFORMATION –
FINANCIAL DATA SCHEDULE**

Housing Authority of the Town of Limon (CQ012)

LIMON, CO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$109,986	\$109,986		\$109,986
114 Cash - Tenant Security Deposits	\$15,088	\$15,088		\$15,088
100 Total Cash	\$125,074	\$125,074		\$125,074
122 Accounts Receivable - HUD Other Projects	\$117,953	\$117,953		\$117,953
126 Accounts Receivable - Tenants	\$5,022	\$5,022		\$5,022
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
129 Accrued Interest Receivable	\$27	\$27		\$27
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$123,002	\$123,002		\$123,002
131 Investments - Unrestricted	\$76,163	\$76,163		\$76,163
142 Prepaid Expenses and Other Assets	\$19,781	\$19,781		\$19,781
150 Total Current Assets	\$344,020	\$344,020		\$344,020
161 Land	\$6,059	\$6,059		\$6,059
162 Buildings	\$2,781,395	\$2,781,395		\$2,781,395
163 Furniture, Equipment & Machinery - Dwellings	\$51,762	\$51,762		\$51,762
164 Furniture, Equipment & Machinery - Administration	\$116,043	\$116,043		\$116,043
166 Accumulated Depreciation	-\$2,867,881	-\$2,867,881		-\$2,867,881
160 Total Capital Assets, Net of Accumulated Depreciation	\$87,378	\$87,378		\$87,378
180 Total Non-Current Assets	\$87,378	\$87,378		\$87,378
200 Deferred Outflow of Resources	\$64,540	\$64,540		\$64,540
290 Total Assets and Deferred Outflow of Resources	\$495,938	\$495,938		\$495,938
312 Accounts Payable <= 90 Days	\$6,637	\$6,637		\$6,637
321 Accrued Wage/Payroll Taxes Payable	\$9,670	\$9,670		\$9,670
322 Accrued Compensated Absences - Current Portion	\$2,420	\$2,420		\$2,420
331 Accounts Payable - HUD PHA Programs	\$2,269	\$2,269		\$2,269
341 Tenant Security Deposits	\$15,088	\$15,088		\$15,088
342 Unearned Revenue	\$3	\$3		\$3
346 Accrued Liabilities - Other	\$3,058	\$3,058		\$3,058
310 Total Current Liabilities	\$39,145	\$39,145		\$39,145
354 Accrued Compensated Absences - Non Current	\$3,746	\$3,746		\$3,746
357 Accrued Pension and OPEB Liabilities	\$119,210	\$119,210		\$119,210
350 Total Non-Current Liabilities	\$122,956	\$122,956		\$122,956
300 Total Liabilities	\$162,101	\$162,101		\$162,101
400 Deferred Inflow of Resources	\$12,601	\$12,601		\$12,601
508.4 Net Investment in Capital Assets	\$87,378	\$87,378		\$87,378
512.4 Unrestricted Net Position	\$233,858	\$233,858		\$233,858
513 Total Equity - Net Assets / Position	\$321,236	\$321,236		\$321,236
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$495,938	\$495,938		\$495,938

Housing Authority of the Town of Limon (CO012)

LIMON, CO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2025

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$184,448	\$184,448		\$184,448
70400 Tenant Revenue - Other	\$4,027	\$4,027		\$4,027
70500 Total Tenant Revenue	\$188,475	\$188,475	\$0	\$188,475
70600 HUD PHA Operating Grants	\$273,113	\$273,113		\$273,113
70610 Capital Grants	\$6,494	\$6,494		\$6,494
70700 Total Fee Revenue	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$500	\$500		\$500
71500 Other Revenue	\$16,585	\$16,585		\$16,585
72000 Investment Income - Restricted	\$56	\$56		\$56
70000 Total Revenue	\$485,223	\$485,223	\$0	\$485,223
91100 Administrative Salaries	\$72,643	\$72,643		\$72,643
91200 Auditing Fees	\$5,450	\$5,450		\$5,450
91500 Employee Benefit contributions - Administrative	\$46,070	\$46,070		\$46,070
91600 Office Expenses	\$5,565	\$5,565		\$5,565
91900 Other	\$9,634	\$9,634		\$9,634
91000 Total Operating - Administrative	\$139,362	\$139,362	\$0	\$139,362
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$4,179	\$4,179		\$4,179
93200 Electricity	\$15,468	\$15,468		\$15,468
93300 Gas	\$11,631	\$11,631		\$11,631
93600 Sewer	\$953	\$953		\$953
93000 Total Utilities	\$32,231	\$32,231	\$0	\$32,231
94100 Ordinary Maintenance and Operations - Labor	\$81,679	\$81,679		\$81,679
94200 Ordinary Maintenance and Operations - Materials and Other	\$5,195	\$5,195		\$5,195
94300 Ordinary Maintenance and Operations Contracts	\$17,941	\$17,941		\$17,941
94500 Employee Benefit Contributions - Ordinary Maintenance	\$51,830	\$51,830		\$51,830
94000 Total Maintenance	\$156,645	\$156,645	\$0	\$156,645
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$17,021	\$17,021		\$17,021
96120 Liability Insurance	\$5,561	\$5,561		\$5,561
96130 Workmen's Compensation	\$4,241	\$4,241		\$4,241
96140 All Other Insurance	\$3,520	\$3,520		\$3,520
96100 Total Insurance Premiums	\$30,343	\$30,343	\$0	\$30,343
96210 Compensated Absences	\$10,847	\$10,847		\$10,847
96000 Total Other General Expenses	\$10,847	\$10,847	\$0	\$10,847
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$369,428	\$369,428	\$0	\$369,428
97000 Excess of Operating Revenue over Operating Expenses	\$115,795	\$115,795	\$0	\$115,795
97400 Depreciation Expense	\$16,167	\$16,167		\$16,167
90000 Total Expenses	\$385,595	\$385,595	\$0	\$385,595
10010 Operating Transfer In	\$235,994	\$235,994	-\$235,994	\$0
10020 Operating transfer Out	-\$235,994	-\$235,994	\$235,994	\$0
10060 Special Items (Net Gain/Loss)	-\$7,342	-\$7,342		-\$7,342
10100 Total Other financing Sources (Uses)	-\$7,342	-\$7,342	\$0	-\$7,342
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$92,286	\$92,286	\$0	\$92,286
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$228,950	\$228,950		\$228,950
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0		\$0
11190 Unit Months Available	480	480		480
11210 Number of Unit Months Leased	432	432		432
11270 Excess Cash	\$254,309	\$254,309		\$254,309
11620 Building Purchases	\$3,869	\$3,869		\$3,869
11630 Furniture & Equipment - Dwelling Purchases	\$1,334	\$1,334		\$1,334
11640 Furniture & Equipment - Administrative Purchases	\$1,291	\$1,291		\$1,291

Housing Authority of the Town of Limon (CO012)
LIMON, CO

Single Project Revenue and Expense

Submission Type: Audited/Non Single
Audit

Fiscal Year End: 12/31/2025

Project: CO012000001 LIMON HOUSING AUTHORITY

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$184,448		\$184,448
70400 Tenant Revenue - Other	\$4,027		\$4,027
70500 Total Tenant Revenue	\$188,475	\$0	\$188,475
70600 HUD PHA Operating Grants	\$37,119	\$235,994	\$273,113
70610 Capital Grants		\$6,494	\$6,494
71100 Investment Income - Unrestricted	\$500		\$500
71500 Other Revenue	\$16,585		\$16,585
72000 Investment Income - Restricted	\$56		\$56
70000 Total Revenue	\$242,735	\$242,488	\$485,223
91100 Administrative Salaries	\$72,643		\$72,643
91200 Auditing Fees	\$5,450		\$5,450
91500 Employee Benefit contributions - Administrative	\$46,070		\$46,070
91600 Office Expenses	\$5,565		\$5,565
91900 Other	\$9,634		\$9,634
91000 Total Operating - Administrative	\$139,362	\$0	\$139,362
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$4,179		\$4,179
93200 Electricity	\$15,468		\$15,468
93300 Gas	\$11,631		\$11,631
93600 Sewer	\$953		\$953
93000 Total Utilities	\$32,231	\$0	\$32,231
94100 Ordinary Maintenance and Operations - Labor	\$81,679		\$81,679
94200 Ordinary Maintenance and Operations - Materials and Other	\$5,195		\$5,195
94300 Ordinary Maintenance and Operations Contracts	\$17,941		\$17,941
94500 Employee Benefit Contributions - Ordinary Maintenance	\$51,830		\$51,830
94000 Total Maintenance	\$156,645	\$0	\$156,645
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$17,021		\$17,021
96120 Liability Insurance	\$5,561		\$5,561
96130 Workmen's Compensation	\$4,241		\$4,241
96140 All Other Insurance	\$3,520		\$3,520
96100 Total insurance Premiums	\$30,343	\$0	\$30,343
96210 Compensated Absences	\$10,847		\$10,847
96000 Total Other General Expenses	\$10,847	\$0	\$10,847
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$369,428	\$0	\$369,428
97000 Excess of Operating Revenue over Operating Expenses	-\$126,693	\$242,488	\$115,795
97400 Depreciation Expense	\$16,167		\$16,167
90000 Total Expenses	\$385,595	\$0	\$385,595
10010 Operating Transfer In	\$235,994		\$235,994
10020 Operating transfer Out		-\$235,994	-\$235,994
10080 Special Items (Net Gain/Loss)	-\$7,342		-\$7,342
10100 Total Other financing Sources (Uses)	\$228,652	-\$235,994	-\$7,342
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$85,792	\$6,494	\$92,286
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$228,950	\$0	\$228,950
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$6,494	-\$6,494	\$0
11190 Unit Months Available	480		480
11210 Number of Unit Months Leased	432		432
11270 Excess Cash	\$254,309		\$254,309
11620 Building Purchases	\$0	\$3,869	\$3,869
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$1,334	\$1,334
11640 Furniture & Equipment - Administrative Purchases	\$0	\$1,291	\$1,291

GOVERNMENT AUDITING STANDARDS SECTION

**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**

Independent Auditors Report

To the Board of Commissioners
Housing Authority of the Town of Limon, 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 major fund of the Housing Authority of the Town of Limon, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Limon, Colorado's basic financial statements, and have issued our report thereon dated July 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Limon, Colorado'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Limon, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Limon, Colorado's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonably possibility that a material misstatement of the entity's basic 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify deficiencies in internal control that we consider to be material weaknesses and are described in the accompanying schedule of findings and responses as Findings 2025-1, 2025-2 and 2025-3.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Limon, Colorado's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and responses as Findings 2025-2 and 2025-3.

Housing Authority of the Town of Limon, Colorado Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the Town of Limon, Colorado's responses to the findings identified in our audit and are described in the accompanying schedule of findings and responses. The Housing Authority of the Town of Limon, Colorado's responses were not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the responses.

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.

Niewedde & Wiens, CPA's

York, Nebraska
July 23, 2026

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2025

Finding 2025-1: Control Environment
Material Weakness

Criteria: An effective internal control system requires appropriate governance and oversight by the Board of Commissioners. Regular Board meetings provide a forum for reviewing financial and operational matters, approving significant decisions, monitoring management activity, and ensuring the Authority is operating in accordance with Board direction and applicable requirements.

Condition: During our audit for the year ended December 31, 2025, we noted the Authority held only two Board meetings during the year, one in July 2025 and one in October 2025. As of the fieldwork date in June 2026, the most recent Board meeting had occurred in October 2025.

Cause: The Authority did not establish or maintain a regular schedule for Board meetings.

Effect or Potential Effect: Without regular Board meetings, the Board's ability to provide timely oversight and monitoring of the Authority's financial and operational activities is limited. This increases the risk that significant decisions may be made without appropriate Board review, approval, or direction, and may weaken the overall control environment.

Recommendation: We recommend the Authority establish and follow a regular Board meeting schedule, with meetings held at least quarterly. Meeting minutes should be prepared and retained to document Board review, approvals, and oversight of significant financial and operational matters.

Finding 2025-2: Administration of Capital Fund Grant
Material Weakness/Material Noncompliance

Criteria: Capital Fund Program regulations at 24 CFR § 905.120 require a public housing authority to obligate Capital Fund grants within 24 months and expend the grants within 48 months from the date the funds become available to the Authority for obligation.

Condition: During our audit, we noted the Authority did not obligate its 2022 and 2023 Capital Fund grants within the required 24-month obligation period. The details for each grant are as follows:

- The obligation period for the 2022 grant ended May 11, 2024. As of that date, the Authority had obligated 0% of the grant. Because the funds were allocated to operations, they were not considered obligated until drawn down. The Authority did not begin drawing down the funds until September 2024. As a result of this violation, the Authority was sanctioned by not receiving its 2025 Capital Fund grant totaling \$138,262.
- The obligation period for the 2023 grant ended February 16, 2025. As of that date, the Authority had obligated 0% of the grant. Because the funds were allocated to operations, they were not considered obligated until drawn down. The Authority did not begin drawing down the funds until January 2026. Although the Authority has not yet been officially notified of a sanction, the 2026 grant was suspended in the ELOCCS system on April 14, 2026 as a potential violation. The 2026 grant totals \$139,765.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2025

Finding 2025-2 (cont'd):

Cause: Management did not have adequate procedures in place to monitor Capital Fund grant obligation deadlines and ensure funds were obligated within the required timeframe.

Effect or Potential Effect: Failure to obligate Capital Fund grants within the required timeframe resulted in the loss of the Authority's 2025 Capital Fund grant totaling \$138,262 and may result in the loss of the 2026 Capital Fund grant totaling \$139,765. In addition, noncompliance with Capital Fund requirements could affect the Authority's ability to timely complete planned capital improvements and maintain compliance with HUD requirements.

Recommendation: We recommend the Authority immediately contact HUD to determine whether the suspended or forfeited funds can be restored or otherwise made available. The Authority should also establish written procedures for monitoring Capital Fund grant obligation and expenditure deadlines, including a schedule of key dates for each active grant. In addition, the Board should provide active oversight by requiring management to report monthly on the status of each grant, including amounts budgeted, obligated, expended, drawn down, and remaining deadlines.

Finding 2025-3: HOTMA
Material Weakness/Material Noncompliance

Criteria: The Housing Opportunity Through Modernization Act of 2016 (HOTMA), as implemented through HUD regulations and guidance, requires public housing agencies to adopt and implement applicable HOTMA provisions by the required effective dates. HUD revised certain implementation requirements through PIH Notice 2024-38, including selected income exclusions, updated definitions, and other identified income and asset changes applicable to the Public Housing Program effective July 1, 2025. Public housing agencies are responsible for ensuring program policies, procedures, systems, and operations are updated timely to comply with HUD requirements.

Condition: The Authority did not implement the required HOTMA provisions applicable to the Public Housing Program by the July 1, 2025 effective date. This included not updating the Admissions and Continued Occupancy Policy (ACOP) for the applicable HOTMA provisions. In addition, Authority personnel had not completed training related to HOTMA requirements, which is necessary to support proper implementation of the new regulations.

Cause: The Authority did not have adequate internal controls or monitoring procedures in place to identify, evaluate, and timely implement new HUD regulatory requirements.

Effect or Potential Effect: Failure to timely implement HOTMA requirements increases the risk that tenant eligibility, income calculations, rent determinations, and related program decisions may not be made in accordance with current HUD regulations. This could result in program noncompliance, incorrect tenant rent calculations, unsupported eligibility determinations, and potential findings or corrective action by HUD.

HOUSING AUTHORITY OF THE TOWN OF LIMON, COLORADO
SCHEDULE OF FINDINGS AND RESPONSES
December 31, 2025

Finding 2025-3 (cont'd):

Recommendation: We recommend the Authority take immediate steps to implement the applicable HOTMA provisions, including updating the ACOP and related procedures, completing appropriate HOTMA training, and ensuring staff responsible for eligibility, income, rent, and occupancy determinations understand the new requirements. Management should also establish a process to monitor HUD regulatory updates, identify required policy and procedural changes, assign responsibility for implementation, and obtain Board approval of updated policies prior to required effective dates. In addition, management should continue monitoring HUD guidance related to the remaining HOTMA Sections 102 and 104 provisions scheduled for full compliance by January 1, 2027.



EOH

LIMON HOUSING AUTHORITY

1880 Circle Lane

Limon, CO 80828

Ph# 719-775-9309 Fax# 719-775-9309

CORRECTIVE ACTION PLAN Year Ended December 31, 2025

The following are responses to and the corrective action to be taken in regard to the finding as reported in the accompanying Schedule of Findings and Responses for the fiscal year ended December 31, 2025:

ITEM

- 2025-1** Limon Housing Authority will set regular Board meetings quarterly. Our plan is for March, June/July, September, and November/December, plus more if required and/or needed.
- 2025-2** Limon Housing Authority will contact HUD to inquire about restoring suspended funds. We will also have a written plan on Capital Fund monitoring to the Board and for safe tracking going forward.
- 2025-3** Limon Housing Authority has begun editing our ACOP and other procedures to ensure they are implementing HOTMA provisions. We are also seeking training and will complete as soon as possible. All of this will be implemented by January 1st, 2027.

Contact Person: Julia Olesen, Executive Director
1880 Circle Lane
Limon, CO 80828
719-775-9309

AGREED-UPON PROCEDURE

Independent Accountant's Report on Applying Agreed-Upon Procedure

To the Board of Commissioners
 Housing Authority of the City of Limon, Colorado

We have performed the procedures enumerated below on whether the electronic submission of certain information agrees with the hard copy documents within the reporting package for the year ended December 31, 2025. The U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC) is responsible for the Uniform Financial Reporting Standards (UFRS) procedures.

The Housing Authority of the City of Limon, Colorado, has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the REAC's UFRS requirements for the submission of the PHA financial data for the year ended December 31, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below:

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Revenue and Expense (account numbers 111 to 13901)	Financial Data Schedule, all Assistance Listing Numbers, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (date element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

We were engaged by the Housing Authority of the City of Limon, Colorado to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on UFRS Rule Information. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Housing Authority of the City of Limon, Colorado and REAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedure engagement.

This report is intended solely for the information and use of the Housing Authority of the City of Limon, Colorado and REAC, and is not intended to be, and should not be, used by anyone other than these specified parties.

We were engaged to perform an audit of the financial statements of the Housing Authority of the City of Limon, Colorado as of and for the year ended December 31, 2025, and have issued our report thereon dated July 23, 2026. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Limon, Colorado's Financial Data Schedule dated July 23, 2026, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the Financial Data Schedule, which includes the auditor's report, is available in its entirety from the Housing Authority of the City of Limon, Colorado. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Niewedde & Wiens, CPA's

York, Nebraska
July 23, 2026