

Platte Valley School District RE-7
Kersey, Colorado

Financial Statements

For the Year Ended June 30, 2025

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Independent Auditors' Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Valley School District RE-7 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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, budgetary comparison information and historical pension and other post-employment benefit 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 required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because 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 other supplementary information and the auditors' 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the auditors' integrity report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 29, 2025

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

This section of the Platte Valley School District, Weld Re-7 annual financial report provides readers with the District's financial statements, financial performance, and the discussion and analysis during the fiscal year which ended June 30, 2025.

We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the District in 2025 are as follows:

- Among the major funds, the General Fund had \$18,916,246 in revenues, net of transfers, and \$18,987,695 in expenditures. Total revenues were less than expenditures by \$71,449, decreasing the General Fund balance from \$10,844,321 to \$10,772,872.
- General Fund revenues accounted for \$18,393,740 in revenue or 45.26% of all governmental funds revenues. Additionally, Total Program Reserve Fund revenues totaled \$4,763,013 or 11.72%, debt reduction revenues totaled \$12,580,014 or 30.95%, and other revenues in the form of charges for services, interest, grants and contributions accounted for \$4,903,157 or 12.06% of the total governmental funds revenues of \$40,639,924.
- The Governmental Accounting Standards Board (GASB) established financial reporting requirements for governments through GASB Rule 68, which became effective for the reporting year 2015. Among other requirements, the District is required to report its proportionate share of the total Public Employees' Retirement Association (PERA) net pension liability (NPL) in our government-wide financial statements. The District's share of the PERA NPL as of June 30, 2025 was \$25,119,412 and \$445,690 for the District's reported share for PERA other post-employment benefit plan (OPEB).
- Governmental activities assets and deferred outflows of resources totaled \$218,554,972 in cash, investments and other assets. Liabilities and deferred inflows of resources for governmental activities totaled \$162,081,016.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The district-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources) are one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school facilities.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

In the district-wide financial statements, the District's activities include:

- ***Governmental activities***- Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, food service operations and pupil activities. The governmental activities are financed mainly through property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District uses one type of 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 balances left at year-end that 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 at the bottom of the governmental funds statements explains the relationship (or difference) between them.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Condensed Statement of Net Position

Table 1 provides a summary of the Total School District's net position for 2025 compared to 2024:

Table 1

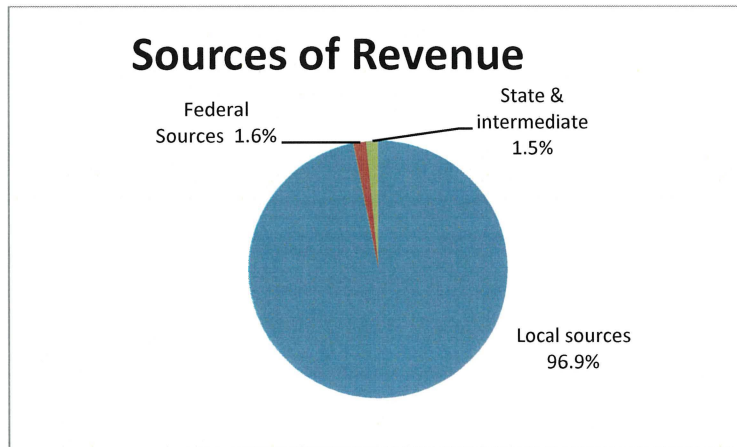
	Governmental Activities	
	2025	2024
Current and other assets	\$ 150,819,300	\$ 49,438,343
Capital assets	62,712,038	48,819,201
Total assets	213,531,338	98,257,544
Deferred outflows of resources	5,023,634	6,798,155
Total assets and deferred outflows of resources	\$ 218,554,972	\$ 105,055,699
Current liabilities	\$ 6,211,019	\$ 3,301,835
Long-term liabilities	154,024,888	57,388,143
Total liabilities	160,235,907	60,689,978
Deferred inflows of resources	1,845,109	1,847,596
Net investment in capital assets	15,614,259	19,442,757
Restricted for:		
Labor emergency	1,120,000	840,000
Capital projects	-	2,848,768
Multi-year obligations	615,032	591,655
Food service program	268,159	259,037
Land dedication	32,239	30,516
Debt service	21,887,501	15,148,237
Total program reserve	-	272,118
Unrestricted	16,936,766	3,085,037
Total net position	56,473,956	42,518,125
Total liabilities, deferred inflows of resources and net position	\$ 218,554,972	\$ 105,055,699

Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2025

District Sources of Revenue for Fiscal Year 2025 (Total Government Funds)

Local sources, including property taxes for operating purposes and debt reduction accounted for most of the District's total revenue, \$39,362,807 or 96.9% (see table 2). State and intermediate sources accounted for \$630,406 or 1.5%, with federal sources totaling \$646,711 or 1.6%.

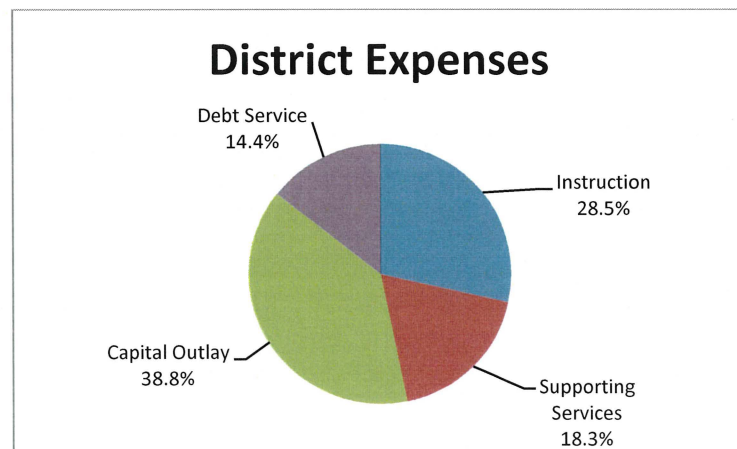
Table 2



District Expenses for Fiscal Year 2025 (Total Government Funds)

The District's expenses are predominately related to instruction (\$12,598,522), supporting services (\$8,087,617) and capital outlay (\$17,180,942) at a combined total of 85.60% (See Table 3). The district incurred 14.4% for debt reduction (\$2,995,000 principal, \$2,845,750 in interest and fiscal charges, and \$519,775 in debt issuance costs).

Table 3



Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2025

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$11,818.51 per funded student. In fiscal year 2025 the funded pupil count was 1,113.2. Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District received approximately 100% of this from property and specific ownership taxes. The School District's assessed valuation generated \$16,096,168, \$4,425,077 and \$11,901,871 in property taxes for general purposes, total program reserve and debt service, respectively, for fiscal year 2025.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 4 shows, for governmental activities, the total cost of services (before offsetting grants and other contributions).

Government Activities
Table 4

	FY 2025	FY 2024
Program revenues		
Charges for services	273,045	231,978
Operating grants & contributions	1,510,292	1,384,689
Capital grants & contributions	0	0
General revenues		
Property taxes	33,693,777	31,294,979
State equalization	0	0
Other	5,407,014	3,158,612
Total revenues	40,884,128	36,070,258
Instruction	12,822,890	12,803,876
Pupil and instructional services	951,404	1,240,538
Administration and business	3,201,607	2,605,081
Maintenance and operations	2,408,811	2,322,961
Transportation	1,037,677	1,140,896
Other	6,505,908	4,186,964
Total expenses	26,928,297	24,300,316
Change in net position	\$13,955,831	\$11,769,942

- The net program expense of all governmental activities during the year was \$25,144,960.
- The portion of governmental activities financed with state equalization from the School Finance Act of 1994 (SFA) was \$0 and \$33,693,777 in property taxes.
- The instructional expenditures in FY 2025 were decreased by \$183,220 due to pension and OPEB related expense.
- The instructional expenditures in FY 2024 were increased by \$920,384 due to pension and OPEB related expense.

Weld County School District RE-7
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The District’s funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues and other financing sources of \$148,036,504 and expenditures and other financing uses of \$49,203,609. Detailed information about the District’s major funds starts on page 66.

General Fund Budgetary Highlights

The District’s budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Platte Valley School District started construction on a new middle school and central office building along with other site improvements in the 2024-2025 fiscal year. In November 2024 Platte Valley was fortunate to pass a bond initiative allowing for capital construction improvements throughout the district.

The District’s capital debt includes general obligation bonds (see Note G – Long term debt). The district incurred additional bond debt of \$89,500,000, from which the District received \$12,920,577 in premium, due to a successful election in November of 2024. Bond payments for the fiscal year included principal payments of \$2,995,000 on the bond indebtedness, resulting in a balance due of \$113,885,000 at June 30, 2025. When including all outstanding bond debt, the District has 79.5% of its bonding capacity available as specified by Colorado statute. Table 5 shows capital assets, net of accumulated depreciation for fiscal year 2025.

Capital Assets at June 30, 2025
Table 5

	Governmental Activities
Land	\$ 48,100
Water rights	259,622
Construction in progress	14,912,468
Buildings	46,086,000
Furniture and equipment	818,024
Licensed vehicles	587,824
Total Capital Assets	\$ 62,712,038

Additional information on the District’s capital assets can be found in Note E of this report.

Weld County School District RE-7
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2025

Long-term Debt

Table 6

At year-end, the School District’s long-term debt of \$29,522,767 consisted of the following:

	Governmental Activities
Compensated absences	\$ 463,421
Bonds payable	113,885,000
Bond premium	14,111,365
Total	\$ 128,459,786

Additional information on the District’s long-term debt can be found in Note G of this report.

FACTORS BEARING ON THE DISTRICT’S FUTURE

For the 2025 fiscal year, the general fund balance decreased \$71,449 resulting in a total general fund balance of \$10,772,872. The unassigned fund balance is enough to cover approximately six months of operating costs. The District’s mill levy override is due to expire in 2030.

The District has maintained a Moody’s A1 Stable Credit Rating over the course of the last five years. The district has been commended by Moody’s for its “strong financial performance” and “solid management team” with a “conservative debt management practice leading to a manageable debt burden with rapid payout”. Additionally, the District paid off the series 2016 and 2020 refunding bonds in December 2024.

The District’s assessed value decreased by \$1,043,955,470, or 24.5% (from \$4,176,082,130 to \$3,132,126,660). The District’s general fund mill levy of 5.624 mills remained constant in 2025. The mill levy for the voter approved override increased by .233 mills from .695 mills in 2024 to .928 in 2025. Bond fund mill-levy increased 2.876 mills from .924 mills to 3.8 mills. The overall mills increased 3.103 mills to 10.352. The District will continue to be heavily influenced by the oil and gas industry.

Student enrollment at Weld County RE-7 increased by 15 students to a total pupil count of 1,113 compared to 1,098 in 2023-2024 K-12. The Funded Pupil Count (FPC) for fiscal year 2025 was calculated at 1,113 with Per Pupil Funding at \$11,818.51 per student. Student enrollment Pk-12 will continue to have an impact on the District’s finances and future.

Specific Ownership Revenues generated from bond indebtedness have been included in the General Fund. The property tax revenue in the Bond Redemption Fund is more than sufficient to make the scheduled debt service payments.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Salaries were allocated according to the salary agreement with PVEA. The salary agreement with PVEA is developed through a collaborative process with members of the association, Superintendent of Schools, CFO/COO, and members of the Board of Education. A stated goal for the extension and increase in for the mill-levy override is to maintain competitive salaries in an effort to recruit and retain high quality staff to the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administration Office, Weld County School District RE-7, PO Box 485, 501 Clark Street, Kersey, Colorado 80644.

Justin Decker
CFO/COO
Platte Valley School District

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 24,031,077
Cash with fiscal agent	138,197
Investments	125,204,239
Receivables	1,399,713
Inventory	46,074
Capital assets, net of depreciation	<u>62,712,038</u>
Total assets	213,531,338
Deferred outflows of resources	
Pension deferrals	4,925,970
Other post-employment benefit deferrals	<u>97,664</u>
Total deferred outflows of resources	<u>5,023,634</u>
Total assets and deferred outflows of resources	<u><u>\$ 218,554,972</u></u>

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

	<u>Governmental Activities</u>
Liabilities	
Intergovernmental payable	\$ 45,878
Accounts payable	125,996
Contracts payable	3,484,922
Accrued salaries and benefits	2,075,082
Payroll deductions and withholdings	13,101
Unearned revenue	12,889
Unearned grant revenue	13,801
Accrued interest	439,350
Noncurrent liabilities	
Due within one year	6,079,918
Due in more than one year	122,379,868
Net pension liability	25,119,412
Net OPEB liability	445,690
	<hr/>
Total liabilities	160,235,907
Deferred inflows of resources	
Pension deferrals	1,593,471
Other post-employment benefit deferrals	251,638
	<hr/>
Total deferred inflows of resources	1,845,109
Net position	
Net investment in capital assets	15,614,259
Restricted for:	
Emergencies	1,120,000
Multi-year obligations	615,032
Land dedication	32,239
Debt service	21,887,501
Food service	251,140
Unrestricted	16,953,785
	<hr/>
Total net position	56,473,956
	<hr/>
Total liabilities, deferred inflows of resources and net position	<u>\$ 218,554,972</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 12,822,890	\$ 233,638	\$ 790,355	
Supporting services				
Students	562,841		5,751	
Instructional staff	388,563		27,953	
General administration	537,758			
School administration	1,462,406			
Business services	1,201,443			
Operations and maintenance	2,408,811			
Student transportation	1,037,677			
Central support services	901,807			
Food service operations	767,011	39,407	686,233	
Facilities acquisition	189,428			
Unallocated depreciation *	1,720,393			
Interest and fiscal charges	2,927,269			
Total governmental activities	<u>\$ 26,928,297</u>	<u>\$ 273,045</u>	<u>\$ 1,510,292</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for total program reserves				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes, interest and abatements				
Earnings on investments				
Other				
Total general revenues				
Change in net position				
Net position at beginning of year				
Net position at end of year				

* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

Net (Expenses)
Revenues and
Changes in
Net Position

Total
Governmental
Activities

\$ (11,798,897)

(557,090)
(360,610)
(537,758)
(1,462,406)
(1,201,443)
(2,408,811)
(1,037,677)
(901,807)
(41,371)
(189,428)
(1,720,393)
(2,927,269)

(25,144,960)

16,096,168
4,425,077
11,901,871
1,268,542
2,119
4,255,045
1,151,969

39,100,791

13,955,831

42,518,125

\$ 56,473,956

PLATTE VALLEY SCHOOL DISTRICT RE-7
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Assets				
Cash	\$ 1,140,536	\$ 23,266	\$ 21,867,185	\$ 372,840
Cash with fiscal agent	112,675	18,861	6,661	
Investments	11,833,825	591		95,379,168
Accrued interest receivable				1,093,157
Property taxes receivable	27,108	7,909	21,269	
Due from other funds	153,668			
Grants receivable	5,000			
Other receivables	57,528			
Inventory	18,482			
Total assets	\$ 13,348,822	\$ 50,627	\$ 21,895,115	\$ 96,845,165
Liabilities				
Due to other funds	\$ 442,247			
Intergovernmental payable	45,878			
Accounts payable	68,554			\$ 34,699
Contracts payable				2,600,566
Accrued salaries and benefits	2,000,824			
Payroll deductions and withholdings	13,101			
Unearned revenue				
Unearned grant revenue				
Total liabilities	2,570,604	\$ -	\$ -	2,635,265
Deferred inflows of resources				
Deferred property tax revenues	5,346	2,575	7,614	
Fund balance				
Nonspendable inventory	18,482			
Restricted for emergencies	1,120,000			
Restricted for multi-year obligation	615,032			
Restricted for land dedication	32,239			
Restricted for capital projects				94,209,900
Restricted for debt service			21,887,501	
Restricted to food service				
Committed for total program reserve		48,052		
Assigned for employee benefits	45,444			
Assigned for sale of building	37,138			
Assigned to youth help				
Assigned to pupil activities				
Assigned to capital projects				
Unassigned	8,904,537			
Total fund balance	10,772,872	48,052	21,887,501	94,209,900
Total liabilities, deferred inflows of resources and fund balance	\$ 13,348,822	\$ 50,627	\$ 21,895,115	\$ 96,845,165

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

Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	\$ 627,250	\$ 24,031,077
\$ 17,990,655		138,197
		125,204,239
		1,093,157
151,905	290,342	56,286
	187,716	595,915
	26	192,716
	27,592	57,554
		46,074
<u>\$ 18,142,560</u>	<u>\$ 1,132,926</u>	<u>\$ 151,415,215</u>
	\$ 153,668	\$ 595,915
\$ 17,191	5,552	45,878
884,356		125,996
	74,258	3,484,922
		2,075,082
	12,889	13,101
	13,801	12,889
		13,801
901,547	260,168	6,367,584
		15,535
	27,592	46,074
		1,120,000
		615,032
		32,239
		94,209,900
		21,887,501
	222,085	222,085
		48,052
		45,444
		37,138
	1,463	1,463
17,241,013	621,618	621,618
		17,241,013
		8,904,537
<u>17,241,013</u>	<u>872,758</u>	<u>145,032,096</u>
<u>\$ 18,142,560</u>	<u>\$ 1,132,926</u>	<u>\$ 151,415,215</u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
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 balance - governmental funds	\$ 145,032,096
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	62,712,038
Property taxes will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the governmental funds.	15,535
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(439,350)
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	5,023,634
Long-term liabilities, including bonds payable, net pension and OPEB liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(154,024,888)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	<u>(1,845,109)</u>
Net position of the governmental activities	<u><u>\$ 56,473,956</u></u>

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

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PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Revenues				
Local sources	\$ 17,990,572	\$ 4,763,013	\$ 12,580,014	\$ 2,484,442
Intermediate sources	4,751			
State sources	398,417			
Federal sources				
Total revenues	18,393,740	4,763,013	12,580,014	2,484,442
Expenditures				
Instruction	11,688,250			
Supporting services	7,299,445	11,076		
Capital outlay				13,024,112
Debt service				
Principal retirement			2,995,000	
Interest and fiscal charges			2,845,750	
Debt issuance costs				519,775
Total expenditures	18,987,695	11,076	5,840,750	13,543,887
Excess of revenues over (under) expenditures	(593,955)	4,751,937	6,739,264	(11,059,445)
Other financing sources (uses)				
Transfers in	522,506			
Transfers out		(4,976,003)		
Proceeds from bond issuance				89,500,000
Premium on bonds				12,920,577
Total other financing sources (uses)	522,506	(4,976,003)	-	102,420,577
Net change in fund balances	(71,449)	(224,066)	6,739,264	91,361,132
Fund balance at beginning of year	10,844,321	272,118	15,148,237	2,848,768
Fund balance at end of year	<u>\$ 10,772,872</u>	<u>\$ 48,052</u>	<u>\$ 21,887,501</u>	<u>\$ 94,209,900</u>

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

Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 743,319	\$ 801,447	\$ 39,362,807
		4,751
	227,238	625,655
	646,711	646,711
743,319	1,675,396	40,639,924
	910,272	12,598,522
4,156,830	777,096	8,087,617
		17,180,942
		2,995,000
		2,845,750
		519,775
4,156,830	1,687,368	44,227,606
(3,413,511)	(11,972)	(3,587,682)
4,453,497		4,976,003
		(4,976,003)
		89,500,000
		12,920,577
4,453,497	-	102,420,577
1,039,986	(11,972)	98,832,895
16,201,027	884,730	46,199,201
<u>\$ 17,241,013</u>	<u>\$ 872,758</u>	<u>\$ 145,032,096</u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental fund	\$ 98,832,895
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	13,966,361
In the statement of activities, the net loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(73,524)
Because some receivables will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.	6,278
In the statement of activities, certain operating expenses - compensated absences, interest, and amortization - are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	137,449
Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plans. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	511,949
The bond proceeds are reported as a revenue in the governmental funds, however, they are reported as long-term liability in the statement of activities.	(89,500,000)
Bonds issued at a premium provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position.	(12,920,577)
Repayment of principal on general obligation bonds are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	<u>2,995,000</u>
Change in net position of governmental activities	<u><u>\$ 13,955,831</u></u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Platte Valley School District RE-7’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District’s accounting policies are described below.

A.1 – Reporting entity

The Platte Valley School District RE-7 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.” The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District’s major governmental funds:

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Expenditures include all costs associated with the daily operation of the schools, except for certain programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations and pupil activities.

Total Program Reserve Fund – This fund is a special revenue fund used to account for the revenues from a specific tax levy pursuant to § 22-54-107(5), C.R.S.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

Building Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Revenues and other financing sources are primarily derived from the issuance of debt or transfers from other funds.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for sales to customers, as well as dedicated grants received from state and federal sources that are associated with the operation of the District's food service program.

Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Pupil Activity Fund – This fund is a special revenue fund used to account for revenues from pupils and other fund-raising activities related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.4 – Basis of accounting

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

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end, except for state and federal grant revenues, which are considered available if collection is expected within six months of year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A - Summary of significant accounting policies (Continued)

Deferred outflows/inflows of resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

A.5 - Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year's budget.

A.6 - Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position and are classified as due from other funds or due to other funds on the balance sheet.

A.7 - Inventories

General Fund – Inventories consist of general classroom and janitorial supply items and are stated at cost as determined by the first-in, first-out method.

Food Service Fund – Commodity inventories are stated at the United States Department of Agriculture's assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as nonoperating revenues at the date of their consumption.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

Interest is capitalized on assets reported in the governmental activities that are acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized in the current period.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years
Licensed vehicles	5-10 years

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 101, "Compensated Absences." Leave benefits are accrued as a liability for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, or the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The entire compensated absence liability is reported on the government-wide financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums and discounts, and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

A.11 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.12 – Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A - Summary of significant accounting policies (Continued)

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.13 - Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 - Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B - Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Act (PDPA) for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk - deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$2,243,761, of which \$250,000 was insured and \$1,993,761 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

During the year, the District invested in ColoTrust (the Trust) and the Colorado Statewide Investment Program (CSIP), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the pools, which operate as an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. A designated custodial bank serves as custodian for the pool's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the pools investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

CSIP also operates two portfolios, CSIP Liquid and CSIP Term. The CSIP Liquid Portfolio is a fully liquid, variable interest rate option while the CSIP Term Portfolio is a fixed-rate, fixed-term investment and investment principal and interest are paid at maturity.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B - Cash and investments (Continued)

The investments in ColoTrust are maintained in the General, Total Program Reserve, Building and Capital Reserve Capital Projects funds, while the investment in CSIP is maintained in the Building Fund.

Custodial credit risk - investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At year-end, none of the District's investments are subject to custodial credit risk.

Credit risk - State law limits investments in securities to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District's investment policy follows state law. At year-end, the District's investments were rated as follows:

<u>Investment type</u>	<u>Value</u>	<u>Rating</u>	<u>Rating Agency</u>
Fair Value - Level 2:			
U.S. Treasury notes	\$ 25,569,389	AA+/Aa1	S&P/Moody's
Commercial paper	6,230,858	A-1/P-1	S&P/Moody's
Negotiable certificates of deposit	11,104,878	A-1/P-1	S&P/Moody's
NAV:			
ColoTrust Plus+	30,158,147	AAAm	S&P
CSIP	<u>52,140,967</u>	AAAm	S&P
Total	<u>\$125,204,239</u>		

Interest rate risk - As a means of limiting exposure to fair value losses from interest rates, Colorado Revised Statutes limit maturities to five years or less, unless the Board of Directors authorizes longer maturities. The District's investment policy follows Colorado Revised Statutes for its investments. At year end, the District's investments had the following maturities:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
U.S. Treasury notes	\$ 25,569,389	\$ -	\$25,569,389	\$ -
Commercial paper	6,230,858	6,230,858	-	-
Certificates of deposit	11,104,878	11,104,878	-	-
ColoTrust Plus+	30,158,147	30,158,147	-	-
CSIP	<u>52,140,967</u>	<u>52,140,967</u>	-	-
Total	<u>\$125,204,239</u>	<u>\$99,634,850</u>	<u>\$25,569,389</u>	<u>\$ -</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 56,286
Accrued interest receivable	1,093,157
Grants receivable	192,716
Other receivables	<u>57,554</u>
Total	<u>\$ 1,399,713</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Weld County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the District in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General fund	\$ 153,668	\$ 442,247
Total program reserve fund	-	-
Capital reserve capital projects fund	151,905	-
Other governmental funds	<u>290,342</u>	<u>153,668</u>
Total	<u>\$ 595,915</u>	<u>\$ 595,915</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ 522,506	\$ -
Total program reserve fund	-	4,976,003
Capital reserve capital projects fund	<u>4,453,497</u>	<u>-</u>
Total	<u>\$ 4,976,003</u>	<u>\$ 4,976,003</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note D – Interfund transactions (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred \$4,976,003 from the Total Program Reserve Fund to the General Fund (\$522,506) and Capital Reserve Capital Projects Fund (\$4,453,497) in accordance with C.R.S. Section 22-45-103(k).

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 48,100	\$ -	\$ -	\$ 48,100
Water rights	259,622	-	-	259,622
Construction in progress	<u>1,510,268</u>	<u>15,595,652</u>	<u>(2,193,452)</u>	<u>14,912,468</u>
Total capital assets, not being depreciated	1,817,990	15,595,652	(2,193,452)	15,220,190
Capital assets, being depreciated:				
Buildings and improvements	66,505,654	-	1,637,089	68,142,743
Furniture and equipment	2,736,661	70,484	(196,204)	2,610,941
Licensed vehicles	<u>2,025,033</u>	<u>303,312</u>	<u>(162,483)</u>	<u>2,165,862</u>
Total capital assets, being depreciated	<u>71,267,348</u>	<u>373,796</u>	<u>1,278,402</u>	<u>72,919,546</u>
Total capital assets	73,085,338	15,969,448	(915,050)	88,139,736
Less accumulated depreciation for:				
Buildings and improvements	(20,677,003)	(1,720,393)	340,653	(22,056,743)
Furniture and equipment	(1,977,698)	(153,609)	338,390	(1,792,917)
Licensed vehicles	<u>(1,611,436)</u>	<u>(129,085)</u>	<u>162,483</u>	<u>(1,578,038)</u>
Total accumulated depreciation	<u>(24,266,137)</u>	<u>(2,003,087)</u>	<u>841,526</u>	<u>(25,427,698)</u>
Governmental activities capital assets, net	<u>\$ 48,819,201</u>	<u>\$ 13,966,361</u>	<u>\$ (73,524)</u>	<u>\$ 62,712,038</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	\$ 33,258
Operations and maintenance	65,548
Student transportation	129,085
Central support	34,038
Food services	20,765
Unallocated	<u>1,720,393</u>
Total depreciation expense	<u>\$ 2,003,087</u>

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$2,075,082. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 162,615	\$ 300,806*	\$ -	\$ 463,421	\$ 304,918
Bonds payable	27,380,000	89,500,000	(2,995,000)	113,885,000	5,775,000
Bond premium	<u>1,980,152</u>	<u>12,920,577</u>	<u>(789,364)</u>	<u>14,111,365</u>	<u>-</u>
Total	<u>\$ 29,522,767</u>	<u>\$102,721,383</u>	<u>\$ (3,784,364)</u>	<u>\$128,459,786</u>	<u>\$ 6,079,918</u>

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

Payments on the bonds payable are made in the Bond Redemption Fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note G – Long-term debt (Continued)

Bonds payable

General obligation bonds payable consists of the following individual issues:

\$26,575,000 general obligation bonds, dated December 30, 2019, due in annual installments beginning in fiscal year 2025 ranging from \$460,000 to \$3,830,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1st and December 1st. The bonds maturing on or before December 1, 2029 are not subject to redemption prior to their stated maturity dates. The bonds maturing on or after December 1, 2030 are subject to redemption prior to maturity at the option of the District, in whole or in part. \$ 24,385,000

\$89,500,000 general obligation bonds, dated December 19, 2024, due in annual installments beginning in fiscal year 2026 ranging from \$2,495,000 to \$10,305,000; fixed interest rate of 5.00%, payable semi-annually on June 1st and December 1st. The bonds maturing on or before December 1, 2034 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2035 are subject to redemption prior to maturity at the option of the District, in whole or in part. 89,500,000

Total general obligation bonds \$ 113,885,000

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 5,775,000	\$ 5,143,775
2027	5,810,000	4,919,825
2028	6,000,000	4,725,000
2029	6,195,000	4,510,225
2030	6,430,000	4,251,700
2031-2035	36,820,000	16,410,150
2036-2040	<u>46,855,000</u>	<u>6,084,875</u>
Totals	<u>\$ 113,885,000</u>	<u>\$ 46,045,550</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

	July 1, 2024 Through June 30, 2025
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>5.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>20.38%</u></u>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,333,338 for the year ended June 30, 2025.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability 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 SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At year end, the District reported a liability of \$25,119,412 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 25,119,412
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>2,256,122</u>
Total	<u>\$ 27,375,534</u>

At December 31, 2024, the District’s proportion was 0.1456%, which was a decrease of 0.0083% from its proportion measured as of December 31, 2023.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$2,431,753 and revenue of \$205,917 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,459,462	\$ -
Changes of assumptions or other inputs	188,323	-
Net difference between projected and actual earnings on pension plan investments	-	325,701
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,060,099	1,267,770
Contributions subsequent to the measurement date	<u>1,218,086</u>	<u>-</u>
Total	<u>\$ 4,925,970</u>	<u>\$ 1,593,471</u>

\$1,218,086 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 1,811,261
2027	1,520,247
2028	(879,089)
2029	<u>(338,006)</u>
Totals	<u>\$ 2,114,413</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 34,056,101</u>	<u>\$ 25,119,412</u>	<u>\$ 17,633,686</u>

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

Subsequent events

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed \$195,827 and the District recognized pension expense of \$311,084 for the PERAPlus 401(k) Plan.

Note J – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

PERA Benefit Structure

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$116,781 for the year ended June 30, 2025.

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

At year-end, the District reported a liability of \$445,690 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability 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 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.0932%, which was an increase of 0.0012% from its proportion measured as of December 31, 2023.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

For the year ended June 30, 2025, the District recognized OPEB expense of \$(49,740). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 97,168
Changes of assumptions or other inputs	5,117	141,403
Net difference between projected and actual earnings on OPEB plan investments	846	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	30,737	13,067
Contributions subsequent to the measurement date	<u>60,964</u>	<u>-</u>
Total	<u>\$ 97,664</u>	<u>\$ 251,638</u>

\$60,964 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (60,076)
2027	(35,330)
2028	(54,586)
2029	(31,959)
2030	(21,233)
2031	<u>(11,754)</u>
Total	<u>\$ (214,938)</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary 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	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$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		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

Year	PERACare Medicare Plans ¹	MAPD PPO #2	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%

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PP #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 433,682	\$ 445,690	\$ 459,279

¹For the January 1, 2025, plan year.

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) (Continued)

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ <u>546,199</u>	\$ <u>445,690</u>	\$ <u>359,038</u>

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was \$358,356. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$1,120,000 for the emergency reserve.

Note M – Joint venture

The District participates in the Centennial Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES is:

- financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District, has a separate management which is responsible for day to day operations and is accountable to the separate governing board,
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility, including budgetary responsibility, and reporting to state agencies and controls fiscal management.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note M – Joint venture (Continued)

This is a jointly governed organization with twelve other school districts with the District being represented by one member on the governing board of the cooperative. This board has final authority for all budgeting and financing of the joint venture. Separate financial statements of the BOCES are available by contacting their administrative office in Longmont, Colorado.

For the year, the District's financial contribution to the BOCES was \$39,772.

Note N – Termination Benefits

The District has entered into early retirement agreements under the District's Voluntary Early Retirement of Employees policy. These agreements call for payments in the total amount of \$139,596 to be paid out in fiscal year 2026.

Note O – Construction commitments

The District began various projects to construct a new middle school, repair and restore other facilities and upgrade safety and security systems during the 2024-25 school year at an estimated cost of \$89,500,000, funded fully with local bond funds. At year-end, the District had approximately \$80,646,956 in uncompleted construction contracts, which will be paid from the remaining local bond funds.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Total Program Reserve Fund
- Schedule of the District’s Proportionate Share of the Net Pension Liability – PERA’s School Division Trust Fund
- Schedule of District Contributions – PERA’s School Division Trust Fund
- Schedule of the District’s Proportionate Share of the Net OPEB Liability – PERA’s Health Care Trust Fund
- Schedule of District Contributions – PERA’s Health Care Trust Fund

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 16,445,018	\$ 17,701,889	\$ 17,990,572	\$ 288,683
Intermediate sources	4,500	4,751	4,751	-
State sources	663,091	154,833	398,417	243,584
Total revenues	17,112,609	17,861,473	18,393,740	532,267
Expenditures				
Instruction	10,674,266	10,966,423	11,688,250	(721,827)
Supporting services	6,684,317	6,878,955	7,299,445	(420,490)
Reserve for contingency	10,599,105	11,799,922		11,799,922
Total expenditures	27,957,688	29,645,300	18,987,695	10,657,605
Excess of revenues over (under) expenditures	(10,845,079)	(11,783,827)	(593,955)	11,189,872
Other financing sources				
Transfers in		522,506	522,506	-
Net change in fund balance	\$ (10,845,079)	\$ (11,261,321)	(71,449)	\$ 11,189,872
Fund balance at beginning of year			10,844,321	
Fund balance at end of year			<u>\$ 10,772,872</u>	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Total Program Reserve Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 3,221,428	\$ 4,373,489	\$ 4,427,960	\$ 54,471
Specific ownership taxes	25,000	346,990	309,777	(37,213)
Delinquent taxes and interest			680	680
Earnings on investments		3,312	24,596	21,284
Total revenues	3,246,428	4,723,791	4,763,013	39,222
Expenditures				
Supporting services				
Purchased services	8,000	39,223	11,076	28,147
Appropriated reserves		10,738		10,738
Total expenditures	8,000	49,961	11,076	38,885
Excess of revenues over (under) expenditures	3,238,428	4,673,830	4,751,937	78,107
Other financing uses				
Transfers out	(3,420,428)	(4,956,686)	(4,976,003)	(19,317)
Net change in fund balance	\$ (182,000)	\$ (282,856)	(224,066)	\$ 58,790
Fund balance at beginning of year			272,118	
Fund balance at end of year			\$ 48,052	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA's School Division Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
District's proportion of the net pension liability	0.1456%	0.1539%	0.1201%	0.1430%
District's proportionate share of the net pension liability	\$ 25,119,412	\$ 27,208,401	\$ 21,866,238	\$ 16,639,529
State's proportionate share of the net pension liability	<u>2,256,122</u>	<u>596,600</u>	<u>6,372,042</u>	<u>1,907,510</u>
Total	<u>\$ 27,375,534</u>	<u>\$ 27,805,001</u>	<u>\$ 28,238,280</u>	<u>\$ 18,547,039</u>
District's covered payroll	\$ 11,249,519	\$ 9,260,349	\$ 9,260,349	\$ 8,936,028
District's proportionate share of the net pension liability as a percentage of its covered payroll	223.29%	293.82%	236.13%	186.21%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
0.1566%	0.1361%	0.1431%	0.1592%	0.1616%	0.1659%
\$ 23,674,305	\$ 20,329,418	\$ 25,341,173	\$ 51,477,544	\$ 48,110,414	\$ 25,367,408
-	2,578,528	3,465,053	-	-	-
<u>\$ 23,674,305</u>	<u>\$ 22,907,946</u>	<u>\$ 28,806,226</u>	<u>\$ 51,477,544</u>	<u>\$ 48,110,414</u>	<u>\$ 25,367,408</u>
\$ 8,372,955	\$ 7,996,252	\$ 7,867,715	\$ 7,343,091	\$ 7,252,209	\$ 7,228,219
282.75%	254.24%	322.09%	701.03%	663.39%	350.95%
66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions
PERA's School Division Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 2,333,338	\$ 2,239,668	\$ 1,976,737	\$ 1,780,969
Contributions in relation to the contractually required contribution	<u>(2,333,338)</u>	<u>(2,239,668)</u>	<u>(1,976,737)</u>	<u>(1,780,969)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,449,143	\$ 10,989,519	\$ 9,699,405	\$ 8,958,590
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
\$ 1,745,112	\$ 1,579,689	\$ 1,406,609	\$ 1,414,928	\$ 1,329,171	\$ 1,277,084
<u>(1,745,112)</u>	<u>(1,579,689)</u>	<u>(1,406,609)</u>	<u>(1,414,928)</u>	<u>(1,329,171)</u>	<u>(1,277,084)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,778,394	\$ 8,152,659	\$ 7,352,896	\$ 7,493,256	\$ 7,231,054	\$ 7,196,480
19.88%	19.38%	19.13%	18.88%	18.38%	17.75%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net OPEB Liability¹
PERA's Health Care Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
District's proportion of the net OPEB liability	0.0932%	0.0920%	0.0913%	0.0934%
District's proportionate share of the net OPEB liability	\$ 445,690	\$ 656,975	\$ 745,087	\$ 805,026
District's covered payroll	\$ 11,249,519	\$ 9,260,349	\$ 9,260,349	\$ 8,936,028
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	7.09%	8.05%	9.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

Notes to schedule:

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
0.0905%	0.0889%	0.0930%	0.0904%
\$ 860,365	\$ 999,576	\$ 1,265,638	\$ 1,175,478
\$ 8,372,955	\$ 7,996,252	\$ 7,867,715	\$ 7,343,091
10.28%	12.50%	16.09%	16.01%
32.78%	24.49%	17.03%	17.53%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions¹
PERA's Health Care Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 116,781	\$ 112,093	\$ 98,934	\$ 91,378
Contributions in relation to the contractually required contribution	<u>(116,781)</u>	<u>(112,093)</u>	<u>(98,934)</u>	<u>(91,378)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,449,143	\$ 10,989,519	\$ 9,699,405	\$ 8,958,590
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
\$ 89,540	\$ 83,157	\$ 75,000	\$ 76,431	\$ 73,757
<u>(89,540)</u>	<u>(83,157)</u>	<u>(75,000)</u>	<u>(76,431)</u>	<u>(73,757)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,778,394	\$ 8,152,659	\$ 7,352,896	\$ 7,493,256	\$ 7,231,054
1.02%	1.02%	1.02%	1.02%	1.02%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to the Required Supplementary Information

Note A – Budgetary data

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

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
7. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 15,317,667	\$ 15,877,449	\$ 16,094,423	\$ 216,974
Specific ownership taxes	735,851	825,189	958,765	133,576
Delinquent taxes and interest			1,055	1,055
Earnings on investments	150,000	261,000	316,314	55,314
Pupil activities	36,500	59,093	58,679	(414)
Other local revenue	205,000	679,158	561,336	(117,822)
Total local sources	16,445,018	17,701,889	17,990,572	288,683
Intermediate sources	4,500	4,751	4,751	-
State sources				
Vocational education		(7,761)	(10,348)	(2,587)
Special education		(416,316)	(452,300)	(35,984)
ELPA		(794)		794
Gifted and talented	(18,271)	(18,271)	(19,774)	(1,503)
State grants to libraries			5,000	5,000
At risk funding		7,266	7,266	-
Career success pilot program		36,306	36,306	-
READ Act	30,000	33,083	33,083	-
Summer EBT			1,475	1,475
Revenues from other agencies	633,091	505,873	576,345	70,472
On-behalf payment			205,917	205,917
Services within the BOCES	18,271	15,447	15,447	-
Total state sources	663,091	154,833	398,417	243,584
Total revenues	\$ 17,112,609	\$ 17,861,473	\$ 18,393,740	\$ 532,267

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PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Instruction				
Salaries	\$ 7,449,382	\$ 7,670,066	\$ 7,895,994	\$ (225,928)
Employee benefits	2,683,774	2,783,094	3,053,288	(270,194)
Purchased services	257,735	215,551	362,712	(147,161)
Supplies and materials	265,175	282,204	366,531	(84,327)
Property	18,200	15,508	9,725	5,783
Total instruction	10,674,266	10,966,423	11,688,250	(721,827)
Supporting services				
Students				
Salaries	310,187	313,291	378,909	(65,618)
Employee benefits	112,842	100,627	136,141	(35,514)
Purchased services	58,865	60,661	46,828	13,833
Supplies and materials	5,175	3,465	3,939	(474)
Property	500	-	-	-
Total students	487,569	478,044	565,817	(87,773)
Instructional staff				
Salaries	194,414	214,477	194,888	19,589
Employee benefits	95,431	74,675	86,289	(11,614)
Purchased services	46,992	37,382	66,434	(29,052)
Supplies and materials	14,350	10,070	20,914	(10,844)
Property	3,200	1,239	2,027	(788)
Total instructional staff	354,387	337,843	370,552	(32,709)
General administration				
Salaries	259,118	255,626	278,116	(22,490)
Employee benefits	109,510	118,663	129,164	(10,501)
Purchased services	99,250	89,855	110,151	(20,296)
Supplies and materials	3,500	2,004	2,362	(358)
Other	3,000	2,122	13,229	(11,107)
Total general administration	474,378	468,270	533,022	(64,752)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	1,091,136	1,041,151	1,089,864	(48,713)
Employee benefits	333,693	347,131	380,037	(32,906)
Purchased services	10,500	14,139	17,351	(3,212)
Property	333	333		333
Total school administration	1,435,662	1,402,754	1,487,252	(84,498)
Business services				
Salaries	236,761	238,731	282,439	(43,708)
Employee benefits	75,140	79,128	86,466	(7,338)
Purchased services	49,700	72,512	78,355	(5,843)
Supplies and materials	7,800	7,761	9,209	(1,448)
Property	2,000		330	(330)
Other			115	(115)
Total business services	371,401	398,132	456,914	(58,782)
Operations and maintenance				
Salaries	565,945	545,990	576,002	(30,012)
Employee benefits	183,028	202,607	221,007	(18,400)
Purchased services	722,064	1,020,251	913,880	106,371
Supplies and materials	539,550	554,459	531,071	23,388
Property	8,500	6,500	3,773	2,727
Total operations and maintenance	2,019,087	2,329,807	2,245,733	84,074
Student transportation				
Salaries	570,082	472,218	526,486	(54,268)
Employee benefits	172,592	143,088	176,506	(33,418)
Purchased services	22,900	29,922	54,754	(24,832)
Supplies and materials	134,350	122,188	135,139	(12,951)
Property	1,100	1,928	1,928	-
Other			816	(816)
Total student transportation	901,024	769,344	895,629	(126,285)

(continued)

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2025

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Salaries	344,225	339,881	356,127	(16,246)
Employee benefits	108,973	120,218	131,189	(10,971)
Purchased services	153,911	203,882	218,621	(14,739)
Supplies and materials	21,700	22,843	22,372	471
Property	12,000	7,010	13,873	(6,863)
Other		927	172	755
Total central support services	640,809	694,761	742,354	(47,593)
Food service operations				
Employee benefits			2,172	(2,172)
Total food service operations	-	-	2,172	(2,172)
Total supporting services	6,684,317	6,878,955	7,299,445	(420,490)
Reserve for contingency	10,599,105	11,799,922		11,799,922
Total expenditures	<u>\$ 27,957,688</u>	<u>\$ 29,645,300</u>	<u>\$ 18,987,695</u>	<u>\$ 10,657,605</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to account for sales to customers, as well as dedicated grants received from state and federal sources that are associated with the operation of the District’s food service program.
- Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.
- Pupil Activity Fund – This fund is used to account for revenues from pupils and other fund-raising activities related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Assets				
Cash	\$ 80		\$ 627,170	\$ 627,250
Due from other funds	290,342			290,342
Grants receivable		\$ 187,716		187,716
Other receivables	26			26
Inventory	27,592			27,592
Total assets	\$ 318,040	\$ 187,716	\$ 627,170	\$ 1,132,926
Liabilities				
Due to other funds		\$ 153,668		\$ 153,668
Accounts payable			\$ 5,552	5,552
Accrued salaries and benefits	\$ 54,011	20,247		74,258
Unearned revenue	12,889			12,889
Unearned grant revenue		13,801		13,801
Total liabilities	66,900	187,716	5,552	260,168
Fund balance				
Nonspendable for inventory	27,592			27,592
Restricted to food service	222,085			222,085
Assigned to youth help	1,463			1,463
Assigned to pupil activities			621,618	621,618
Total fund balance	251,140	-	621,618	872,758
Total liabilities and fund balance	\$ 318,040	\$ 187,716	\$ 627,170	\$ 1,132,926

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Revenues				
Local sources	\$ 54,262		\$ 747,185	\$ 801,447
State sources	227,238			227,238
Federal sources	458,995	\$ 187,716		646,711
Total revenues	740,495	187,716	747,185	1,675,396
Expenditures				
Instruction		159,012	751,260	910,272
Supporting services	748,392	28,704		777,096
Total expenditures	748,392	187,716	751,260	1,687,368
Net change in fund balances	(7,897)	-	(4,075)	(11,972)
Fund balance at beginning of year	259,037	-	625,693	884,730
Fund balance at end of year	<u>\$ 251,140</u>	<u>\$ -</u>	<u>\$ 621,618</u>	<u>\$ 872,758</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 42,735	\$ 52,973	\$ 54,262	\$ 1,289
State sources	261,300	227,022	227,238	216
Federal sources	320,000	382,532	458,995	76,463
Total revenues	624,035	662,527	740,495	77,968
Expenditures				
Supporting services				
Salaries	270,559	262,074	274,479	(12,405)
Employee benefits	130,399	140,822	143,896	(3,074)
Purchased services	6,800	1,603	3,746	(2,143)
Supplies and materials	224,081	235,569	325,326	(89,757)
Property	1,350	3,813	945	2,868
Appropriated reserves	268,698	277,684		277,684
Total expenditures	901,887	921,565	748,392	173,173
Net change in fund balance	\$ (277,852)	\$ (259,038)	(7,897)	\$ 251,141
Fund balance at beginning of year			259,037	
Fund balance at end of year			<u>\$ 251,140</u>	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Governmental Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal sources				
Services within the BOCES	\$ 195,589	\$ 222,125	\$ 187,716	\$ (34,409)
Expenditures				
Instruction				
Salaries	111,386	96,853	141,091	(44,238)
Employee benefits			8	(8)
Purchased services		71		71
Supplies and materials	14,789	20,074	17,913	2,161
Total instruction	126,175	116,998	159,012	(42,014)
Supporting services				
Salaries	62,735	100,908	25,800	75,108
Employee benefits			866	(866)
Purchased services		3,828	1,038	2,790
Supplies and materials	6,679	391	1,000	(609)
Total supporting services	69,414	105,127	28,704	76,423
Total expenditures	195,589	222,125	187,716	34,409
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Pupil activities	\$ 655,000	\$ 692,028	\$ 747,185	\$ 55,157
Expenditures				
Pupil activity expenditures				
Purchased services		9,446	12,827	(3,381)
Supplies and materials	655,000	675,966	738,433	(62,467)
Appropriated reserves	652,868	632,309		632,309
Total expenditures	1,307,868	1,317,721	751,260	566,461
Net change in fund balance	\$ (652,868)	\$ (625,693)	(4,075)	\$ 621,618
Fund balance at beginning of year			625,693	
Fund balance at end of year			\$ 621,618	

Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

Debt Service Funds – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 3,858,400	\$ 11,730,819	\$ 11,894,455	\$ 163,636
Delinquent taxes and interest			384	384
Interest on investments	2,500	565,702	685,175	119,473
Total revenues	3,860,900	12,296,521	12,580,014	283,493
Expenditures				
Debt service				
Principal retirement	2,995,000	2,895,000	2,995,000	(100,000)
Interest and fiscal charges	830,300	2,927,200	2,845,750	81,450
Appropriated reserves	15,044,975	21,622,558		21,622,558
Total expenditures	18,870,275	27,444,758	5,840,750	21,604,008
Net change in fund balance	\$ (15,009,375)	\$ (15,148,237)	6,739,264	\$ 21,887,501
Fund balance at beginning of year			15,148,237	
Fund balance at end of year			\$ 21,887,501	

Budgetary Comparison Schedules – Capital Projects Funds

The District reports the following major capital projects funds:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Building Fund – This fund is used to account for the proceeds of bond sales, revenues from other sources and expenditures for capital outlay for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional and replacement of equipment as authorized by the local board of education, as specified in the related bond issue.
- Capital Reserve Capital Projects Fund – This fund was established to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 4,000	\$ 718,800	\$ 2,484,442	\$ 1,765,642
Other local revenue		(48,232)		48,232
Total revenues	4,000	670,568	2,484,442	1,813,874
Expenditures				
Capital outlay				
Purchased services		1,604,798	1,112,527	492,271
Property	2,004,000	7,133,029	11,911,585	(4,778,556)
Debt service				
Debt issuance costs			519,775	(519,775)
Appropriated reserves	1,709,654	97,202,085		97,202,085
Total expenditures	3,713,654	105,939,912	13,543,887	92,396,025
Excess of revenues over (under) expenditures	(3,709,654)	(105,269,344)	(11,059,445)	94,209,899
Other financing sources				
Proceeds from bond issuance		89,500,000	89,500,000	-
Premium on bonds		12,920,576	12,920,577	1
Total other financing sources	-	102,420,576	102,420,577	1
Net change in fund balance	\$ (3,709,654)	\$ (2,848,768)	91,361,132	\$ 94,209,900
Fund balance at beginning of year			2,848,768	
Fund balance at end of year			\$ 94,209,900	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 2,000	\$ 633,409	\$ 743,319	\$ 109,910
Expenditures				
Capital outlay				
Property	1,328,000	2,918,831	4,156,830	(1,237,999)
Appropriated reserves	18,837,635	18,349,785		18,349,785
Total expenditures	20,165,635	21,268,616	4,156,830	17,111,786
Excess of revenues over (under) expenditures	(20,163,635)	(20,635,207)	(3,413,511)	(17,001,876)
Other financing sources				
Transfers in		4,434,180	4,453,497	19,317
Net change in fund balance	<u>\$ (20,163,635)</u>	<u>\$ (16,201,027)</u>	1,039,986	<u>\$ 17,241,013</u>
Fund balance at beginning of year			16,201,027	
Fund balance at end of year			<u>\$ 17,241,013</u>	

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**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.



Colorado Department of Education
Auditors Integrity Report
 District: 3130 - Platte Valley RE-7
 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	10,844,321	18,916,246	18,987,695	10,772,872
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	10,844,321	18,916,246	18,987,695	10,772,872
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	272,118	-212,990	11,076	48,052
21 Food Service Spec Revenue Fund	259,037	740,494	748,392	251,140
22 Govt Designated-Purpose Grants Fund	0	187,716	187,716	0
23 Pupil Activity Special Revenue Fund	625,693	747,185	751,260	621,618
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	15,148,237	12,580,014	5,840,750	21,887,501
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	2,848,768	104,905,019	13,543,887	94,209,900
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	16,201,027	5,196,816	4,156,830	17,241,013
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	46,199,201	143,060,502	44,227,606	145,032,096
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

Debt Compliance Schedules

PLATTE VALLEY SCHOOL DISTRICT RE-7
History of District Mill Levies

Mill Levies					
Levy/Collection Year	General Fund	Bond Fund	Override	Abatements	Total
2020/2021	5.624	2.356	1.370	0.000	9.350
2021/2022	5.624	2.752	2.072	0.008	10.456
2022/2023	5.624	2.752	1.177	0.000	9.553
2023/2024	5.624	0.924	0.695	0.006	7.249
2024/2025	5.624	3.800	0.928	0.000	10.352

Source: Colorado Department of Education and the District.

PLATTE VALLEY SCHOOL DISTRICT RE-7
History of District's Assessed Valuation and "Actual" Valuation

Levy/Collection Year	Assessed Valuation	Percent Change	"Actual" Valuation	Percent Change
2020/2021	2,120,369,200	-	3,776,240,346	-
2021/2022	1,401,914,110	-33.88%	2,989,683,453	-20.83%
2022/2023	2,467,322,390	76.00%	4,271,494,397	42.87%
2023/2024	4,176,082,130	69.26%	6,421,933,382	50.34%
2024/2025	3,132,126,660	-25.00%	5,222,916,693	-18.67%

Source: Colorado Department of Education and the Weld County Assessor's Office.

PLATTE VALLEY SCHOOL DISTRICT RE-7
2024 Largest Taxpayers within the District

Name	Assessed Valuation	Percent of Assessed Valuation'
Noble Energy	1,445,071,760	46.14%
PDC Energy Inc	762,613,760	24.35%
Civitas Resources Inc	386,731,670	12.35%
Highpoint Operating Corporation	124,362,890	3.97%
DCP Lucerne 2 Plant LLC	110,450,740	3.53%
Confluence DJ LLC	88,183,090	2.82%
DCP Operating Company LP	39,775,960	1.27%
Archrock Partners Leasing LLC	8,798,830	0.28%
Black Diamond Rockies Midstream LLC	8,043,000	0.26%
Kerr-McGee Gathering LLC	7,708,030	0.25%
Total		95.20%

Source: Weld County Assessor's Office.

(1) The total 2024 assessed valuation figure of the District used in computing the above was \$3,132,126,660.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Historical Property Tax Collections

<u>Levy/Collection Year</u>	<u>Total Taxes Levied</u>	<u>Total Tax Collections¹</u>	<u>Collection Rate</u>
2020/2021	19,825,452	19,782,596	99.78%
2021/2022	14,647,199	14,632,425	99.90%
2022/2023	23,570,331	23,546,621	99.90%
2023/2024	30,247,363	30,238,119	99.97%
2024/2025	32,423,775	32,408,240	99.95%

Source: Weld County Treasurer's Office and the District.

(1) Property tax collections through August 31st of each year.

PLATTE VALLEY SCHOOL DISTRICT RE-7
District Enrollment

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2020/2021	1,030	-
2021/2022	1,078	4.66%
2022/2023	1,094	1.48%
2023/2024	1,179	7.77%
2024/2025	1,195	1.36%

Source: Colorado Department of Education.