

**WEST END SCHOOL DISTRICT RE-2
NUCLA, COLORADO**

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

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

WEST END SCHOOL DISTRICT RE-2

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June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Education
West End School District RE-2
Nucla, 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 the West End School District RE-2 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

DMC Auditing and Consulting, LLC

December 18, 2025
Bailey, Colorado

This section of West End Public Schools, RE-2's (District) annual financial report presents our discussion and analysis of the District's financial performance during the year ending June 30, 2025. Please read it in conjunction with the District's statements, which follow this section.

Financial Highlights

- The District's net position is \$48,267,665 which is \$3,700,425 higher than the previous year. This increase is primarily due to an increase in capital assets tied to the completion of construction of the new PreK-12 grade school and a decrease in the continued impacts of the PERA pension and OPEB standards.
- During the year, the District's General Fund balance increased by \$1,093,842 due to revenues exceeding expenditures, leaving the "total" ending General Fund balance at a healthy \$5,848,501.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial 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 of the assets, deferred outflows, liabilities, and deferred inflows of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the District include instructional services, pupil services, instructional staff services, administration services, maintenance services, transportation services, food services and capital asset services.

Fund Financial Statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balance left at year-end, which are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information is provided that explains the relationship (or difference) between them.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Fund, and Building Fund (Capital Projects Fund) which are considered to be major funds. The other five funds are considered nonmajor along with the discretely presented component unit.

The District adopts an annual appropriated budget for its all of its funds, including the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows were more than liabilities and deferred inflows by \$48,267,665 at the close of the most recent fiscal year. A large portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings, and equipment). The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.

The following table provides a comparison of the District's net position at June 30, 2024, and June 30, 2025.

	2025	2024
	Governmental	Governmental
	Activities	Activities
Current and other assets	7,267,077	\$8,144,293
Capital assets, net	<u>47,092,289</u>	<u>44,910,207</u>
Total Assets	<u>54,359,366</u>	<u>53,054,500</u>
Deferred Outflows	<u>957,443</u>	<u>1,412,099</u>
Long Term Liabilities	6,164,097	7,040,343
Other Liabilities	<u>366,313</u>	<u>2,491,167</u>
Total Liabilities	<u>6,530,410</u>	<u>9,531,510</u>
Deferred Inflows	<u>518,734</u>	<u>367,849</u>
Net Position		
Net Investment in		
capital assets	45,942,013	44,054,054
Restricted	500,145	438,913
Unrestricted	<u>1,825,507</u>	<u>74,273</u>
Total Net Position at June 30	<u>48,267,665</u>	<u>44,567,240</u>

The following table provides a summary of the changes in net position. Following this table is a specific discussion related to overall revenues and expenses.

	2025	2024
	Governmental	Governmental
	Activities	Activities
REVENUES		
Program Revenues		
Charges for Services	172,307	196,358
Operating grants and Contributions	684,798	944,814
Capital grants and Contributions	3,544,833	16,810,208
Property Taxes	1,044,922	905,931
State Equalization	3,638,952	3,324,598
Other	538,348	843,484
Special Item		
Transfer of Operations	<u>0</u>	<u>1,837,312</u>
TOTAL REVENUES	<u>9,624,160</u>	<u>26,513,244</u>
EXPENSES		
Instruction	3,326,240	2,711,366
Support Services	2,427,744	1,945,758
Food Service	141,982	121,603
Interest on Long-Term Debt	<u>27,769</u>	<u>31,131</u>
TOTAL EXPENSES	<u>5,923,735</u>	<u>4,809,858</u>
Increase(decrease) in net Position	3,700,425	20,052,847
Net Position-Beginning	44,567,240	24,214,393
Net Position-Ending	<u>48,267,665</u>	<u>44,567,240</u>

The District's net position is \$48,267,665 at the end of the current fiscal year, a change in net position of \$3,700,425. The following discussion and analysis on governmental activities focuses on the change in net position.

Key elements of the change in net position are as follows:

- The total Governmental Activities Expenses includes services in the following areas: instruction, supporting services, and food service.
- The current year's Program Revenues which include Charges for Services, Operating Grants/Contributions, and Capital Grants/Contributions decreased by \$13,549,442 primarily due to end of the prior year BEST capital grant for the new school building, while the General Revenues which include: State Equalization, Property Taxes, Investment Earnings, Specific Ownership Taxes, and other general revenues increased \$148,209 due primarily to increases in state equalization, and property tax. The transfer of operations from the former charter school did not recur in FY24-25, and resulted in a decrease of \$1.8M in other revenue.
- Expenses increased by \$1,113,877 due primarily to pay increases across the district to bring salaries more in line with the market.
- Total assets increased \$1,304,866 related to the completion of the construction of a new school.
- Total Liabilities decreased \$3,001,100 primarily related to accounts payable and retainage payable related to the completion of the construction of the new school.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,834,902, a total decrease of \$1,222,765. *Unassigned fund balance* is \$5,510,639. Restricted for TABOR reserve is \$280,000. Other Restricted funds include the Preschool at \$57,862, capital projects for \$87,912, Food Service for \$2,647, and debt service for \$155,376. Assigned reserves include Student Activities at \$131,933, and capital projects at \$602,068. \$6,465 is non-spendable related to food service inventories.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund had a balance of \$5,510,639. Total general fund balance was \$5,848,501 at June 30, 2025.

The unassigned fund balance of the District's General Fund increased by \$1,122,032 during the current fiscal year.

Capital Asset and Debt Administration

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$47,902,289, net of accumulated depreciation.

The District's investment in capital assets for its governmental activities as of June 30, 2025 is \$45,942,013, an increase of \$1,887,989. This investment in capital assets includes land, parking lots, buildings, building and land improvements, vehicles, and equipment.

The District issued general obligation bonds, Series 2022 with a par value of \$993,142 with an interest rate of 2.135%. Principal and interest payments are made semi-annually on June 1 and December 1 over 20 years with final payment on December 1, 2041. Included with the bond is a supplemental loan with a par value of \$450,000 with a 2.135% interest rate. Annual principal and interest payments are to be paid annually with a final payment due December 1, 2033. These debt issuances were utilized to build a new Prek-12 grade school which became operational in FY 2024-25. Total outstanding debt as of June 30, 2025 is \$1,263,741 and the amounts due within one year are \$105,390.

Factors Bearing on the District's Future

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

- The District's continuing fluctuation in student enrollment may increase or decrease due to other school districts in our area.
- Sustaining current programs and staff with the possibility of the continued decline in employment experienced by the area.
- Lack of economic growth in our area may continue to play a role in declining student counts.
- The impact of the BEST Grant and the construction of the new school that began in June/July 2022. The district is optimistic that this new school will attract new families to the area, thus increasing student enrollment and school funding.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Superintendent, PO Box 570, 225 West 4th Avenue, Nucla, CO 81424.

BASIC FINANCIAL STATEMENTS

WEST END SCHOOL DISTRICT RE-2
STATEMENT OF NET POSITION
June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 6,857,831
Accounts Receivable	10,397
Grants Receivable	282,666
Taxes Receivable	109,718
Inventories	6,465
Capital Assets, <i>Not Being Depreciated</i>	286,700
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>46,805,589</u>
TOTAL ASSETS	<u>54,359,366</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	938,395
OPEB, <i>Net of Accumulated Amortization</i>	<u>19,048</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>957,443</u>
LIABILITIES	
Accounts Payable	160,021
Accrued Salaries and Benefits	180,655
Accrued Interest Payable	2,205
Unearned Revenue	23,432
Long-Term Liabilities	
Due Within One Year	105,390
Due in More Than One Year	1,158,351
Net Pension Liability	4,814,926
Net OPEB Liability	<u>85,430</u>
TOTAL LIABILITIES	<u>6,530,410</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	447,736
OPEB, <i>Net of Accumulated Amortization</i>	<u>70,998</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>518,734</u>
NET POSITION	
Net Investment in Capital Assets	45,942,013
Restricted for:	
Emergencies	280,000
Preschool	57,862
Food Service	9,112
Debt Service	153,171
Unrestricted	<u>1,825,507</u>
TOTAL NET POSITION	<u>\$ 48,267,665</u>

WEST END SCHOOL DISTRICT RE-2
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
Governmental Activities					
Instruction	\$ 3,326,240	\$ 56,129	\$ 523,417	\$ -	\$ (2,746,694)
Supporting Services	2,427,744	114,613	47,400	3,544,833	1,279,102
Food Services	141,982	1,565	113,981	-	(26,436)
Interest on Long-Term Debt	27,769	-	-	-	(27,769)
TOTAL PRIMARY GOVERNMENT	\$ 5,923,735	\$ 172,307	\$ 684,798	\$ 3,544,833	(1,521,797)
GENERAL REVENUES					
					924,938
					119,984
					3,638,952
					207,712
					253,478
					77,158
					5,222,222
					3,700,425
					44,567,240
					\$ 48,267,665

WEST END SCHOOL DISTRICT RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	GRANTS	BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and Investments	\$ 5,855,099	\$ -	\$ 125,137	\$ 877,595	\$ 6,857,831
Accounts Receivable	10,397	-	-	-	10,397
Taxes Receivable	95,308	-	-	14,410	109,718
Grants Receivable	27,272	144,515	103,242	7,637	282,666
Interfund Receivable	143,678	-	-	-	143,678
Inventories	-	-	-	6,465	6,465
TOTAL ASSETS	\$ 6,131,754	\$ 144,515	\$ 228,379	\$ 906,107	\$ 7,410,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 22,613	\$ 11,978	\$ 125,430	\$ -	\$ 160,021
Accrued Salaries and Benefits	171,769	7,762	-	1,124	180,655
Interfund Payable	-	124,775	15,037	3,866	143,678
Unearned Revenue	23,432	-	-	-	23,432
TOTAL LIABILITIES	217,814	144,515	140,467	4,990	507,786
DEFERRED INFLOWS OF RESOURCES					
Property Tax	65,439	-	-	2,628	68,067
FUND BALANCES					
Nonspendable Inventories	-	-	-	6,465	6,465
Restricted for:					
Emergencies	280,000	-	-	-	280,000
Preschool	57,862	-	-	-	57,862
Capital Projects	-	-	87,912	-	87,912
Food Service	-	-	-	2,647	2,647
Debt Service	-	-	-	155,376	155,376
Assigned to:					
Student Activities	-	-	-	131,933	131,933
Capital Projects	-	-	-	602,068	602,068
Unassigned	5,510,639	-	-	-	5,510,639
TOTAL FUND BALANCES	5,848,501	-	87,912	898,489	6,834,902
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 6,131,754	\$ 144,515	\$ 228,379	\$ 906,107	\$ 7,410,755

WEST END SCHOOL DISTRICT RE-2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	6,834,902
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		47,092,289
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		68,067
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(2,205)
Bonds Payable		(1,238,188)
Accrued Compensated Absences		(25,553)
Net Pension Liability		(4,814,926)
Pension-Related Deferred Outflows of Resources		938,395
Pension-Related Deferred Inflows of Resources		(447,736)
Net OPEB Liability		(85,430)
OPEB-Related Deferred Outflows of Resources		19,048
OPEB-Related Deferred Inflows of Resources		(70,998)
		(70,998)
Total Net Position of Governmental Activities	\$	48,267,665

WEST END SCHOOL DISTRICT RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	GENERAL	GRANTS	BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Local Sources	\$ 1,449,105	\$ -	\$ 3,095	\$ 168,039	\$ 1,620,239
County Sources	107	-	-	-	107
State Sources	4,077,163	-	3,544,726	24,163	7,646,052
Federal Sources	99,320	144,515	-	89,193	333,028
TOTAL REVENUES	5,625,695	144,515	3,547,821	281,395	9,599,426
EXPENDITURES					
Current					
Instruction	2,006,190	140,802	-	99,543	2,246,535
Supporting Services	2,377,962	3,713	-	-	2,381,675
Food Services	-	-	-	145,936	145,936
Capital Outlay	73,513	-	3,921,072	-	3,994,585
Debt Service					
Principal	36,312	-	-	42,816	79,128
Interest and Fiscal Charges	7,356	-	-	20,552	27,908
TOTAL EXPENDITURES	4,501,333	144,515	3,921,072	308,847	8,875,767
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,124,362	-	(373,251)	(27,452)	723,659
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	-	-	-	499,106	499,106
Transfers In	-	-	-	30,520	30,520
Transfers Out	(30,520)	-	-	-	(30,520)
TOTAL OTHER FINANCING SOURCES (USES)	(30,520)	-	-	529,626	499,106
CHANGES IN FUND BALANCES	1,093,842	-	(373,251)	502,174	1,222,765
FUND BALANCES, Beginning,					
as Originally Stated	4,676,935	-	461,163	387,779	5,525,877
Restatement - Correction of an Error	77,724	-	-	8,536	86,260
FUND BALANCES, Beginning, as Restated	4,754,659	-	461,163	396,315	5,612,137
FUND BALANCES, Ending	\$ 5,848,501	\$ -	\$ 87,912	\$ 898,489	\$ 6,834,902

WEST END SCHOOL DISTRICT RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	1,222,765
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:</p>		
Capital Outlay		3,971,816
Depreciation		(1,229,551)
Loss on Disposal of Capital Assets		(560,183)
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.</p>		
		24,734
<p>The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
		79,128
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:</p>		
Accrued Interest Payable		139
Accrued Compensated Absences		1,123
Net Pension Liability		747,124
Pension-Related Deferred Outflows of Resources		(448,736)
Pension-Related Deferred Inflows of Resources		(150,814)
Net OPEB Liability		48,871
OPEB-Related Deferred Outflows of Resources		(5,920)
OPEB-Related Deferred Inflows of Resources		(71)
		(71)
Change in Net Position of Governmental Activities	\$	3,700,425

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the West End School District RE-2 (the District) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the District's more significant policies.

Reporting Entity

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

The financial statements of the District do not include any separately administered organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Grants Fund* is used to account for revenues and expenditures related to federal and state grants.

The *Building Fund* is used to account for revenue and expenditures related to the construction of the new school building.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 60 days of the end of the current year and 180 days of the end of the current year for grants.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

Interfund Receivables and Payables – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

Inventories – Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	10-20 years
Buildings and Building Improvements	7-40 years
Vehicles	5-10 years
Equipment	5-20 years

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

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

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Discretionary leave vests and accumulates up to 30 days and can be paid through the District buy-back program. This program generally pays at a rate of \$40 per day. The employee can choose to be paid annually or can accumulate up to 30 days and then be paid any excess days annually. Any days at termination or retirement are paid at the same \$40 per day rate. Additional amounts may be paid out to employees who are retiring in accordance with PERA guidelines or employees who were under old policies prior to the 2003 adoption date of the above policy.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District defaults to requiring restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

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

Deposits	\$	928,975
Investments		5,928,856

Total	\$	6,857,831

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the District had bank deposits of \$742,943 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Local Government Investment Pool - At June 30, 2025, the District had \$5,928,856 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. ColoTrust is measured at the net asset value per share, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - At June 30, 2025, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 286,700	\$ -	\$ -	\$ 286,700
Capital Assets, Being Depreciated:				
Buildings and Improvements	47,854,314	3,916,072	2,516,218	49,254,168
Land Improvements	43,778	-	31,503	12,275
Vehicles and Equipment	1,032,394	55,744	184,016	904,122
Total Capital Assets, Being Depreciated	48,930,486	3,971,816	2,731,737	50,170,565
Less Accumulated Depreciation:				
Buildings and Improvements	(3,495,827)	(1,187,962)	(1,959,460)	(2,724,329)
Land Improvements	(40,770)	(950)	(29,445)	(12,275)
Vehicles and Equipment	(770,382)	(40,639)	(182,649)	(628,372)
Total Accumulated Depreciation	(4,306,979)	(1,229,551)	(2,171,554)	(3,364,976)
Total Capital Assets, Being Depreciated, Net	44,623,507	2,742,265	560,183	46,805,589
Capital Assets, Governmental Activities, Net	\$ 44,910,207	\$ 2,742,265	\$ 560,183	\$ 47,092,289

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

Instruction	\$ 1,187,962
Supporting Services	40,918
Food Service	671
Total	\$ 1,229,551

NOTE 4: Interfund Balances and Transfers

At June 30, 2025, the General Fund temporarily subsidized the operations of the Food Service Fund, the Grants Fund, and the Building Fund in the amounts of \$3,866, \$124,775 and \$15,037, respectively until certain grants were reimbursed to the District after year-end.

During the year ended June 30, 2025, the General Fund also subsidized the Food Service Fund in the amount of \$30,520.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental Activities					
G.O. Loan, Series 2022	\$ 927,823	\$ -	\$ 42,816	\$ 885,007	\$ 43,730
G.O. Bond, Series 2022B	389,493	-	36,312	353,181	36,107
Compensated Absences	26,676	-	1,123	25,553	25,553
Total Long-Term Debt	<u>\$ 1,343,992</u>	<u>\$ -</u>	<u>\$ 80,251</u>	<u>\$ 1,263,741</u>	<u>\$ 105,390</u>

On January 25, 2022, the District issued General Obligation Bonds, Series 2022, in the amount of \$993,142 to finance the local match of the BEST grant award to construct the new school. Principal payments are due annually on December 1, through 2041. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at 2.135% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

On January 25, 2022, the District entered into a 12-year General Obligation Loan, Series 2022B, with Citizens State Bank in the amount of \$450,000 to additionally finance the local match of the BEST grant award to construct the new school. Principal payments are due annually on December 1, through 2033. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at 2.135% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on this loan with ad valorem taxes on all of the taxable property in the District. Debt payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 79,837	\$ 25,604	\$ 105,441
2027	81,541	23,881	105,422
2028	83,282	22,121	105,403
2029	85,061	20,324	105,385
2030	86,876	18,489	105,365
2031-2035	418,380	63,978	482,358
2036-2040	281,862	28,253	310,115
2041-2042	121,349	2,604	123,953
Total	<u>\$ 1,238,188</u>	<u>\$ 205,254</u>	<u>\$ 1,443,442</u>

NOTE 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Risk Management (Continued)

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2024 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

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

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2025, were \$474,253, equal to the required contributions at a contribution rate of 20.38%.

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

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

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

At December 31, 2024, the District's proportion was 0.0279046874%, which was a decrease of 0.0035487831% from its proportion measured at December 31, 2023.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 4,814,926
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	432,457
	\$ 5,247,383
Total	\$ 5,247,383

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$326,461 and a revenue of (\$39,470) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 272,663	\$ -
Changes of assumptions and other inputs	36,098	-
Net difference between projected and actual earnings on plan investments	90,845	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	293,503	447,736
Contributions subsequent to the measurement date	245,286	-
Total	\$ 938,395	\$ 447,736

District contributions subsequent to the measurement date of \$245,286 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>			
2026		\$	261,835
2027			251,056
2028			(202,726)
2029			(64,792)
Total		\$	245,373

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method		Entry age
Price inflation		2.30%
Real wage growth		0.70%
Wage inflation		3.00%
Salary increases, including wage inflation		3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation		7.25%
Discount rate		7.25%
Post-retirement benefit increases:		
Hired prior to 1/1/07		
thereafter, compounded annually		1.00%
Hired after 12/31/06		Financed by the AIR

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

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

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

Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

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

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

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

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

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

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. District contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 6,527,923	\$ 4,814,926	\$ 3,380,051

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2025, was \$16,433, equal to the required amount.

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

At June 30, 2025, the District reported a net OPEB liability of \$85,430, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0178662330%, which was a decrease of 0.0009506299% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$19,061). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,845
Changes of assumptions and other inputs	979	27,308
Net difference between projected and actual earnings on plan investments	290	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,503	24,845
Contributions subsequent to the measurement date	12,276	-
Total	\$ 19,048	\$ 70,998

District contributions subsequent to the measurement date of \$12,276 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (17,684)
2027	(14,333)
2028	(13,315)
2029	(9,118)
2030	(6,573)
2031	(3,203)
Total	\$ (64,226)

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and Older	0.0%	0.0%

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The 2024 Medicare Part A premium is \$505 per month. All costs are subject to the health care cost trend rates.

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

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

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

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

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

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Disabled mortality assumptions were based upon the PubS-2010 Disabled Retiree Table using 99% of the rates of all ages.

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

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

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

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

- Salary increases, including wage inflation for the SDTF were 4% - 13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the SDTF participate in the HCTF (Note 7).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Disabled mortality assumptions were based upon the PubS-2010 Disabled Retiree Table using 99% of the rates of all ages.

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

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

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

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, 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 \$0.020 million and \$0.486 million, respectively.

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

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease 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 MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 83,129	\$ 85,430	\$ 88,035

** For the January 1, 2025, plan year.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 104,696	\$ 85,430	\$ 68,821

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 9: Commitments and Contingencies (Continued)

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment. The voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the District’s emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$280,000.

Litigation

The District is involved in various legal matters from time to time. In the opinion of the District’s counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the Uncompahgre Valley Board of Cooperative Educational Services (UnBOCES). The UnBOCES is an organization that provides member districts educational services at a shared lower cost per district. The UnBOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$32,396 to the UnBOCES. Separate financial statements for the UnBOCES are available at P.O. Box 728, 1115 W. Clinton, Ridgway, CO 81432 or online at <https://www.unboces.org/>.

NOTE 11: Correction of an Error

The District identified a correction of an error to the beginning fund balances of the General Fund and Nonmajor Governmental Funds (Debt Service Fund), as of June 30, 2024. This was required in order to properly recognize property tax revenue in the correct fiscal year. The District’s correction of an error is summarized as follows.

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 4,676,935	\$ 387,779	\$ 5,525,877
Property Tax Revenues	77,724	8,536	86,260
Net Position/Fund Balance, Beginning, as Restated	\$ 4,754,659	\$ 396,315	\$ 5,612,137

REQUIRED SUPPLEMENTARY INFORMATION

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 1,537,139	\$ 1,489,256	\$ 1,449,105	\$ (40,151)
County Sources	226	107	107	-
State Grants	3,900,175	3,931,525	4,077,163	145,638
Federal Grants	285,048	246,600	99,320	(147,280)
TOTAL REVENUES	5,722,588	5,667,488	5,625,695	(41,793)
EXPENDITURES				
Current				
Instruction	2,262,405	2,403,837	2,006,190	397,647
Supporting Services				
Students	392,329	383,925	211,905	172,020
Instructional Staff	122,287	61,656	52,970	8,686
General Administration	212,618	257,418	214,713	42,705
School Administration	339,591	339,591	285,327	54,264
Business Services	326,242	331,597	199,305	132,292
Operations and Maintenance	768,646	798,838	734,996	63,842
Student Transportation	382,662	401,662	376,542	25,120
Central Support	105,110	111,716	141,214	(29,498)
Community Services	49,220	49,220	2,785	46,435
Enterprise Operations	113,632	174,087	158,205	15,882
Total Supporting Services	2,812,337	2,909,710	2,377,962	531,748
Capital Outlay	225,021	221,825	73,513	148,312
Debt Service				
Principal	35,352	35,352	36,312	(960)
Interest	8,316	8,316	7,356	960
Total Debt Service	43,668	43,668	43,668	-
TOTAL EXPENDITURES	5,343,431	5,579,040	4,501,333	1,077,707
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	379,157	88,448	1,124,362	1,035,914
OTHER FINANCING SOURCES (USES)				
Transfers Out	(17,123)	(19,793)	(30,520)	(10,727)
CHANGE IN FUND BALANCE	362,034	68,655	1,093,842	1,025,187
FUND BALANCE, Beginning, as Originally Stated	3,333,288	4,676,935	4,676,935	-
Restatement - Correction of an Error	-	-	77,724	77,724
FUND BALANCE, Beginning, as Restated	3,333,288	4,676,935	4,754,659	77,724
FUND BALANCE, Ending	\$ 3,695,322	\$ 4,745,590	\$ 5,848,501	\$ 1,102,911

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Federal Grants	\$ 163,060	\$ 163,455	\$ 144,515	\$ (18,940)
EXPENDITURES				
Current				
Instruction	163,060	163,455	140,802	22,653
Supporting Services	-	-	3,713	(3,713)
TOTAL EXPENDITURES	163,060	163,455	144,515	18,940
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

WEST END SCHOOL DISTRICT RE-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
District's Proportion of the Net Pension Liability	0.0279046874%	0.0314534705%	0.0266405084%	0.0302376027%
District's Proportionate Share of the Net Pension Liability	\$ 4,814,926	\$ 5,562,050	\$ 4,851,094	\$ 3,518,860
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>432,457</u>	<u>3,875,111</u>	<u>1,410,656</u>	<u>403,392</u>
Total Proportionate Share of the Net Pension Liability	<u><u>5,247,383</u></u>	<u><u>9,437,161</u></u>	<u><u>6,261,750</u></u>	<u><u>3,922,252</u></u>
District's Covered Payroll	\$ 2,156,324	\$ 2,079,353	\$ 2,056,245	\$ 1,914,467
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	236%	184%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	75%	75%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contributions	\$ 474,253	\$ 407,827	\$ 396,149	\$ 396,080
Contributions in Relation to the Statutorily Required Contribution	<u>(474,253)</u>	<u>(407,827)</u>	<u>(396,149)</u>	<u>(396,080)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's Covered Payroll	\$ 2,327,044	\$ 2,001,114	\$ 1,943,814	\$ 2,001,996
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.78%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0349050000%	0.0323260000%	0.0330700000%	0.0385360000%	0.0370350000%	0.0408020000%
\$ 5,277,003	\$ 4,829,416	\$ 5,855,788	\$ 12,461,133	\$ 11,026,890	\$ 6,240,349
<u>-</u>	<u>543,601</u>	<u>704,383</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,277,003</u>	<u>5,373,017</u>	<u>6,560,171</u>	<u>12,461,133</u>	<u>11,026,890</u>	<u>6,240,349</u>
\$ 1,995,329	\$ 1,900,042	\$ 1,818,055	\$ 1,777,614	\$ 1,659,208	\$ 1,761,491
264%	254%	322%	701%	665%	354%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 377,482	\$ 360,657	\$ 359,278	\$ 342,694	\$ 297,939	\$ 329,084
\$ <u>(377,482)</u>	\$ <u>(360,657)</u>	\$ <u>(359,278)</u>	\$ <u>(342,694)</u>	\$ <u>(297,939)</u>	\$ <u>(329,084)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,914,467	\$ 1,860,975	\$ 1,878,089	\$ 1,814,844	\$ 1,619,067	\$ 1,856,368
19.72%	19.38%	19.13%	18.88%	18.40%	17.73%

WEST END SCHOOL DISTRICT RE-2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
District's Proportion of the Net OPEB Liability	0.0178662330%	0.0188168629%	0.0202632609%	0.0197428010%
District's Proportionate Share of the Net OPEB Liability	\$ 85,430	\$ 134,301	\$ 165,445	\$ 170,243
District's Covered Payroll	\$ 2,156,324	\$ 2,079,353	\$ 2,056,245	\$ 1,914,467
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
DISTRICT CONTRIBUTIONS				
Statutorily Required Contributions	\$ 23,736	\$ 20,411	\$ 19,827	\$ 20,420
Contributions in Relation to the Statutorily Required Contribution	<u>(23,736)</u>	<u>(20,411)</u>	<u>(19,827)</u>	<u>(20,420)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,327,044	\$ 2,001,114	\$ 1,943,814	\$ 2,001,996
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
Information for the full 10-year period will be presented when available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0201920000%	0.0211310000%	0.0214960000%	0.0218960000%
\$ 191,866	\$ 237,516	\$ 292,461	\$ 284,560
\$ 1,995,329	\$ 1,900,042	\$ 1,818,055	\$ 1,777,614
10%	13%	16%	16%
33%	24%	17%	18%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 19,528	\$ 18,982	\$ 19,157	\$ 18,511
<u>(19,528)</u>	<u>(18,982)</u>	<u>(19,157)</u>	<u>(18,511)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,914,467	\$ 1,860,975	\$ 1,878,089	\$ 1,814,844
1.02%	1.02%	1.02%	1.02%

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

For the year ending June 30, 2025, the Food Service Fund actual expenditures exceeded budgeted appropriations by \$14,076. These may be violations of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

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

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

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

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

WEST END SCHOOL DISTRICT RE-2
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
(Continued)

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

NOTE 3: Changes in Assumptions and Other Inputs

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

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

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

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

SUPPLEMENTARY INFORMATION

WEST END SCHOOL DISTRICT RE-2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	DEBT SERVICE	CAPITAL RESERVE	TOTAL
ASSETS					
Cash and Investments	\$ -	\$ 131,933	\$ 143,594	\$ 602,068	\$ 877,595
Taxes Receivable	-	-	14,410	-	14,410
Grants Receivable	7,637	-	-	-	7,637
Inventories	6,465	-	-	-	6,465
TOTAL ASSETS	\$ 14,102	\$ 131,933	\$ 158,004	\$ 602,068	\$ 906,107
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accrued Salaries and Benefits	1,124	-	-	-	1,124
Interfund Payable	3,866	-	-	-	3,866
TOTAL LIABILITIES	4,990	-	-	-	4,990
DEFERRED INFLOWS OF RESOURCES					
Property Tax	-	-	2,628	-	2,628
FUND BALANCES					
Nonspendable Inventories	6,465	-	-	-	6,465
Restricted for:					
Food Services	2,647	-	-	-	2,647
Debt Service	-	-	155,376	-	155,376
Assigned to:					
Student Activities	-	131,933	-	-	131,933
Capital Projects	-	-	-	602,068	602,068
TOTAL FUND BALANCES	9,112	131,933	155,376	602,068	898,489
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE: \$	14,102	\$ 131,933	\$ 158,004	\$ 602,068	\$ 906,107

WEST END SCHOOL DISTRICT RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	FOOD SERVICE	STUDENT ACTIVITY	DEBT SERVICE	CAPITAL RESERVE	TOTAL
REVENUES					
Local Sources	\$ 1,565	\$ 106,548	\$ 59,926	\$ -	\$ 168,039
State Sources	24,163	-	-	-	24,163
Federal Sources	89,193	-	-	-	89,193
TOTAL REVENUES	<u>114,921</u>	<u>106,548</u>	<u>59,926</u>	<u>-</u>	<u>281,395</u>
EXPENDITURES					
Current				-	
Instruction	-	99,543		-	99,543
Supporting Services	-	-		-	-
Food Services	145,936	-		-	145,936
Capital Outlay	-	-		-	-
Debt					
Principal	-	-	42,816	-	42,816
Interest	-	-	19,352	-	19,352
Fees and Charges	-	-	1,200	-	1,200
TOTAL EXPENDITURES	<u>145,936</u>	<u>99,543</u>	<u>63,368</u>	<u>-</u>	<u>308,847</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,015)	7,005	(3,442)	-	(27,452)
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Capital Assets	-	-	-	499,106	499,106
Transfers In	30,520	-	-	-	30,520
TOTAL OTHER FINANCING SOURCES (USES)	<u>30,520</u>	<u>-</u>	<u>-</u>	<u>499,106</u>	<u>529,626</u>
CHANGES IN FUND BALANCES	(495)	7,005	(3,442)	499,106	502,174
FUND BALANCES, Beginning,					
as Originally Stated	9,607	124,928	150,282	102,962	387,779
Restatement - Correction of an Error	-	-	8,536	-	8,536
FUND BALANCES, Beginning, as Restated	<u>9,607</u>	<u>124,928</u>	<u>158,818</u>	<u>102,962</u>	<u>396,315</u>
FUND BALANCES, Ending	<u>\$ 9,112</u>	<u>\$ 131,933</u>	<u>\$ 155,376</u>	<u>\$ 602,068</u>	<u>\$ 898,489</u>

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Fees	\$ 1,010	\$ 1,255	\$ 1,393	\$ 138
Miscellaneous	200	49	172	123
State Grants	34,669	20,170	24,163	3,993
Federal Grants	87,946	87,946	89,193	1,247
TOTAL REVENUES	123,825	109,420	114,921	5,501
EXPENDITURES				
Current				
Food Service				
Salaries	48,041	48,341	54,899	(6,558)
Benefits	33,912	22,641	24,255	(1,614)
Purchased Services	1,050	1,050	758	292
Supplies and Materials	58,328	57,328	66,024	(8,696)
Total Food Service	141,331	129,360	145,936	(16,576)
Capital Outlay	2,500	2,500	-	2,500
TOTAL EXPENDITURES	143,831	131,860	145,936	(14,076)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,006)	(22,440)	(31,015)	(8,575)
OTHER FINANCING SOURCES (USES)				
Transfers In	17,123	19,793	30,520	10,727
CHANGE IN FUND BALANCE	(2,883)	(2,647)	(495)	2,152
FUND BALANCE, Beginning	2,883	2,647	9,607	6,960
FUND BALANCE, Ending	\$ -	\$ -	\$ 9,112	\$ 9,112

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 150,000	\$ 150,000	\$ 106,548	\$ (43,452)
EXPENDITURES				
Current				
Instruction	150,000	150,000	99,543	50,457
CHANGE IN FUND BALANCE	-	-	7,005	7,005
FUND BALANCE, Beginning	124,928	124,928	124,928	-
FUND BALANCE, Ending	\$ 124,928	\$ 124,928	\$ 131,933	\$ 7,005

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 89,993	\$ 53,777	\$ 51,745	\$ (2,032)
Other Tax	-	-	1,479	1,479
Investment Income	6,000	6,000	6,702	702
TOTAL REVENUES	95,993	59,777	59,926	149
EXPENDITURES				
Debt Service				
Principal	42,816	42,816	42,816	-
Interest	19,352	19,352	19,352	-
Fees and Charges	1,200	1,200	1,200	-
TOTAL EXPENDITURES	63,368	63,368	63,368	-
CHANGE IN FUND BALANCE	32,625	(3,591)	(3,442)	149
FUND BALANCE, Beginning, as Originally Stated	159,959	150,282	150,282	-
Restatement - Correction of an Error	-	-	8,536	8,536
FUND BALANCE, Beginning, as Restated	159,959	150,282	158,818	8,536
FUND BALANCE, Ending	\$ 192,584	\$ 146,691	\$ 155,376	\$ 8,685

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
EXPENDITURES				
Capital Outlay	\$ 602,962	\$ 602,068	\$ -	\$ 602,068
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(602,962)	(602,068)	-	602,068
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	500,000	499,106	499,106	-
CHANGE IN FUND BALANCE	(102,962)	(102,962)	499,106	602,068
FUND BALANCE, Beginning	102,962	102,962	102,962	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 602,068	\$ 602,068

WEST END SCHOOL DISTRICT RE-2
BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Contributions and Donations	\$ -	\$ 461,163	\$ -	\$ (461,163)
Investment Income	8,500	5,000	3,095	(1,905)
State Sources				
BEST Grant	6,129,650	6,129,650	3,544,726	(2,584,924)
CHFA Grant	29,211	-	-	-
TOTAL REVENUES	<u>6,167,361</u>	<u>6,595,813</u>	<u>3,547,821</u>	<u>(3,047,992)</u>
EXPENDITURES				
Capital Outlay	<u>6,167,361</u>	<u>6,595,813</u>	<u>3,921,072</u>	<u>2,674,741</u>
CHANGE IN FUND BALANCE	-	-	(373,251)	(373,251)
FUND BALANCE, Beginning	<u>1,000,000</u>	<u>461,163</u>	<u>461,163</u>	-
FUND BALANCE, Ending	<u>\$ 1,000,000</u>	<u>\$ 461,163</u>	<u>\$ 87,912</u>	<u>\$ (373,251)</u>

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2190 - West End RE-2
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,754,659	5,595,174	4,501,332	5,848,501
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	4,754,659	5,595,174	4,501,332	5,848,501
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	9,607	145,440	145,935	9,112
22 Govt Designated-Purpose Grants Fund	0	144,515	144,515	0
23 Pupil Activity Special Revenue Fund	124,927	106,549	99,543	131,933
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	158,818	59,926	63,368	155,376
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	461,162	3,547,822	3,921,073	87,912
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	102,962	499,106	0	602,068
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	5,612,135	10,098,532	8,875,765	6,834,902
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL