WELD COUNTY SCHOOL DISTRICT RE-8

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Education
Weld County School District RE-8
Fort Lupton, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules for the Bond Redemption Fund, nonmajor funds, and Custodial Fund, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds, the Auditors' Integrity Report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules for the Bond Redemption Fund, nonmajor funds, and Custodial Fund, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds, the Auditors' Integrity Report, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education
Weld County School District RE-8

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025, on our consideration of the District 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District 's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
March 3, 2025

As management of the Weld County School District RE-8 (the District) we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of the District for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $15,177,651 (net position), a change of $4,902,826 from the previous fiscal year of $10,274,825.

The General Fund operations of the District are funded primarily by the tax revenue received under the State School Finance Act (the Act) in the amount of $24,357,227. Total General Fund revenue for the year was $33,682,237.

Overview of the Financial Statements

This management's discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide funds statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

During the year ended June 30, 2015, the District implemented GASB 68 which revised and established financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with a pension administered by PERA. GASB 68 requires the District to record our proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District's portion for 2024 increased from $40,860,055 to $48,643,453.

The governmental activities of the District include instruction and support services.

The statement of activities presents information reporting how the District's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, transportation, and food services.

The Government wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District keeps track of these monies to ensure and demonstrate compliance with finance related legal requirements. Governmental funds are used to account for functions reported as governmental activities in the government wide financial statements. Enterprise funds are used to report the functions presented as business type activities in the government wide financial statements.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses eight Governmental Funds. The General Fund is the largest Governmental Fund and encompasses most of the District's revenues and expenditures. The other funds consist of the Food Services Fund, the Government Designated Purpose Grants Fund, the Bond Redemption Fund, the Capital Reserve Fund, and the Pupil Activity Fund. An annual appropriated budget for the District is adopted for each fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 17-20 of this report.

Fiduciary Funds

Fiduciary funds are not reflected in the government wide financial statement because the resources of those funds are not available to support the District's own programs. The District's only fiduciary fund is the Custodial Fund, which provides scholarships to qualifying students.

The fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 23-62 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District. The District adopts an annual appropriated budget for all funds, except Agency funds. A budgetary comparison schedule has been provided for the General Fund and the Government Designated Purpose Grants Fund to demonstrate compliance with this budget.

Supplementary Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Additionally, budget to actual schedules are presented for all other funds not presented as part of the required supplementary information.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2024, the District's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $15,177,651. Of this amount $(27,227,672) is unrestricted; however, since it is negative, it is not available to meet the District's ongoing financial obligations. $21,827,806 is invested in capital assets. In addition, $373,948 is restricted for food services; $3,569,650 is restricted for mill levy override; $15,675,683 is restricted for debt service; and $958,236 is restricted for emergencies under TABOR.

Weld RE-8 School District
Net Position

	2024	2023
ASSETS		
Current Assets	$ 37,275,032	$ 33,494,617
Capital Assets, Net	69,803,047	71,956,418
Total Assets	107,078,079	105,451,035
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Relating to Pensions	13,257,635	9,414,618
Deferred Outflows of Resources Relating to Other Post Employment Benefits	182,824	243,447
Total Deferred Outflows of Resources	13,440,459	9,658,065
LIABILITIES		
Current Liabilities	4,212,870	4,010,898
Noncurrent Liabilities	97,831,502	93,347,698
Total Liabilities	102,044,372	97,358,596
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Relating to Pensions	2,811,538	6,887,553
Deferred Inflows of Resources Relating to Other Post Employment Benefits	484,977	588,126
Total Deferred Inflows of Resources	3,296,515	7,475,679
NET POSITION		
Net Investment in Capital Assets	21,827,806	20,898,188
Restricted	20,577,517	19,602,305
Unrestricted	(27,227,672)	(30,225,668)
Total Net Position	$ 15,177,651	$ 10,274,825

Governmental Activities

Governmental activities increased the District's net position by $4,904,726 primarily due to increase in property taxes and per pupil funding as calculated by the School Finance Act. Expenses increased $3,541,580 or 9% resulting primarily from increased payroll related expenses and additional costs for purchased services.

Weld RE-8 School District
Change in Net Position

	2024	2023
PROGRAM REVENUE		
Charges for Services	$ 342,312	$ 235,913
Operating Grants and Contributions	9,979,359	9,350,746
GENERAL REVENUES		
Property Taxes	29,780,638	26,956,599
Specific Ownership Taxes	1,145,216	1,274,609
Earnings on Investments	1,075,923	783,066
Other Revenues	4,481,860	5,333,351
Total Revenues	46,805,308	43,934,284
EXPENSES		
Instruction	22,481,301	20,726,661
Supporting Services	16,158,782	14,485,872
Food Service Operations	1,624,325	1,426,579
Interest on Long Term Debt	1,638,074	1,721,790
Total Expenses	41,902,482	38,360,902
CHANGE IN NET POSITION	4,902,826	5,573,382
Net Position - Beginning of Year	10,274,825	4,701,443
NET POSITION - END OF YEAR	$ 15,177,651	$ 10,274,825

Financial Analysis of the District's Funds

Governmental Funds

The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

Unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the major operating fund of the District, providing the majority of resources for the educational and support programs. The General Fund includes the Mill Levy Override (MLO) Funds, MLO 2030 and MLO 2026, and the Preschool Fund. The Preschool Program is required to receive a certain amount of revenue transferred from the General Fund based on Per Pupil Revenue (PPR). Revenues for the General Fund totaled $33,682,237 in fiscal year 2024 compared to $31,016,011 in fiscal year 2023, an increase of $2,666,226 or 9%. Expenditures totaled $32,399,504 compared to $29,038,230, an increase of $3,361,274 or 12%.

Revenues

Property Taxes. General Fund property tax revenues increased $3,885,318 or 19% due to the increase in assessed property values. Property taxes accounted for about 72.3% of the District's General Fund revenue.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax decreased $129,393, or 10%. Specific Ownership taxes accounted for 3.4% of the District's General Fund revenue.

State Equalization. State equalization revenue decreased $1,462,057 or 34% due to the increase in property taxes. State equalization revenue accounts for about 8.4% of the District's General Fund revenue.

State and Federal Grants. State grants revenue increased $512,881 or 15% in fiscal year 2024 and accounted for 11.5% of the District's General Fund revenue.

	2024	2023	Amount of Change	Percentage Change
REVENUES				
Property Taxes	$ 24,357,227	$ 20,471,909	$ 3,885,318	19%
Specific Ownership Tax	1,145,216	1,274,609	(129,393)	-10%
State Equalization	2,816,998	4,279,055	(1,462,057)	-34%
State Grants	3,866,437	3,353,556	512,881	15%
Investment Income	338,298	313,084	25,214	8%
Miscellaneous	1,158,061	1,323,798	(165,737)	-13%
Total	$ 33,682,237	$ 31,016,011	$ 2,666,226	9%

Expenditures

Overall expenditures for the General Fund increased by $3,361,274 or 12% from the previous year.

	2024	2023	Amount of Change	Percentage Change
EXPENDITURES				
Instruction	$ 18,355,441	$ 16,786,226	$ 1,569,215	9%
Students	1,166,675	1,278,424	(111,749)	-9%
Instructional Staff	1,290,038	890,847	399,191	45%
General Administration	1,584,217	1,197,819	386,398	32%
School Administration	2,108,500	2,148,019	(39,519)	-2%
Business Services	1,327,975	1,313,303	14,672	1%
Operations and Maintenance	3,905,198	3,528,874	376,324	11%
Pupil Transportation	1,422,246	1,010,965	411,281	41%
Central Supporting Services	978,398	814,891	163,507	20%
Food Service Operations	144,768	38,172	106,596	279%
Principal	28,807	27,973	834	3%
Interest Expenses	1,883	2,717	(834)	-31%
Capital Outlay	85,358	-	85,358	100%
Total Expenditures	$ 32,399,504	$ 29,038,230	$ 3,361,274	12%

Other Major Funds

The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt. Bond Redemption Fund property tax revenues decreased by $1,088,090 to $5,378,558. Total principal and interest on debt serviced was $2,595,000 and $2,033,631, respectively.

Grant fund revenues decreased by $250,830 to $4,182,812 primarily from a reduction in federal expenditures from discontinued grant programs.

General Fund Budgetary Highlights

General Fund revenues budgeted were $32,282,207 and actual revenues were $33,682,237. The District budgeted for General Fund expenditures of $32,878,665 for the year ended June 30, 2024. Actual expenditures were $32,399,504.

Capital Assets

As of June 30, 2024, the District's Governmental Activities Capital Assets had $69,803,047 net of accumulated depreciation/amortization, invested in a broad range of capital assets, including buildings and improvements, site improvements, transportation equipment and other equipment. Additional information along with a summary can be found in Note 4 to the financial statements.

	2024	2023
Governmental Activities:		
Buildings and Improvements	$ 94,469,441	$ 94,423,672
Site Improvements	2,529,875	2,529,875
Transportation Equipment and Vehicles	2,287,138	2,422,061
Other Equipment	677,154	637,565
Right to Use Equipment	125,098	125,098
Total Capital Assets, Being Depreciated/Amortized	100,088,706	100,138,271
Less Accumulated Depreciation/Amortization for:		
Buildings and Improvements	(26,204,840)	(24,195,481)
Site Improvements	(1,642,392)	(1,571,004)
Transportation Equipment	(1,886,952)	(1,950,345)
Other Equipment	(471,009)	(419,877)
Right to Use Equipment	(80,466)	(45,146)
Total Accumulated Depreciation/Amortization	(30,285,659)	(28,181,853)
Capital Assets, Net	$ 69,803,047	$ 71,956,418

Long-Term Obligations

As of June 30, 2024, the District has long-term obligations of $48,013,505. The following is a summary of the District's long-term obligations balances:

	2024	2023
General Obligation Bonds	$ 44,995,000	$ 47,590,000
Bond Premium	2,932,483	3,323,056
Financed Purchase Obligations	-	68,609
Lease Liability	47,758	76,565
Compensated Absences	38,264	36,915
Total Long-Term Obligations	$ 48,013,505	$ 51,095,145

Additional information can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budget

Current school finance legislation continues to have language associated with negative factors which continue to erode the District's budget. While local assessed valuations have risen, unlike other governmental entities that may see revenues rise due to valuation, education participates in an equalized funding formula which has nullified the effect of rising valuations and additional dollars to the district.

The primary driver for any school district funding is the student enrollment. The funded pupil count for 2023-24 school year was 2,497. Projected enrollment for the 2024-25 school year is 2,467 and for 2025-26 is 2,411. The January FY 2025-2026 Funding Calculations from CDE estimate the number of student FTE to be 2,341. The district K-12 Online Academy continues to be an option available for parents in order to retain students. The demographic forecast conducted in June of 2023 shows expected growth of 300 students during the next five years, with continued growth in the subsequent 5-year period. The community continues to see an increase in housing and has several active home developments that are under construction and scheduled for completion in the coming 2-3 years.

Polis' 2024-25 fiscal year budget stated that it will increase K-12 funding to about $9.67 billion, or about 6% more than this year. The budget earmarks $705 more per student in funding, or an approximate 6.6% increase. Statewide, that would bring per pupil spending to $11,319. There is also a commitment to end the budget stabilization factor, a mechanism that allows for lawmakers to divert K-12 funding to other priorities. While this is a positive outlook to increased funding it still does not address the funding gaps associated with competitive salary schedules that Weld Re-8 Schools will face with neighboring districts that are looking to move toward a base salary of $50,000 or more, the current base salary of Weld Re-8 is $45,000, which is an increase of 8.4% over prior year of $41,500.

The COVID relief ESSER III funding will end by the start of 2024-25, and will take creative and fiscally prudent strategies to continue to offer the programming and services allotted during this time.

Weld Re-8 in 2023-24 went out for a bond ballot issue for $70 Million to address the aging infrastructure of our buildings including roofing, mechanical systems, plumbing and additional safety improvements. The ballot also included a Mill Levy Override issue for up to $4 million, the MLO was focused on the recruitment and retention of our teachers by increasing salaries. Neither were successful, but the Board of Education is committed to reevaluating the long-range plan and priorities for the district based on the feedback received from the failed initiative and has plans to pursue both an MLO and Bond in the 2024-25 November election.

Requests for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Weld RE-8 School District
Business Office
200 South Fulton Avenue
Fort Lupton, Colorado 80621

BASIC FINANCIAL STATEMENTS

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash, Cash Equivalents, and Investments	$ 18,757,807
Restricted Investments	15,800,576
Receivables	2,703,364
Due from Fiduciary Fund	4,500
Inventories	8,785
Capital Assets, Net	69,803,047
Total Assets	107,078,079
DEFERRED OUTFLOWS OF RESOURCES	
Relating to Pensions	13,257,635
Relating to Other Postemployment Benefits	182,824
Total Deferred Outflows of Resources	13,440,459
LIABILITIES	
Accounts Payable	800,375
Accrued Salaries and Benefits	3,072,245
Accrued Interest Payable	161,734
Unearned Revenue	178,516
Noncurrent Liabilities:	
Accrued Compensated Absences	38,264
Due Within One Year	2,736,816
Due in More than One Year	45,238,425
Net Pension Liability	48,643,453
Net Other Postemployment Benefit Liability	1,174,544
Total Liabilities	102,044,372
DEFERRED INFLOWS OF RESOURCES	
Relating to Pensions	2,811,538
Relating to Other Postemployment Benefits	484,977
Total Deferred Inflows of Resources	3,296,515
NET POSITION	
Net Investment in Capital Assets	21,827,806
Restricted for:	
Emergencies	958,236
Debt Service	15,675,683
Mill Levy Override	3,569,650
Food Services Fund	373,948
Unrestricted	(27,227,672)
Total Net Position	$ 15,177,651

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	$ 22,481,301	$ 332,332	$ 4,950,890	$ -	$ (17,198,079)
Supporting Services:					
Students	1,686,480	-	709,779	-	(976,701)
Instructional Staff	1,829,022	-	728,771	-	(1,100,251)
General Administration	1,999,658	-	630,982	-	(1,368,676)
School Administration	2,263,145	-	484,348	-	(1,778,797)
Business Services	1,323,229	-	163,857	-	(1,159,372)
Maintenance and Operations	4,677,991	-	535,090	-	(4,142,901)
Pupil Transportation	1,412,307	-	254,024	-	(1,158,283)
Central Supporting Services	966,950	-	124,515	-	(842,435)
Food Service Operations	1,624,325	9,980	1,397,103	-	(217,242)
Interest on Long-Term Debt	1,638,074	-	-	-	(1,638,074)
Total Governmental Activities/ Primary Government	41,902,482	342,312	9,979,359	-	(31,580,811)
GENERAL REVENUES					
Local Property Taxes					27,154,225
Specific Ownership Taxes					1,145,216
State Equalization					2,816,998
Mill Levy Override					2,626,413
Earnings on Investments					1,075,923
Other					1,664,862
Total General Revenue					36,483,637
CHANGE IN NET POSITION					4,902,826
Net Position - Beginning of Year					10,274,825
NET POSITION - END OF YEAR					$ 15,177,651

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Fund
ASSETS					
Cash, Cash Equivalents, and Investments	$ 18,662,683	$ -	$ -	$ 95,124	$ 18,757,807
Investments - Restricted	-	15,800,576	-	-	15,800,576
Due From Other Funds	-	-	-	1,921,148	1,921,148
Accounts Receivable	377,315	-	-	2,050	379,365
Taxes Receivable	306,160	52,646	-	-	358,806
Grants Receivable	-	-	1,844,275	120,918	1,965,193
Inventories	-	-	-	8,785	8,785
Total Assets	$ 19,346,158	$ 15,853,222	$ 1,844,275	$ 2,148,025	$ 39,191,680
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 133,526	$ -	$ 526,567	$ 140,282	$ 800,375
Accrued Salaries and Benefits	2,754,883	-	317,362	-	3,072,245
Unearned Revenues	-	-	178,516	-	178,516
Due to Other Funds	1,078,952	15,805	821,891	-	1,916,648
Total Liabilities	3,967,361	15,805	1,844,336	140,282	5,967,784
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Tax Revenue	206,175	30,439	-	-	236,614
FUND BALANCES					
Nonspendable:					
Inventory	-	-	-	8,785	8,785
Restricted for:					
TABOR	958,236	-	-	-	958,236
Debt Service	-	15,806,978	-	-	15,806,978
Milly Levy Override	3,569,650	-	-	-	3,569,650
Food Service Fund	-	-	-	373,948	373,948
Committed to:					
General Fund	3,200,000	-	-	-	3,200,000
Insurance Reserve	552,642	-	-	-	552,642
School Development	1,060,913	-	-	-	1,060,913
Assigned to:					
Capital Reserve Fund	-	-	-	1,310,522	1,310,522
Pupil Activity Fund	-	-	-	314,488	314,488
Unassigned	5,831,181	-	(61)	-	5,831,120
Total Fund Balances	15,172,622	15,806,978	(61)	2,007,743	32,987,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 19,346,158	$ 15,853,222	$ 1,844,275	$ 2,148,025	$ 39,191,680

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 32,987,282
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported on the fund financial statements.		
Capital Assets	$ 100,088,706	
Less: Accumulated Depreciation/Amortization	(30,285,659)	
		69,803,047
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:		
Property Taxes		236,614
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		13,257,635
OPEB		182,824
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		(2,811,538)
OPEB		(484,977)
Long-term liabilities, including net pension and net post employment benefit obligations, are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consist of:		
Bonds Payable	(44,995,000)	
Premium on Bonds	(2,932,483)	
Lease Liability	(47,758)	
Accrued Interest Payable	(161,734)	
Compensated Absences	(38,264)	
Net Pension Liability	(48,643,453)	
Net OPEB Liability	(1,174,544)	
		(97,993,236)
Total Net Position of Governmental Activities		$ 15,177,651

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local Sources	$ 26,655,149	$ 5,378,558	$ -	$ 5,500	$ 32,039,207
State Sources	6,683,435	-	555,519	442,411	7,681,365
Federal Sources	-	-	3,627,293	954,641	4,581,934
Charges for Services	5,355	-	-	326,977	332,332
Earnings on Investments	338,298	737,585	-	40	1,075,923
Total Revenues	33,682,237	6,116,143	4,182,812	1,729,569	45,710,761
EXPENDITURES					
Current:					
Instruction	18,355,441	-	2,457,324	293,012	21,105,777
Supporting Services:					
Students	1,166,675	-	542,284	-	1,708,959
Instructional Staff	1,290,038	-	561,308	-	1,851,346
General Administration	1,584,217	-	425,344	-	2,009,561
School Administration	2,108,500	-	191,699	-	2,300,199
Business Services	1,327,975	-	-	-	1,327,975
Maintenance and Operations	3,905,198	-	-	145,399	4,050,597
Pupil Transportation	1,422,246	-	4,914	-	1,427,160
Central Supporting Services	978,398	-	-	-	978,398
Food Service Operations	144,768	-	-	1,479,806	1,624,574
Capital Outlay	85,358	-	-	35,898	121,256
Debt Service:					
Principal	28,807	2,595,000	-	68,609	2,692,416
Interest	1,883	2,033,631	-	2,738	2,038,252
Total Expenditures	32,399,504	4,628,631	4,182,873	2,025,462	43,236,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,282,733	1,487,512	(61)	(295,893)	2,474,291
OTHER FINANCING SOURCES (USES)					
Proceeds from the Sale of Capital Assets	-	-	-	1,000	1,000
Insurance Recoveries	1,048,694	-	-	-	1,048,694
Transfers-In	283,293	-	-	455,000	738,293
Transfers-Out	-	(738,293)	-	-	(738,293)
Total Other Financing Sources (Uses)	1,331,987	(738,293)	-	456,000	1,049,694
NET CHANGE IN FUND BALANCES	2,614,720	749,219	(61)	160,107	3,523,985
Fund Balances - Beginning of Year	12,557,902	15,057,759	-	1,847,636	29,463,297
FUND BALANCES - END OF YEAR	$ 15,172,622	$ 15,806,978	$ (61)	$ 2,007,743	$ 32,987,282

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Total net change in fund balances - governmental funds		$ 3,523,985
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation and amortization. This is the amount that capital outlay exceeded depreciation and amortization expense in the current year.		
Capital Outlay	$ 121,256	
Depreciation/Amortization Expense	(2,274,627)	
		(2,153,371)
Because some property taxes will not be collected for several months after the Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Property Taxes		44,853
The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:		
Principal Payments on Bonds		2,595,000
Principal Payments on Financed Purchase Obligation		68,609
Principal Payments on Leases		28,807
Amortization of Bond Premium		390,573
Changed in Accrued Interest Payable		9,605
In the statement of activities, certain operating expenses, such as employee compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		(1,349)
Changes in the District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the cost-sharing defined benefit pension plan for the current year are not reported in the governmental funds but are reported in the statement of activities.		135,634
Changes in the District's net other post-employment benefits liability, deferred outflows of resources, and deferred inflows of resources related to the other post-employment benefit plan for the current year are not reported in the governmental funds but are reported in the statement of activities.		260,480
Change in Net Position of Governmental Activities		$ 4,902,826

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	$ 13,238
LIABILITIES	
Due to Other Funds	4,500
NET POSITION	
Net Position Held in Trust for Scholarships	$ 8,738

See accompanying Notes to Basic Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2024

	Custodial Fund
ADDITIONS	
Earnings on Investments	$ 109
DEDUCTIONS	
Scholarships and Awards	2,000
CHANGE IN NET POSITION	(1,891)
Net Position - Beginning of Year	10,629
NET POSITION - END OF YEAR	$ 8,738

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Weld County School District RE-8 (the District) was consolidated in 1949. The District provides educational services to certain residents of Weld County, Colorado. The District is governed by a seven-member Board of Education.

The financial statements of Weld County School District RE-8 have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. In addition, the District conforms to the Colorado Financial Policies and Procedures Handbook in all material aspects as required by Colorado statutes. The following is a summary of the District's significant accounting policies.

A. Reporting Entity

As defined by GAAP established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's governing board, and either a) the ability to impose its will by the primary government or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The District meets the criteria of a primary government: its District Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

The District has examined other entities that could be included as defined in numbers 1 and 2 above. Based on these criteria, the District has no component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. The District does not report any business- type activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current assets and current liabilities are generally included on their balance sheets.

Governmental fund revenues are recognized as soon as they are both measurable and available. “Measurable” means that the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are considered to be available when they are collected within 60 days after year-end. All other revenues are recognized in the period earned if receipt of the money is expected within 210 days.

Property taxes are reported as receivables and deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available. Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue earned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Expenditures are recorded when the related fund liability is incurred with the exception of debt and lease liabilities, which are recognized when due, as well as expenditures related to compensated absences, which are accounted for as expenditures in the year the payment is due.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile the ending net position and the change in net position.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and capital projects funds.

The following are the District's major governmental funds:

<u>General Fund</u>
The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

<u>Debt Service - Bond Redemption Fund</u>
The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt issued by the District.

<u>Special Revenue - Government Designated Purpose Grants Fund</u>
The Government Designated Purpose Grants Fund accounts for federal, state, and local grant revenues and the related expenditures.

The District reports the following nonmajor governmental funds:

<u>Capital Projects - Capital Reserve Fund</u>
The Capital Reserve Fund is used to account for financial resources received to construct capital assets.

<u>Special Revenue - Food Service Fund</u>
This special revenue fund is used to account for revenues and expenditures from food service operations.

<u>Special Revenue - Pupil Activity Fund</u>
This special revenue fund is used to account for financial transactions related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following fiduciary fund:

<u>Custodial Fund Scholarship Fund</u>
This fund is used to track the receipt and disbursement of scholarship activity. The District holds all resources in a purely custodial capacity.

C. Assets, Liabilities, and Fund Balances/Net Position

1. Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

2. Investments

As of June 30, 2024, the District had investments in local government investment pools. COLOTRUST is recorded at net asset value (NAV).

3. Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2024. Property taxes levied on December 31, but not received by June 30, are identified as property taxes receivable and recorded as revenue if they are collected within 60 days of year-end.

4. Inventories

Inventories consist of purchased and donated food, and nonfood supplies. Purchased inventories are stated at the lower of cost or market as determined by the first-in, first-out method. Food donated by the federal government at no cost to the District is stated at cost in accordance with the United States Department of Agriculture (USDA) furnished price list.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

5. Capital Assets

Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed.

Depreciation of capital assets is charged as an expense against operations in the statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description	Estimated Lives
Building and Improvements	20 to 50 Years
Site Improvements	20 Years
Transportation Equipment and Vehicles	6 to 8 Years
Equipment	5 to 15 Years

See Note 1.C.10 for policies over lease assets.

The payment for capital assets acquired by the District is recorded as expenditures in the fund financial statements in the year of acquisition.

6. Bond Issuance Costs, Premium and Discounts, and Bond Refunding

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium and discount. Debt issuance costs are recognized as an expense in the period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums and discounts on the debt issuance are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

7. Unearned Revenues

The District includes Governmental Designated Purpose Grants Funds that have been collected, but the corresponding expenditures has not been incurred, as unearned revenues in the financial statements.

8. Compensated Absences

Under the District's policies, eligible certified and administrative employees may accumulate and carryover up to 80 days of sick leave. All unused/accumulated sick leave is payable upon resignation, termination, retirement or death at the rate of 50 percent of the current substitute pay for each day of unused sick leave for employees with more than 40 hours of accumulated sick leave. The District has recorded the accrued liability for sick pay in the accompanying government-wide financial statements.

9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable and available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

10. Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the District's control of the right to use an underlying capital asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

10. Leases (Continued)

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise that option.

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources relate to the District's pension and other postemployment benefits (OPEB) plans. See Notes 8 and 9 for further information relating to the District's pension and OPEB amounts.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources relate to the District's property taxes in the fund statements, and pension and OPEB plans in the government-wide statements. See Notes 8 and 9 for further information relating to the District's pension and OPEB amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

12. Net Position/Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets
This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position
This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position
This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Education (the Board). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

12. Net Position/Fund Balance (Continued)

Unrestricted Net Position (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

13. Pensions

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

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to $225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado has been recorded in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Fund Balances/Net Position (Continued)

14. Other Postemployment Benefits

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by 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.

15. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

16. Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense/expenditure during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The composition of the District's cash, cash equivalents, and investments on June 30, 2024 is as follows:

Cash on Hand	$ 2,150
Deposits	18,253,881
Investments	16,315,590
Total	$ 34,571,621

Cash, cash equivalents, and investments per the government-wide statement of net position and fiduciary fund statements are as follows:

Cash and Investments, Unrestricted	$ 18,757,807
Cash and Investments, Restricted	15,800,576
Custodial Fund	13,238
Total	$ 34,571,621

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that deposits of local governmental entities be at eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The District does not have a specific policy for custodial credit risk for deposits.

B. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This type of risk is minimized by limiting investments to the types of securities allowed by State law, and by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business using the criteria established in the investment policy. The District does not have a specific policy for custodial credit risk.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which school districts may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At June 30, 2024, the District had the following investments:

Investment	Maturity	Value
COLOTRUST - General Fund	< 12 Months	$ 515,014
COLOTRUST - Bond Fund	< 12 Months	15,800,576
Total		$ 16,315,590

At June 30, 2024, the District had invested $16,315,590 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

D. Interest Rate Risk

As a means of limiting exposure to fair value losses arising from interest rates, state law limits maturities to five years or less, unless the Board of Education specifically authorizes longer maturities. The District policy is to follow the state law.

NOTE 3 INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The District's claim on cash account holds the cash of all funds. As a result, negative claim on cash balances occur in certain funds and are in essence "financed" by other funds. Positive book cash balances are displayed on the balance sheet as "Due from other funds," while negative cash balances are included in "Due to other funds" on the balance sheet.

As of June 30, 2024, the District had the following interfund receivables and payables:

Fund	Interfund Payable	Interfund Receivable
General Fund	$ 1,078,952	$ -
Bond Redemption Fund	15,805	-
Designated Purposes Grants Fund	821,891	-
Building Fund	-	-
Capital Reserve Fund	-	1,313,345
Food Service Fund	-	381,544
Pupil Activity Fund	-	226,259
Custodial Fund	4,500	-
Total	$ 1,921,148	$ 1,921,148

A. Interfund Transfers

Fund	Transfers To	Transfers From
General Fund	$ 283,293	$ -
Bond Redemption Fund	-	738,293
Capital Reserve Fund	400,000	-
Food Service Fund	55,000	-
Total	$ 738,293	$ 738,293

Interfund transfers between funds are used to support deferred maintenance needs in the capital projects fund. Transfers to the food service fund are used for ongoing operations, including salaries and benefits.

NOTE 4 CAPITAL ASSETS

Capital asset activity of the District for the year ended June 30, 2024 was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities:				
Buildings and Improvements	$ 94,423,672	$ 45,769	$ -	$ 94,469,441
Site Improvements	2,529,875	-	-	2,529,875
Transportation Equipment and Vehicles	2,422,061	35,898	(170,821)	2,287,138
Other Equipment	637,565	39,589	-	677,154
Right-To-Use Equipment	125,098	-	-	125,098
Total Capital Assets Being Depreciated/Amortized	100,138,271	121,256	(170,821)	100,088,706
Accumulated Depreciation/Amortization:				
Buildings and Improvements	(24,195,481)	(2,009,359)	-	(26,204,840)
Site Improvements	(1,571,004)	(71,388)	-	(1,642,392)
Transportation Equipment and Vehicles	(1,950,345)	(107,428)	170,821	(1,886,952)
Other Equipment	(419,877)	(51,132)	-	(471,009)
Right-To-Use Equipment	(45,146)	(35,320)	-	(80,466)
Total Accumulated Depreciation/ Amortization	(28,181,853)	(2,274,627)	170,821	(30,285,659)
Capital Assets, Net	$ 71,956,418	$ (2,153,371)	$ -	$ 69,803,047

Depreciation/amortization was charged to the functions/programs as follows at June 30, 2024.

Governmental Activities:	
Instruction	$ 1,619,368
Maintenance and Operations	655,259
Total	$ 2,274,627

NOTE 5 ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a 12-month period from October to September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2024, for the District were $3,072,245. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2012	$ 4,385,000	$ -	$ (580,000)	$ 3,805,000	$ 595,000
Series 2013	2,160,000	-	-	2,160,000	-
Series 2017	41,045,000	-	(2,015,000)	39,030,000	2,115,000
Bond Premium	3,323,056	-	(390,573)	2,932,483	-
Financed Purchase	68,609	-	(68,609)	-	-
Lease Liability	76,565	-	(28,807)	47,758	26,816
Compensated Absences	36,915	38,264	(36,915)	38,264	38,264
Total Long-Term Obligations	$ 51,095,145	$ 38,264	$ (3,119,904)	$ 48,013,505	$ 2,775,080

The annual requirements to amortize the general obligations bonds outstanding as of June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	$ 2,710,000	$ 1,901,650	$ 4,611,650
2026	2,790,000	1,822,163	4,612,163
2027	2,870,000	1,717,900	4,587,900
2028	2,995,000	1,586,688	4,581,688
2029	3,135,000	1,448,875	4,583,875
2030-2034	17,780,000	5,087,369	22,867,369
2035-2037	12,715,000	952,075	13,667,075
Total	$ 44,995,000	$ 14,516,720	$ 59,511,720

A. General Obligation Bonds – Series 2012

During 2012, the District issued General Obligation Bonds for $7,600,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School and Twombly Elementary School. Principal payments are due annually on December 1 through 2029. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 2.75%. Bonds maturing on or after January 1, 2023 are callable at par in order of maturity on or after December 1, 2022. The District did not exercise such option as of June 30, 2024.

B. General Obligation Bonds – Series 2013

During 2013, the District issued General Obligation Bonds for $4,125,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School and Twombly Elementary School. Principal payments are due annually on December 1 through 2032. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 3.50%. Bonds maturing on or after January 1, 2023 are callable at par in any order of maturity on or after December 1, 2022. The District did not exercise such option as of June 30, 2024.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

C. General Obligation Bonds – Series 2017

During 2017, the District issued General Obligation Bonds for $48,600,000 for acquiring, constructing, repairing and improving District capital assets and to pay the cost of issuance of the Bonds. The Bonds are General Obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay the principal and interest of the Bonds when due. Principal payments are due annually on December 1 through 2036. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.00% to 5.00%. The Bonds maturing on and before December 1, 2026 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 2027 are subject to redemption prior to maturity, at the option of the District, in whole or in part, and if in part in such order of maturities as the District is to determine and by lot within a maturity, on December 1, 2026 and on any date thereafter at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

D. Interest-Free Loan Program

Due to the cyclical nature of property tax cash flow that school districts significantly rely on for operation, the State Treasurer is authorized to issue short-term debt in order to make interest-free loans to participating Colorado school districts. On June 22, 2023, the District executed a resolution for a maximum principal loan of $14,000,000 from the State of Colorado. The District may draw upon the loan, up to the maximum principal, for which repayment is due no later than June 25, 2024. Drawdowns are subject to the District demonstrating specific financial metrics. The loan bears no interest if paid in-full by June 25, 2024. The District did not draw upon this loan as of June 30, 2024.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

E. Lease Liability

The District leases copiers under long-term noncancelable lease agreements. The leases expire between April 1, 2025 and January 1, 2027 for which the District can either return or purchase the equipment at fair market value.

Total future minimum lease payments under the lease agreements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 26,816	$ 1,017	$ 27,833
2026	13,111	443	13,554
2027	7,831	78	7,909
Total	$ 47,758	$ 1,538	$ 49,296

NOTE 7 FORT LUPTON PUBLIC AND SCHOOL LIBRARY

In 1976, the District and the City of Fort Lupton (the City) formed the Fort Lupton Public and School Library (the Library) through intergovernmental agreement, and as allowed by state statutes. The agreement was modified on March 16, 2006 to include the Fort Lupton Public and School Library Board of Trustees which caused the library to be recognized as a Joint Library as defined by statute and to bring it into compliance with the provisions of the Colorado Library Law (CRS 24-90-101, et seq.). The Library is governed by the Library Board of Trustees consisting of seven members. Three each are appointed by the District and the City and one member is appointed by the six appointees. In addition to serving as Fort Lupton High School's library, the Library also serves the general public. The obligations of the District to the Library are limited to providing space within Fort Lupton High School for the Library, providing appurtenances to the site, including off-street parking, accessible restrooms and services necessary for use of the site as a public library and providing maintenance, custodial care and utilities. Financial information for the Library may be obtained by contacting the City.

NOTE 8 DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the SCHDTF, a cost-sharing multiemployer 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023

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

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

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

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

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

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

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

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

Contributions Provisions as of June 30, 2024

Eligible employees of the District and the state are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

Employer Contribution Rate	11.40%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount Apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions Provisions as of June 30, 2024 (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $3,965,199 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

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

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the state as a nonemployer contributing entity.

At June 30, 2024, the District reported a liability of $48,643,453 for its proportionate share of the net pension liability that reflected a reduction for support from the state as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the state as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

District Proportionate Share of the Net Pension Liability	$ 48,643,453
State's Proportionate Share of the Net Pension Liability Associated with the District	1,066,606
Total	$ 49,710,059

At December 31, 2023, the District's proportion was 0.2750794089%, which was an increase of 0.0506903051% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $1,913,016 and revenue of ($81,265) for support from the State as a nonemployer contributing entity. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 2,306,621	$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,486,978	-
Change of Assumptions or Other Inputs	-	-
Changes in Proportionate Share	5,415,388	2,811,538
District Contributions Subsequent to the Measurement Date	2,048,648	-
Total	$ 13,257,635	$ 2,811,538

$2,048,648 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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 Ending June 30,	Amount
2025	$ 1,084,610
2026	4,261,332
2027	4,023,769
2028	(972,262)
Total	$ 8,397,449

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The TPL in the December 31, 2022, 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	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually; Annually
PERA Benefit Structure Hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Postretirement 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.

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

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. 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	54.0 %	5.60%
Fixed Income	23.0	1.30%
Private Equity	8.5	7.10%
Real Estate	8.5	4.40%
Alternatives	6.0	4.70%
Total	100.0 %	

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 rate of return assumption of 7.25%.

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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

- Benefit payments and contributions were assumed to be made at the middle of the year.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the Net Pension Liability	$ 65,044,388	$ 48,643,453	$ 34,967,057

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's FNP is available in PERA's ACFR, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN

A. General Information About the OPEB Plan

Plan Description - Eligible employees of the District are provided with OPEB through the HCTF, a cost-sharing multiemployer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. 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/investments/pera-financial-reports.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

A. General Information About the OPEB Plan (Continued)

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.

B. PERA Benefit Structure

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

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

B. PERA Benefit Structure (Continued)

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.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $198,454 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $1,174,544 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the District’s proportion was 0.1645651565%, which was a decrease of -0.0059840187% from its proportion measured as of December 31, 2022.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2024, the District recognized OPEB expense (revenue) of $(157,947). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ 240,734
Changes of Assumptions or other Inputs	13,812	124,541
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	36,326	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	30,153	119,702
Contributions Subsequent to the Measurement Date	102,533	-
Total	$ 182,824	$ 484,977

$102,533 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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 Ending June 30,	Amount
2025	$ (160,600)
2026	(104,334)
2027	(47,653)
2028	(60,362)
2029	(23,470)
Thereafter	(8,267)
Total	$ (404,686)

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Actuarial Assumptions – The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount rate	7.25%			
Health Care Cost Trend Rates				
Service-based Premium Subsidy	0.00%			
PERACare Medicare Plans	7.00% in 2023, gradually decreasing to 4.50% in 2033			
Medicare Part A Premiums	3.50% in 2023, gradually increasing to 4.50% in 2035			

Each year the per capita health care costs are developed by plan option; currently based on 2023 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.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Age-Related Morbidity Assumptions

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

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
Sample	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Age	Male	Female	Male	Female	Male	Female
65	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

The 2023 Medicare Part A premium is $506 per month.

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

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.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2023, 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	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2023, 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.

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

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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, 2022, 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 have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board’s actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, 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.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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 Board's November 15, 2019, meeting, to be effective January 1, 2020. 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	54.0 %	5.60%
Fixed Income	23.0	1.30%
Private Equity	8.5	7.10%
Real Estate	8.5	4.40%
Alternatives	6.0	4.70%
Total	100.0 %	

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%.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 1,140,833	$ 1,174,544	$ 1,211,214

Discount Rate

The discount rate used to measure the TOL 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department 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

Based on the above assumptions and methods, the HCTF'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the 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:

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the OPEB Liability	$ 1,387,284	$ 1,174,544	$ 992,545

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/investments/pera-financial-reports.

NOTE 10 DEFINED CONTRIBUTION PENSION PLAN

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k)), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees.

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 1 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees.

PERA issues a publicly available annual comprehensive financial report which includes additional information on the Voluntary Investment Program and Deferred Compensation Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Voluntary member contributions are subject to maximum limits set by the Internal Revenue Service. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024, program members contributed $99,274 and $11,916 for Voluntary Investment Program and Deferred Compensation Plan, respectively. The District had no contributions or liabilities related to these plans.

NOTE 11 RISK MANAGEMENT

The District belongs to the Colorado School Districts Self-Insurance Pool (the Pool) that was formed in 1981 to give individual districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by the Pool is property, crime, general liability, auto liability and physical damage, and errors and omissions. The Board of Directors is composed of seven persons who are District school board members, superintendents or District business officials. The Pool became self-administered in May 1997, and currently has 11 employees.

Each member's premium contribution is determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income, and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuary study is conducted annually. These reports may be obtained by contacting the Pool’s administrative offices at 6857 South Spruce Street, Centennial, Colorado 80112.

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Self-Insurance Pool

As discussed in Note 11, the District is a member of the Colorado School Districts Self-Insurance Pool. The Pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the Pool is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District's financial statements.

B. Grant Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

C. Litigation

The District is subject to claims and litigation from outside parties in the ordinary course of operations. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financial sources such as the federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At June 30, 2024, the District's reserve of $958,236 was reported as a restriction of fund balance in the General Fund.

Fiscal year 1993 provides the basis for spending limitations in future years to which may be applied allowable increases for inflation and student enrollment. In November 1997, voters within the District authorized the District to collect, retain, and expend the full revenues received from any source. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

NOTE 14 VIOLATION OF STATE STATUTES

During the year ended June 30, 2024, expenditures plus transfers out exceeded budgeted appropriations by $20,799 in the Bond Redemption Fund and $42,512 in the Pupil Activity Fund. Both of these instances may be in violation of state statutes.

REQUIRED SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
Local	$ 29,553,187	$ 27,012,415	$ 26,660,504	$ (351,911)
State	2,199,470	6,008,726	6,683,435	674,709
Earnings on Investments	529,550	631,050	338,298	(292,752)
Total Revenue	32,282,207	33,652,191	33,682,237	30,046
EXPENDITURES				
Current:				
Instruction	19,047,830	19,438,586	18,355,441	1,083,145
Supporting Services:				
Students	1,535,974	1,471,613	1,166,675	304,938
Instructional Staff	1,128,818	1,537,774	1,290,038	247,736
General Administration	903,015	954,570	1,584,217	(629,647)
School Administration	2,335,545	2,392,704	2,108,500	284,204
Business Services	502,039	505,244	1,327,975	(822,731)
Maintenance and Operations	4,357,738	4,734,657	3,905,198	829,459
Pupil Transportation	1,098,794	1,356,230	1,422,246	(66,016)
Central Supporting Services	1,698,007	1,623,492	978,398	645,094
Food Service Operations	-	-	144,768	(144,768)
Community Services	65,905	16,217	-	16,217
Capital Outlay	205,000	205,000	85,358	119,642
Debt Service:				
Principal	-	-	28,807	(28,807)
Interest	-	-	1,883	(1,883)
Total Expenditures	32,878,665	34,236,087	32,399,504	1,836,583
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(596,458)	(583,896)	1,282,733	(1,806,537)
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	1,048,694	1,048,694
Transfers In	-	-	283,293	283,293
Leases	-	-	-	-
Transfers Out	(455,000)	(455,000)	-	455,000
Total Other Financing (Sources) Uses	(455,000)	(455,000)	1,331,987	1,786,987
NET CHANGE IN FUND BALANCE	(1,051,458)	(1,038,896)	2,614,720	(19,550)
Fund Balance - Beginning of Year	11,050,144	11,736,544	12,557,902	821,358
FUND BALANCE - END OF YEAR	$ 9,998,686	$ 10,697,648	$ 15,172,622	$ 801,808

See accompanying Notes to Required Supplementary Information.

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
GOVERNMENT DESIGNATED PURPOSE
GRANTS FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
Federal	$ 3,223,470	$ 3,789,421	$ 3,627,293	$ (162,128)
State	844,539	547,327	555,519	8,192
Local	10,000	12,342	-	(12,342)
Total Revenue	4,078,009	4,349,090	4,182,812	(166,278)
EXPENDITURES				
Current:				
Instruction	2,193,351	2,473,652	2,457,324	16,328
Supporting Services:				
Students	373,344	591,367	542,284	49,083
Instructional Staff	1,068,833	642,077	561,308	80,769
General Administration	254,147	262,430	425,344	(162,914)
School Administration	188,334	379,564	191,699	187,865
Pupil Transportation	-	-	4,914	(4,914)
Total Expenditures	4,078,009	4,349,090	4,182,873	166,217
OTHER FINANCING USES				
Transfers-Out	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(61)	(61)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ (61)	$ (61)

See accompanying Notes to Required Supplementary Information.

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

Annual budgets are established for all funds of the district as required by Colorado statutes. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Colorado law allows the Board of Education to review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. A supplemental budget may also be adopted if a school district is authorized to raise and expend local property tax revenues at a November election. Other amendments to the budget are allowed by law if money for specific purposes from other than ad valorem taxes subsequently becomes available.

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2024. Original budgets for all funds were adopted by the Board of Education in June 2023.

Budget appropriations lapse at the end of each fiscal year.

The following is a summary of the significant dates and procedures used in establishing budgeted data reflected in the financial statements.

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- Within ten days after submission of the proposed budget, public notice is published stating the time and place of public hearing(s) to be conducted to obtain taxpayer comments on the budget prior to adoption.
- On or before June 30, the budget is adopted by formal resolution.
- On or before January 31, any changes to the budget are adopted by formal resolution.
- November 10, pupil count information is provided by school districts to the Colorado Department of Education, for use in determining the state funding level for the current fiscal year.
- December 15, school districts certify to county commissioners, copied to CDE, the mill levies for the various property tax-supported funds for the district.

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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.

- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.

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

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

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

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

    - Males: 94 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 postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

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

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

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

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

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

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

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

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows:

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

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

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

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

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

- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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.

- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.

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

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

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

  - Males: 94 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 postretirement nondisabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The postretirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The postretirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:

  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

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

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN YEARS

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.2751%	0.2244%	0.2578%	0.3042%	0.2753%	0.2684%	0.3117%	0.3208%	0.3199%	0.3177%
District's proportionate share of the net pension liability	$ 48,643,453	$ 40,860,055	$ 29,999,392	$ 45,983,758	$ 41,128,009	$47,521,878	$100,786,731	$95,517,225	$ 48,920,237	$ 43,056,888
State's proportionate share of the net pension liability associated with the District**	1,066,606	11,907,031	3,439,047	-	5,216,565	6,497,956	-	-	-	-
Total	$ 49,710,059	$ 52,767,086	$ 33,438,439	$ 45,983,758	$ 46,344,574	$ 54,019,834	$ 100,786,731	$ 95,517,225	$ 48,920,237	$ 43,056,888
Covered Payroll	$ 18,185,233	$ 17,306,734	$ 16,110,754	$ 16,277,600	$ 16,173,509	$ 14,754,189	$ 14,377,497	$ 14,400,841	$ 13,939,399	$ 13,308,692
District's proportionate share of the net pension liability as a percentage of its covered payroll	267.49%	236.09%	186.21%	282.50%	254.29%	322.09%	701.00%	663.28%	350.95%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%

** HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION
LAST TEN YEARS

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 3,965,199	$ 3,571,987	$ 3,298,842	$ 3,182,255	$ 3,752,933	$ 2,926,618	$ 2,701,731	$ 2,835,891	$ 2,519,204	$ 2,285,515
Contributions in Relation to the Statutorily Required Contribution	3,965,199	3,571,987	3,298,842	3,182,255	3,752,933	2,926,618	2,701,731	2,835,891	2,519,204	2,285,515
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 19,456,314	$ 17,526,911	$ 16,593,768	$ 16,007,318	$ 19,364,982	$ 15,298,581	$ 14,377,497	$ 14,621,903	$ 14,210,929	$ 13,538,972
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.79%	19.39%	17.73%	16.88%

This schedule is presented to illustrate the requirement to show information for 10 years.

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB
LAST TEN YEARS

December 31,*	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date*	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1646%	0.1705%	0.1683%	0.1760%	0.1799%	0.1744%	0.1771%	0.1823%
District's proportionate share of the net OPEB liability	$ 1,174,544	$ 1,392,498	$ 1,451,381	$ 1,672,609	$ 2,021,779	$ 2,373,428	$ 2,301,542	$ 2,364,185
District's covered Payroll	$ 18,185,233	$ 17,306,734	$ 16,110,754	$ 16,277,600	$ 16,173,509	$ 14,754,189	$ 14,377,497	$ 14,400,841
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, information will be presented for the years available.

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB (CONTINUED)
LAST TEN YEARS

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 198,454	$ 178,774	$ 169,256	$ 163,275	$ 197,523	$ 156,047	$ 145,949	$ 149,144	$ 144,951	$ 138,098
Contributions in Relation to the Statutorily Required Contribution	198,454	178,774	169,256	163,275	197,523	156,047	145,949	149,144	144,951	138,098
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 19,456,314	$ 17,526,911	$ 16,593,768	$ 16,007,318	$ 19,364,982	$ 15,298,581	$ 14,377,497	$ 14,621,903	$ 14,210,929	$ 13,538,972
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

This schedule is presented to illustrate the requirement to show information for 10 years.

OTHER SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-8
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ -	$ 7,895	$ 87,229	$ 95,124
Accounts Receivable	-	900	1,150	2,050
Grants Receivable	-	120,918	-	120,918
Due from Other Funds	1,313,345	381,544	226,259	1,921,148
Inventories	-	8,785	-	8,785
Total Assets	$ 1,313,345	$ 520,042	$ 314,638	$ 2,148,025
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 2,823	$ 137,309	$ 150	$ 140,282
Total Liabilities	2,823	137,309	150	140,282
FUND BALANCES				
Nonspendable	-	8,785	-	8,785
Restricted	-	373,948	-	373,948
Assigned	1,310,522	-	314,488	1,625,010
Total Fund Balances	1,310,522	382,733	314,488	2,007,743
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,313,345	$ 520,042	$ 314,638	$ 2,148,025

WELD COUNTY SCHOOL DISTRICT RE-8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
REVENUES				
Federal	$ -	$ 954,641	$ -	$ 954,641
State	-	442,411	-	442,411
Local	-	-	5,500	5,500
Charges for Services	-	9,980	316,997	326,977
Earnings on Investments	-	9	31	40
Total Revenues	-	1,407,041	322,528	1,729,569
EXPENDITURES				
Current:				
Instruction	-	-	293,012	293,012
Supporting Services:				
Maintenance and Operations	145,399	-	-	145,399
Food Service Operations	-	1,479,806	-	1,479,806
Capital Outlay	35,898	-	-	35,898
Debt Service:				
Principal	68,609	-	-	68,609
Interest	2,738	-	-	2,738
Total Expenditures	252,644	1,479,806	293,012	2,025,462
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(252,644)	(72,765)	29,516	(295,893)
OTHER FINANCING SOURCES				
Proceeds from the Sale of Capital Assets	1,000	-	-	1,000
Transfers-In	400,000	55,000	-	455,000
Total Other Financing Sources	401,000	55,000	-	456,000
NET CHANGES IN FUND BALANCES	148,356	(17,765)	29,516	160,107
Fund Balance - Beginning of Year	1,162,166	400,498	284,972	1,847,636
FUND BALANCE - END OF YEAR	$ 1,310,522	$ 382,733	$ 314,488	$ 2,007,743

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
Local	$ 6,595,000	$ 5,393,335	$ 5,378,558	$ (14,777)
Earnings on Investments	50,000	500,000	737,585	237,585
Total Revenues	6,645,000	5,893,335	6,116,143	222,808
EXPENDITURES				
Debt Service:				
Principal	2,595,000	2,595,000	2,595,000	-
Interest	2,111,125	2,111,125	2,033,631	77,494
Other Services	5,000	40,000	-	40,000
Total Expenditures	4,711,125	4,746,125	4,628,631	117,494
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,933,875	1,147,210	1,487,512	340,302
OTHER FINANCING USES				
Transfers-Out	(95,000)	(600,000)	(738,293)	(138,293)
NET CHANGE IN FUND BALANCE	1,838,875	547,210	749,219	202,009
Fund Balance - Beginning of Year	15,039,792	15,029,960	15,057,759	27,799
FUND BALANCE - END OF YEAR	$ 16,878,667	$ 15,577,170	$ 15,806,978	$ 229,808

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
State	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Supporting Services:				
Purchased Services	33,000	33,000	145,399	(112,399)
Capital Expenditures	360,000	349,196	35,898	313,298
Other	71,347	71,347	71,347	-
Total Expenditures	464,347	453,543	252,644	200,899
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(464,347)	(453,543)	(252,644)	200,899
OTHER FINANCING SOURCES				
Proceeds from the Sale of Capital Assets	-	-	1,000	1,000
Transfers-In	400,000	400,000	400,000	-
Total Other Financing Sources	400,000	400,000	401,000	1,000
NET CHANGES IN FUND BALANCES	(64,347)	(53,543)	148,356	201,899
Fund Balance - Beginning of Year	1,108,623	1,162,166	1,162,166	-
FUND BALANCE - END OF YEAR	$ 1,044,276	$ 1,108,623	$ 1,310,522	$ 201,899

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
Charges for Services	$ 2,296	$ 2,500	$ 9,980	$ 7,480
Earnings on Investment	-	-	9	9
State Sources	400,000	780,000	442,411	(337,589)
Federal Sources	1,200,000	981,402	954,641	(26,761)
Total Revenues	1,602,296	1,763,902	1,407,041	(356,861)
EXPENDITURES				
Food Service Operations	1,680,000	1,858,464	1,479,806	378,658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(77,704)	(94,562)	(72,765)	21,797
OTHER FINANCING SOURCES				
Transfers-In	55,000	55,000	55,000	-
NET CHANGES IN FUND BALANCES	(22,704)	(39,562)	(17,765)	21,797
Fund Balance - Beginning of Year	367,536	359,217	400,498	41,281
FUND BALANCE - END OF YEAR	$ 344,832	$ 319,655	$ 382,733	$ 63,078

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
REVENUES				
Local	$ -	$ -	$ 5,500	$ 5,500
Charges for Services	195,500	250,500	316,997	66,497
Earnings on Investments	-	-	31	31
Total Revenues	195,500	250,500	322,528	72,028
EXPENDITURES				
Current:				
Instruction	250,000	250,500	293,012	(42,512)
Total Expenditures	250,000	250,500	293,012	(42,512)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(54,500)	-	29,516	29,516
NET CHANGES IN FUND BALANCES	(54,500)	-	29,516	29,516
Fund Balance - Beginning of Year	279,261	284,953	284,972	19
FUND BALANCE - END OF YEAR	$ 224,761	$ 284,953	$ 314,488	$ 29,535

WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
CUSTODIAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	Negative
ADDITIONS				
Earnings on Investments	$ 3	$ 50	$ 109	$ 59
DEDUCTIONS				
Scholarships and Awards	5,564	5,565	2,000	3,565
CHANGE IN NET POSITION	(5,561)	(5,515)	(1,891)	3,624
Net Position - Beginning of Year	10,628	10,628	10,629	1
NET POSITION - END OF YEAR	$ 5,067	$ 5,113	$ 8,738	$ 3,625

REPORTS TO GOVERNMENTAL AGENCIES

Colorado Department of Education

Auditors Integrity Report

District: 3140 - Weld Re-8 Schools

Fiscal Year 2023-24

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	12,005,261	35,014,227	32,399,509	14,619,979
18 Risk Mgmt Sub-Fund of General Fund	552,642	0	0	552,642
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**12,557,903**	**35,014,227**	**32,399,509**	**15,172,620**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	400,498	1,462,041	1,479,806	382,733
22 Govt Designated-Purpose Grants Fund	0	4,182,810	4,182,871	-60
23 Pupil Activity Special Revenue Fund	284,972	322,524	293,009	314,487
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	15,057,759	5,377,850	4,628,631	15,806,979
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,162,166	401,000	252,645	1,310,522
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**29,463,298**	**46,760,454**	**43,236,471**	**32,987,281**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**0**	**0**	**0**	**0**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	10,629	98	2,000	8,727
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**10,629**	**98**	**2,000**	**8,727**

DRAFT

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

Board of Education
Weld County School District RE-8
Fort Lupton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 3, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies that we consider to be material weaknesses and a significant deficiency.

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

We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024 – 002 and 2024 – 003 to be material weaknesses.

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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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024 – 001 to be a significant deficiency.

Report on Compliance and Other Matters

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

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
March 3, 2025

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

Board of Education
Weld County School District RE-8
Fort Lupton, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Weld County School District RE-8's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Education
Weld County School District RE-8

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004, to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado
March 3, 2025

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Passed Through Colorado Department of Human Services			
Donated Commodities	10.555	4555	$ 78,339
Passed Through Colorado Department of Education:			
School Breakfast Program	10.553	4553	233,116
National School Lunch Program	10.555	4555	574,354
Summer Food Service Program for Children	10.559	4559	17,430
Supply Chain Assistance	10.555	6555	51,402
Child Nutrition Cluster Subtotal			954,641
Total U.S. Department of Agriculture			954,641
U.S. Department of Education			
Passed Through Colorado Dept of Education:			
Special Education Cluster (IDEA):			
Individuals with Disabilities Education Act Part B	84.027	4027	1,001,967
Individuals with Disabilities Education Act Preschool	84.173	4173	31,097
Special Education Cluster			1,033,064
Title I, Part A	84.010A	4010	472,220
Title I, Part C	84.011	4011	26,070
Title II, Part A	84.367	4367	96,845
Title III, Part A	84.365	4365	45,471
Title III Set Aside: Immigrant: Every Student Succeeds Act (ESSA)	84.365	7365	1,781
Total Title III			47,252
Title IV-A	84.424	4424	32,850
Stronger Connections Grant Program	84.424	4451	94,718
Total ALN 84.424			127,568
Carl Perkins: Career and Technical Education	84.048	4048	29,028
Multi-Tiered Systems of Supports	84.323	5323	22,054
COVID-19: Education Stabilization Fund ARP ESSER III	84.425U	4414	1,733,775
COVID-19: ARP ESSER III - State Set Aside ESSER III Supplemental	84.425U	4418	2,506
COVID-19: ESSER III ARPA 9.5% State Set Aside, EASI	84.425U	4434	22,865
Total COVID-19 Education Stabilization Fund			1,759,146
Total U.S. Department of Education			3,613,247
U.S. Department of Health and Human Services			
Passed Through Colorado Department of Early Childhood:			
Child Care Assistance Block Grant - Child Care Stabilization	93.575	7575	14,046
Total Child Care Cluster			14,046
Total Expenditures of Federal Awards			$ 4,581,934

See accompanying Notes to Schedules of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) is presented in accordance with the requirements of *2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Therefore, some amounts presented in this Schedule may differ from amounts presented in the financial statements.

NOTE 3 NONCASH FEDERAL AWARDS

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program and are valued based on the USDA's Donated Commodity Price List. Commodities are recorded under Assistance Listing #10.555 on the Schedule. The commodities, in the amount of $78,339, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools.

NOTE 4 INDIRECT COST RATE

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

NOTE 5 SUBRECIPIENTS

The District provided no federal awards to subrecipients.

WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? __x__ yes _____ no

   - Significant deficiency(ies) identified? __x__ yes _____ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? __x__ yes _____ no

   - Significant deficiency(ies) identified? _____ yes __x__ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425U	COVID-19: Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

2024 – 001 Property and Specific Ownership Tax Revenue Reconciliation

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: Property and specific ownership tax revenue, receivables, and deferred inflows of resources were not reported correctly in the year revenues were measurable and available.

Criteria or Specific Requirement: Based on the guidance in the Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, property tax revenue should be recognized in the period in which levied, and a receivable recognized in the period when there is a legally enforceable claim.

Effect: As a result, the following adjustments were required to be posted by the District:

- General Fund – an adjustment to increase property tax revenue by $189,737, increase property tax accounts receivable by $84,975, and increase deferred inflows of resources related to property taxes by $60,327. For specific ownership, there was an adjustment of $183,812 to increase specific ownership tax revenue and related accounts receivable.

- Bond Redemption Fund – an adjustment to decrease property tax revenue by $3,275, decrease property tax accounts receivable by $18,749, and a decrease to deferred inflows of resources related to property taxes by $15,474.

Cause: Lack of established reconciliation of monthly distributions to the expected property and specific ownership tax revenue. Lack of comprehensive understanding the application of period of availability.

Repeat Finding: This finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2023-001.

Recommendation: We recommend the District reconcile property tax receipts to the assessed valuation and mill levy. We recommend the District develop a procedure to properly calculate accounts receivable, deferred inflows of resources, and revenue balances for both property and specific ownership taxes.

Views of Responsible Officials and Planned Corrective Actions: The District acknowledges the finding and is committed to strengthening internal controls over property and specific ownership tax revenue reconciliation. To address this, the District will implement a structured monthly reconciliation process, ensuring distributions align with assessed valuations and mill levies. Additionally, finance staff will receive training on GASB 33 to enhance understanding of the period of availability. A standardized calculation method for accounts receivable, deferred inflows, and revenue recognition will be developed to improve accuracy. The District will also conduct a mid-year review to assess progress and prevent recurrence of this finding.

2024 – 002 Grant Revenue Reconciliation

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: There was insufficient accounting and reconciliation of the Grants fund including timely request for reimbursement, unearned revenue, interfund transactions and non-grant revenue.

Criteria or Specific Requirement: Based on the guidance in the Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, grant revenue should be recognized in the period when all eligibility requirements have been met and the resources are available.

Effect: As a result, the following matters were noted, and adjustments were required to be posted by the District:

- $565,885 of grants revenue related to fiscal year 2024, was submitted for reimbursement in November 2024, or five months after the end of the fiscal year.

- Unearned revenue was not fully reconciled, thus there was an adjustment to increase unearned revenue and grant revenue of $72,782.

- School to Work Alliance Program (SWAP) revenue of $196,295 was improperly recorded to grants fund and was adjusted to be recorded within the general fund.

- Interfund accounts payable and account receivable was not reconciled during the year, thus there was an adjustment of $8,333 to properly reconcile.

Cause: Lack of established procedures to review and reconcile the grants fund, to include asset and liability accounts, in a timely manner.

Repeat Finding: No

Recommendation: We recommend the District establish procedures to routinely review and reconcile the grants fund and to make the necessary adjustments in a timely manner after the end of the fiscal year.

Views of Responsible Officials and Planned Corrective Actions: The District acknowledges the finding and is committed to strengthening internal controls over the recognition of grant revenue and reconciliation in a timely manner. To address this, the District will implement a structured monthly reconciliation process. Additionally, the district is implementing additional internal controls and oversight of grant revenue accounting. A standardized calculation method for accounts receivable, deferred inflows, and revenue recognition will be developed to improve accuracy. The District will also conduct a mid-year review to assess progress and prevent recurrence of this finding.

2024 – 003 Financial Close and Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: There were insufficient internal controls related to financial close and reporting.

Criteria or Specific Requirement: Based on the guidance in the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, governmental fund financial statements should be prepared using the current financial resources measurement focus and modified accrual basis of accounting. Additionally, per Colorado Revised Statute 29-1-601, local governments must complete and submit a copy an audit of their financial statements on an annual basis.

Effect: The following list of adjustments and issues were identified during the audit:

- Transfers Between Funds – adjusting entry posted to reduce interest earnings and expenditures in the General Fund by $970,406 as interest earnings were already recorded in the Bond Redemption Fund. This adjustment did not impact change in fund balance, but appropriately reflected the transaction as a transfer between funds rather than as revenue and expenditure in both funds.

- Lease Accounting – the District did not record principal and interest payments related to its leases, thus and adjustment of $30,690 was recorded.

- Bond Compliance and Reporting – the fiscal year 2023 financial statements were not uploaded to the MSRP with the 180/210 day requirement.

- TABOR – the District did not prepare or adjust the fund balance reserve for TABOR, thus resulted in an adjustment to increase restricted fund balance of $103,126.

- Journal Entries – we received multiple versions of the trial balance during final field work as final reconciliations were prepared 180+ days after the end of the fiscal year.

- Adjusting entry posted for $224,416 to remove an accrued expenditure from the capital reserve fund for the purchase of two buses. Expenditures are recorded when the related fund liability is incurred. In the case of capital asset related purchases, the liability was not incurred until the buses were received and placed in service.

Cause: Lack of sufficient procedures to reconcile each fund, including analysis of balance sheet accounts, in a timely manner.

Repeat Finding: No

Recommendation: We recommend the District establish procedures to reconcile and close the fiscal year to allow for timely preparation of the financial statements and compliance with bond requirements.

Views of Responsible Officials and Planned Corrective Actions: The District acknowledges the finding and is committed to strengthening internal controls over financial close and reporting. To address this, the District will implement a structured reconciliation process for all funds, ensuring timely analysis of balance sheet accounts and accurate financial reporting. Staff will receive additional training on GASB 33 and grant revenue recognition to enhance compliance. A financial close calendar will be developed to improve timeliness, ensure adherence to bond reporting deadlines, and properly account for fund balance reserves, including TABOR. Additionally, a mid-year review will be conducted to assess progress and refine procedures as needed.

Section III – Findings and Questioned Costs – Major Federal Programs

2024-004 Eligibility

Federal Agency: U.S. Department of Agriculture

Federal Program Name: Child Nutrition Cluster

Assistance Listing Number: 10.553, 10.555, 10.559

Federal Award Identification Number and Year: S374A070042 – 2024

Pass-Through Agency: Colorado Department of Education

Pass-Through Number(s): 4453, 4555, 4559

Award Period: July 1, 2023 – June 30, 2024

Type of Finding:

- Material Weakness in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, Internal Controls, requires that non-Federal recipients and subrecipients must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance the award is in compliance with the Federal Statutes, regulations, and the terms and conditions of the Federal award.

Condition: The District's control over maintaining the monthly Eligibility Direct Certification reports for the School Breakfast, National School Lunch, and Summer Food Service Programs was not followed and insufficient documentation was retained. One instance in which annual eligibility determination was incorrect.

Questioned Costs: No

Context: A sample of 40 applications were selected for testing:

- 16 direct certification eligibility determinations were unable to be compared to the State’s direct certify reports.

- 1 annual eligibility determination was eligible under the 'Free' meal classification and was incorrectly classified as 'Paid'.

Cause: The District did not retain any of the State's monthly direct certification reports. The District relied on their food service system for determination of eligibility instead of calculating it themselves resulting in an applicant not receiving the benefits they were entitled to.

Effect: Lack of documentation retention could result in students receiving benefits they are not entitled to or students not receiving benefits that they are entitled.

Repeat Finding: No

Recommendation: We recommend the District retain all direct certification reports from the State and for the District to review applications submitted electronically through food service system to determine correct eligibility determination is made.

Views of Responsible Officials: There is no disagreement with the audit finding.

WELD COUNTY SCHOOL DISTRICT RE-8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

Department of Education

Weld County School District RE-8 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024.

Audit period: July 1, 2023 through June 30, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2023 – 001 Property and Specific Ownership Tax Revenue Reconciliation

Condition: This finding was a significant deficiency as property tax revenue, receivables, and deferred inflows of resources were not reported correctly in the year revenues were measurable and available.

Status: See current year finding 2024-001.

Reason for finding's recurrence: Lack of sufficient internal controls to establish, track and adjust for property and specific ownership tax revenue and related tax receivable and unavailable revenues.

Corrective Action: Management will ensure that district personnel are trained in the calculation and recording of property and specific ownership tax revenue; related tax receivable and unavailable revenues.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2023 – 002 Indirect Costs

Condition: This finding was a significant deficiency as indirect costs were calculated using a rate of 28.58% which exceeded allowable rate of 28.39%.

Status: Corrected. Indirect costs for the Elementary and Secondary School Emergency Relief (ESSER) program were within the allowable amount.

If the Department of Education has questions regarding this schedule, please call Wesley Haselhorst at 303-857-3210.

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