

WELD COUNTY SCHOOL DISTRICT RE-8

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**WELD COUNTY SCHOOL DISTRICT RE-8
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	20
STATEMENT OF NET POSITION – FIDUCIARY FUND	21
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND	22
NOTES TO BASIC FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	64
BUDGETARY COMPARISON SCHEDULE – GOVERNMENT DESIGNATED PURPOSE – GRANTS FUND	65
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	66
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	73
SCHEDULE OF DISTRICT CONTRIBUTIONS – PENSION	74
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	75
SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB	76

**WELD COUNTY SCHOOL DISTRICT RE-8
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

OTHER SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	78
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	79
BUDGETARY COMPARISON SCHEDULE – BOND REDEMPTION FUND	80
BUDGETARY COMPARISON SCHEDULE – CAPITAL RESERVE FUND	81
BUDGETARY COMPARISON SCHEDULE – FOOD SERVICE FUND	82
BUDGETARY COMPARISON SCHEDULE – PUPIL ACTIVITY FUND	83
BUDGETARY COMPARISON SCHEDULE – CUSTODIAL FUND	84

REPORTS TO GOVERNMENTAL AGENCIES

COLORADO DEPARTMENT OF EDUCATION AUDITORS’ INTEGRITY REPORT	86
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	87
SCHEDULE OF FINDINGS AND RESPONSES	89
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	93



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (the District), as of and for the year ended June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the District restated beginning net position for governmental activities due to implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which resulted in the recognition of additional compensated absences liability. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information


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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

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



CliftonLarsonAllen LLP

Denver, Colorado
December 3, 2025

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

As management of the Weld County School District RE-8 (the District) we offer readers of the District's financial statements this narrative and analysis of the financial activities of the District for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$13,769,899 (net position), a change of \$(987,743) from the previous fiscal year of \$14,757,642.

The General Fund operations of the District are funded primarily by the tax revenue received under the State School Finance Act (the Act) in the amount of \$16,606,640. Total General Fund revenue for the year was \$34,423,060.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

During the year ended June 30, 2015, the District implemented GASB 68 which revised and established financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with a pension administered by PERA. GASB 68 requires the District to record our proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District's portion for 2025 decreased from \$48,643,453 to \$45,292,910.

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

The statement of activities presents information reporting how the District's net position changed during fiscal year 2025. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Fiduciary Funds

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2025, the District's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,769,899. Of this amount \$(29,356,548) is unrestricted; however, since it is negative, it is not available to meet the District's ongoing financial obligations. \$22,925,290 is invested in capital assets. In addition, \$413,683 is restricted for food services; \$3,113,119 is restricted for mill levy override; \$15,686,578 is restricted for debt service; and \$987,777 is restricted for emergencies under TABOR.

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

**Weld RE-8 School District
Net Position**

	2025	2024
ASSETS		
Current Assets	\$ 34,382,653	\$ 37,275,032
Capital Assets, Net	67,790,750	69,803,047
Total Assets	102,173,403	107,078,079
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources Relating to Pensions	9,019,803	13,257,635
Deferred Outflows of Resources Relating to Other Post Employment Benefits	161,430	182,824
Total Deferred Outflows of Resources	9,181,233	13,440,459
 LIABILITIES		
Current Liabilities	3,705,471	4,212,870
Noncurrent Liabilities	91,454,674	97,831,502
Total Liabilities	95,160,145	102,044,372
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources Relating to Pensions	1,904,478	2,811,538
Deferred Inflows of Resources Relating to Other Post Employment Benefits	520,114	484,977
Total Deferred Inflows of Resources	2,424,592	3,296,515
 NET POSITION		
Net Investment in Capital Assets	22,925,290	21,827,806
Restricted	20,201,157	20,577,517
Unrestricted	(29,356,548)	(27,227,672)
Total Net Position	\$ 13,769,899	\$ 15,177,651

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Governmental Activities

Governmental activities decreased the District's net position by \$987,743 primarily due to decrease in property taxes and per pupil funding as calculated by the School Finance Act. Expenses increased \$3,622,044 or 9% resulting primarily from increased payroll related expenses and additional costs for purchased services.

**Weld RE-8 School District
Change in Net Position**

	2025	2024
PROGRAM REVENUE		
Charges for Services	\$ 286,757	\$ 342,312
Operating Grants and Contributions	6,774,237	9,979,359
GENERAL REVENUES		
Property Taxes	21,278,897	29,780,638
Specific Ownership Taxes	1,051,044	1,145,216
Earnings on Investments	960,684	1,075,923
Other Revenues	14,185,164	4,481,860
Total Revenues	44,536,783	46,805,308
EXPENSES		
Instruction	24,973,159	22,481,301
Supporting Services	17,306,144	16,158,782
Food Service Operations	1,684,933	1,624,325
Interest on Long-Term Debt	1,560,290	1,638,074
Total Expenses	45,524,526	41,902,482
CHANGE IN NET POSITION	(987,743)	4,902,826
Net Position - Beginning of Year, as Originally Reported	15,177,651	10,274,825
Restatement	(420,009)	-
Net Position - Beginning of Year, as Restated	14,757,642	10,274,825
NET POSITION - END OF YEAR	\$ 13,769,899	\$ 15,177,651

The District implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024, resulting in a restatement of beginning net position. See Note 15 for more information.

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Financial Analysis of the District's Funds

Governmental Funds

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

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

General Fund

The General Fund is the major operating fund of the District, providing the majority of resources for the educational and support programs. The General Fund includes the Mill Levy Override (MLO) Funds, MLO 2030 and MLO 2026, and the Preschool Fund. The Preschool Program is required to receive a certain amount of revenue transferred from the General Fund based on Per Pupil Revenue (PPR). Revenues for the General Fund totaled \$34,423,060 in fiscal year 2025 compared to \$33,682,237 in fiscal year 2024, an increase of \$740,823 or 2%. Expenditures totaled \$37,186,171 compared to \$32,399,504, an increase of \$4,786,667 or 15%.

Revenues

Property Taxes. General Fund property tax revenues decreased \$7,750,587 or 32% due to the decrease in assessed property values. Property taxes accounted for about 48.2% of the District's General Fund revenue.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax decreased \$94,172, or 8%. Specific Ownership taxes accounted for 8% of the District's General Fund revenue.

State Equalization. State equalization revenue increased \$9,228,552 or 328% due to the decrease in property taxes. State equalization revenue accounts for about 35% of the District's General Fund revenue.

State and Federal Grants. State grants revenue decreased \$138,216 or 4% in fiscal year 2025 and accounted for 10.8% of the District's General Fund revenue.

REVENUES	2025	2024	Amount of Change	Percentage Change
Property Taxes	\$ 16,606,640	\$ 24,357,227	\$ (7,750,587)	-32%
Specific Ownership Tax	1,051,044	1,145,216	(94,172)	-8%
State Equalization	12,045,550	2,816,998	9,228,552	328%
State Grants	3,728,221	3,866,437	(138,216)	-4%
Investment Income	253,533	338,298	(84,765)	-25%
Miscellaneous	738,072	1,158,061	(419,989)	-36%
Total	<u>\$ 34,423,060</u>	<u>\$ 33,682,237</u>	<u>\$ 740,823</u>	<u>2%</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Expenditures

Overall expenditures for the General Fund increased by \$4,786,667 or 15% from the previous year.

EXPENDITURES	<u>2025</u>	<u>2024</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
Instruction	\$ 21,196,157	\$ 18,355,441	\$ 2,840,716	15%
Students	1,400,878	1,166,675	234,203	20%
Instructional Staff	1,336,709	1,290,038	46,671	4%
General Administration	1,895,888	1,584,217	311,671	20%
School Administration	2,450,443	2,108,500	341,943	16%
Business Services	1,600,111	1,327,975	272,136	20%
Operations and Maintenance	4,570,161	3,905,198	664,963	17%
Pupil Transportation	1,588,977	1,422,246	166,731	12%
Central Supporting Services	1,042,288	978,398	63,890	7%
Food Service Operations	57,857	144,768	(86,911)	-60%
Principal	26,817	28,807	(1,990)	-7%
Interest Expenses	1,017	1,883	(866)	-46%
Capital Outlay	18,868	85,358	(66,490)	-78%
Total Expenditures	<u>\$ 37,186,171</u>	<u>\$ 32,399,504</u>	<u>\$ 4,786,667</u>	<u>15%</u>

Other Major Funds

The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt. Bond Redemption Fund property tax revenues decreased by \$759,814 to \$4,618,744. Total principal and interest on debt serviced was \$2,710,000 and \$1,938,763, respectively.

Grant fund revenues decreased by \$1,331,242 to \$2,851,570 primarily from a reduction in federal expenditures from discontinued grant programs.

General Fund Budgetary Highlights

Final budgeted General Fund revenues were \$34,589,743 and actual revenues were \$34,423,060. The District budgeted for General Fund expenditures of \$37,334,057 for the year ended June 30, 2025. Actual expenditures were \$37,186,171.

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Capital Assets

As of June 30, 2025, the District's Governmental Activities Capital Assets had \$67,790,750 net of accumulated depreciation/amortization, invested in a broad range of capital assets, including buildings and improvements, site improvements, transportation equipment and other equipment. Additional information along with a summary can be found in Note 4 to the financial statements.

	2025	2024
Governmental Activities:		
Buildings and Improvements	\$ 94,469,441	\$ 94,469,441
Site Improvements	2,529,875	2,529,875
Transportation Equipment and Vehicles	2,511,554	2,287,138
Other Equipment	677,154	677,154
Right to Use Equipment	125,098	125,098
Total Capital Assets, Being Depreciated/Amortized	100,313,122	100,088,706
Less Accumulated Depreciation/Amortization for:		
Buildings and Improvements	(28,203,200)	(26,204,840)
Site Improvements	(1,702,200)	(1,642,392)
Transportation Equipment	(1,993,888)	(1,886,952)
Other Equipment	(516,899)	(471,009)
Right-to-Use Equipment	(106,185)	(80,466)
Total Accumulated Depreciation/Amortization	(32,522,372)	(30,285,659)
Capital Assets, Net	\$ 67,790,750	\$ 69,803,047

Long-Term Obligations

As of June 30, 2025, the District has long-term obligations of \$45,358,140. The following is a summary of the District's long-term obligations balances:

	2025	2024
General Obligation Bonds	\$ 42,285,000	\$ 44,995,000
Bond Premium	2,559,519	2,932,483
Lease Liability	20,941	47,758
Compensated Absences	492,680	38,264
Total Long-Term Obligations	\$ 45,358,140	\$ 48,013,505

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

Economic Factors and Next Year's Budget

Current school finance legislation continues to have language that expresses stress on the state's capacity to meet all of its obligations. This has the potential to compromise the level of funding the Governor would like to see for schools. While local assessed valuations have risen, unlike other governmental entities that may see revenues rise due to valuation, education participates in an equalized funding formula which has nullified the effect of rising valuations and additional dollars to the district.

**WELD COUNTY SCHOOL DISTRICT RE-8
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Economic Factors and Next Year's Budget (Continued)

Student enrollment continues to be the primary determinant of school district funding. According to the October Count conducted in October 2025, total enrollment declined from 2,503 students in the 2024–2025 school year to 2,437 students in the current year, a decrease of 66 students. The district has experienced several consecutive years of flat to moderately declining enrollment, indicating a sustained downward trend. The district continues to benefit from enrollment averaging and we are able to average our funded pupil count over three years.

We continue to see pressure to take away averaging that the district benefits from. Last year enrollment was averaged over the best four years and this year the averaging will be over the last three years. Should the state do away with enrollment averaging, the district would have to look at a correction to match the loss of revenue. The new funding formula continues to be implemented incrementally. The updated model is scheduled to be 30% operational in the 2026–2027 school year and fully implemented by the 2031–2032 school year. It increases weighted funding for specific student groups, including English language learners and at-risk students, which may also shift the district's overall funding profile over time.

Governor Polis's 2025-26 budget increases K-12 funding to a record \$10.035 billion, adding \$256 million more than the prior year and raising per-pupil spending, despite some initial debates and challenges with implementing a new funding formula fully. The 2025 School Finance Act was signed to enact this, providing more money and a new formula aimed at directing resources to rural areas and students with needs, though the rollout of the new formula was slightly extended. There is also a commitment to end the budget stabilization factor, a mechanism that allows lawmakers to divert K-12 funding to other priorities. While this is a positive outlook to increased funding, it still does not address the funding gaps associated with competitive salary schedules that Weld Re-8 Schools will face with neighboring districts that are looking to move toward a base salary of \$58,000 or more, the current base salary of Weld Re-8 is \$47,500. The cost of health benefits continues to rise and that increase will be about \$400,000 for the '26-'27 school year.

The Board of Education has shown interest in having a conversation around asking voters for a Mill Levy Override in November 2026 to replace the one expiring in December of 2026. There is also interest in a conversation about asking voters a bond question that could help pay for much needed facilities improvement. The Board will also be reevaluating the long-range plans and priorities for the district based on the feedback received from the failed initiative and has plans to pursue both an MLO and Bond in the 2026 November election.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash, Cash Equivalents, and Investments	\$ 16,443,372
Restricted Investments	15,683,181
Receivables	2,240,815
Due from Fiduciary Fund	6,500
Inventories	8,785
Capital Assets, Net	67,790,750
Total Assets	102,173,403
DEFERRED OUTFLOWS OF RESOURCES	
Relating to Pensions	9,019,803
Relating to Other Postemployment Benefits	161,430
Total Deferred Outflows of Resources	9,181,233
LIABILITIES	
Accounts Payable	468,369
Accrued Salaries and Benefits	2,987,707
Accrued Interest Payable	155,208
Unearned Revenue	94,187
Noncurrent Liabilities:	
Accrued Compensated Absences	492,680
Due Within One Year	2,803,111
Due in More than One Year	42,062,349
Net Pension Liability	45,292,910
Net Other Postemployment Benefit Liability	803,624
Total Liabilities	95,160,145
DEFERRED INFLOWS OF RESOURCES	
Relating to Pensions	1,904,478
Relating to Other Postemployment Benefits	520,114
Total Deferred Inflows of Resources	2,424,592
NET POSITION	
Net Investment in Capital Assets	22,925,290
Restricted for:	
Emergencies	987,777
Debt Service	15,686,578
Mill Levy Override	3,113,119
Food Services Fund	413,683
Unrestricted	(29,356,548)
Total Net Position	\$ 13,769,899

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 24,973,159	\$ 283,248	\$ 4,222,907	\$ -	\$ (20,467,004)
Supporting Services:					
Students	1,573,938	-	273,347	-	(1,300,591)
Instructional Staff	1,813,966	-	592,838	-	(1,221,128)
General Administration	1,951,585	-	180,047	-	(1,771,538)
School Administration	2,519,535	-	229,631	-	(2,289,904)
Business Services	1,644,825	-	149,518	-	(1,495,307)
Maintenance and Operations	4,960,981	-	581,693	-	(4,379,287)
Pupil Transportation	1,633,380	-	148,478	-	(1,484,902)
Central Supporting Services	1,207,935	-	242,614	-	(965,321)
Food Service Operations	1,684,933	3,509	153,164	-	(1,528,260)
Interest on Long-Term Debt	1,560,290	-	-	-	(1,560,290)
Total Governmental Activities/ Primary Government	\$ 45,524,526	\$ 286,757	\$ 6,774,237	\$ -	(38,463,532)
GENERAL REVENUES					
Local Property Taxes					18,678,583
Specific Ownership Taxes					1,051,044
State Equalization					12,045,550
Mill Levy Override					2,600,314
Earnings on Investments					960,684
Other					2,139,614
Total General Revenue					37,475,789
CHANGE IN NET POSITION					(987,743)
Net Position - Beginning of Year, as Originally Reported					15,177,651
Restatement					(420,009)
Net Position - Beginning of Year, as Restated					14,757,642
NET POSITION - END OF YEAR					\$ 13,769,899

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Fund
ASSETS					
Cash, Cash Equivalents, and Investments	\$ 16,427,341	\$ -	\$ -	\$ 16,031	\$ 16,443,372
Investments - Restricted	-	15,683,181	-	-	15,683,181
Due From Other Funds	-	-	-	1,982,463	1,982,463
Accounts Receivable	166,482	-	-	2,050	168,532
Taxes Receivable	607,763	158,603	-	-	766,366
Grants Receivable	-	-	1,190,936	114,981	1,305,917
Inventories	-	-	-	8,785	8,785
Total Assets	\$ 17,201,586	\$ 15,841,784	\$ 1,190,936	\$ 2,124,310	\$ 36,358,616
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 187,522	\$ -	\$ 231,777	\$ 49,070	\$ 468,369
Accrued Salaries and Benefits	2,741,311	-	244,298	2,098	2,987,707
Unearned Revenues	-	-	94,187	-	94,187
Due to Other Funds	1,355,228	-	620,735	-	1,975,963
Total Liabilities	4,284,061	-	1,190,997	51,168	5,526,226
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Tax Revenue	235,746	54,381	-	-	290,127
FUND BALANCES					
Nonspendable:					
Inventory					
	-	-	-	8,785	8,785
Restricted for:					
TABOR					
	987,777	-	-	-	987,777
Debt Service					
	-	15,787,403	-	-	15,787,403
Milly Levy Override					
	3,113,119	-	-	-	3,113,119
Food Service Fund					
	-	-	-	413,683	413,683
Committed to:					
General Fund					
	1,115,556	-	-	-	1,115,556
Insurance Reserve					
	552,642	-	-	-	552,642
School Development					
	3,200,000	-	-	-	3,200,000
Assigned to:					
Capital Reserve Fund					
	-	-	-	1,332,068	1,332,068
Pupil Activity Fund					
	-	-	-	318,606	318,606
Unassigned					
	3,712,685	-	(61)	-	3,712,624
Total Fund Balances	12,681,779	15,787,403	(61)	2,073,142	30,542,263
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,201,586	\$ 15,841,784	\$ 1,190,936	\$ 2,124,310	\$ 36,358,616

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025**

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

Total fund balances - governmental funds		\$ 30,542,263
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported on the fund financial statements.		
Capital Assets	\$ 100,313,122	
Less: Accumulated Depreciation/Amortization	<u>(32,522,372)</u>	
		67,790,750
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:		
Property Taxes		290,127
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		9,019,803
OPEB		161,430
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		(1,904,478)
OPEB		(520,114)
Long-term liabilities, including net pension and net post employment benefit obligations, are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consist of:		
Bonds Payable	(42,285,000)	
Premium on Bonds	(2,559,519)	
Lease Liability	(20,941)	
Accrued Interest Payable	(155,208)	
Compensated Absences	(492,680)	
Net Pension Liability	(45,292,910)	
Net OPEB Liability	<u>(803,624)</u>	
		<u>(91,609,882)</u>
Total Net Position of Governmental Activities		<u><u>\$ 13,769,899</u></u>

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local Sources	\$ 18,393,112	\$ 4,618,744	\$ 156,994	\$ 5,500	\$ 23,174,350
State Sources	15,773,771	-	696,157	335,724	16,805,652
Federal Sources	-	-	1,998,419	1,226,766	3,225,185
Charges for Services	2,644	-	-	284,113	286,757
Earnings on Investments	253,533	707,070	-	81	960,684
Total Revenues	<u>34,423,060</u>	<u>5,325,814</u>	<u>2,851,570</u>	<u>1,852,184</u>	<u>44,452,628</u>
EXPENDITURES					
Current:					
Instruction	21,196,157	-	2,026,568	282,059	23,504,784
Supporting Services:					
Students	1,400,878	-	130,273	-	1,531,151
Instructional Staff	1,336,709	-	427,945	-	1,764,654
General Administration	1,895,888	-	2,644	-	1,898,532
School Administration	2,450,443	-	600	-	2,451,043
Business Services	1,600,111	-	-	-	1,600,111
Maintenance and Operations	4,570,161	-	130,730	125,228	4,826,119
Pupil Transportation	1,588,977	-	-	-	1,588,977
Central Supporting Services	1,042,288	-	132,810	-	1,175,098
Food Service Operations	57,857	-	-	1,581,272	1,639,129
Capital Outlay	18,868	-	-	253,226	272,094
Debt Service:					
Principal	26,817	2,710,000	-	-	2,736,817
Interest	1,017	1,938,763	-	-	1,939,780
Total Expenditures	<u>37,186,171</u>	<u>4,648,763</u>	<u>2,851,570</u>	<u>2,241,785</u>	<u>46,928,289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,763,111)	677,051	-	(389,601)	(2,475,661)
OTHER FINANCING SOURCES (USES)					
Insurance Recoveries	30,642	-	-	-	30,642
Transfers-In	696,626	-	-	455,000	1,151,626
Transfers-Out	(455,000)	(696,626)	-	-	(1,151,626)
Total Other Financing Sources (Uses)	<u>272,268</u>	<u>(696,626)</u>	<u>-</u>	<u>455,000</u>	<u>30,642</u>
NET CHANGE IN FUND BALANCES	(2,490,843)	(19,575)	-	65,399	(2,445,019)
Fund Balances - Beginning of Year	<u>15,172,622</u>	<u>15,806,978</u>	<u>(61)</u>	<u>2,007,743</u>	<u>32,987,282</u>
FUND BALANCES - END OF YEAR	<u>\$ 12,681,779</u>	<u>\$ 15,787,403</u>	<u>\$ (61)</u>	<u>\$ 2,073,142</u>	<u>\$ 30,542,263</u>

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

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

Total net change in fund balances - governmental funds	\$	(2,445,019)
--	----	-------------

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation and amortization. This is the amount that capital outlay exceeded depreciation and amortization expense in the current year.

Capital Outlay	\$	224,416
Depreciation/Amortization Expense		<u>(2,236,713)</u>
		(2,012,297)

Because some property taxes will not be collected for several months after the Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Property Taxes		53,513
----------------	--	--------

The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:

Principal Payments on Bonds		2,710,000
Principal Payments on Leases		26,817
Amortization of Bond Premium		372,963
Changed in Accrued Interest Payable		6,527

In the statement of activities, certain operating expenses, such as employee compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

(34,407)

Changes in the District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the cost-sharing defined benefit pension plan for the current year are not reported in the governmental funds but are reported in the statement of activities.

19,771

Changes in the District's net other post-employment benefits liability, deferred outflows of resources, and deferred inflows of resources related to the other post-employment benefit plan for the current year are not reported in the governmental funds but are reported in the statement of activities.

314,389

Change in Net Position of Governmental Activities	\$	<u><u>(987,743)</u></u>
---	----	-------------------------

**WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	<u>Custodial Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 13,327
LIABILITIES	
Due to Other Funds	<u>6,500</u>
NET POSITION	
Net Position Held in Trust for Scholarships	<u><u>\$ 6,827</u></u>

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025**

	Custodial Fund
ADDITIONS	
Earnings on Investments	\$ 99
DEDUCTIONS	
Scholarships and Awards	2,010
CHANGE IN NET POSITION	(1,911)
Net Position - Beginning of Year	8,738
NET POSITION - END OF YEAR	\$ 6,827

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

1. Appointment of a voting majority of the component unit's governing board, and either a) the ability to impose its will by the primary government or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
2. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The following are the District's major governmental funds:

General Fund

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

Debt Service – Bond Redemption Fund

The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt issued by the District.

Special Revenue – Government Designated Purpose Grants Fund

The Government Designated Purpose Grants Fund accounts for federal, state, and local grant revenues and the related expenditures.

The District reports the following nonmajor governmental funds:

Capital Projects – Capital Reserve Fund

The Capital Reserve Fund is used to account for financial resources received to construct capital assets.

Special Revenue – Food Service Fund

This special revenue fund is used to account for revenues and expenditures from food service operations.

Special Revenue – Pupil Activity Fund

This special revenue fund is used to account for financial transactions related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following fiduciary fund:

Custodial Fund Scholarship Fund

This fund is used to track the receipt and disbursement of scholarship activity.
The District holds all resources in a purely custodial capacity.

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

1. Cash and Cash Equivalents

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

2. Investments

As of June 30, 2025, the District had investments in local government investment pools. COLOTRUST is recorded at net asset value (NAV).

3. Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2025. Property taxes levied on December 31, but not received by June 30, are identified as property taxes receivable and recorded as revenue if they are collected within 60 days of year-end.

4. Inventories

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

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

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

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

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

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Unearned Revenues

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

8. Compensated Absences

Under the District's policies, eligible certified and administrative employees may accumulate and carryover up to 80 days of sick leave. The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

9. Accrued Liabilities and Long-Term Obligations

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

10. Leases

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Leases (Continued)

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

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

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

11. Deferred Outflows/Inflows of Resources

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Net Position/Fund Balance

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Net Position/Fund Balance (Continued)

Unrestricted Net Position (Continued)

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

13. Pensions

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

On-Behalf Payments

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Other Postemployment Benefits

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

15. Interfund Transactions

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

16. Estimates

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The composition of the District's cash, cash equivalents, and investments on June 30, 2025 is as follows:

Cash on Hand	\$ 2,150
Deposits	5,155,186
Investments	<u>26,982,544</u>
Total	<u>\$ 32,139,880</u>

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

Cash and Investments, Unrestricted	\$ 16,443,372
Cash and Investments, Restricted	15,683,181
Custodial Fund	<u>13,327</u>
Total	<u>\$ 32,139,880</u>

A. Deposits

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

B. Custodial Credit Risk

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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

C. Investments

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
COLOTRUST - General Fund	< 12 Months	\$ 11,299,363
COLOTRUST - Bond Fund	< 12 Months	15,683,181
Total		<u>\$ 26,982,544</u>

At June 30, 2025, the District had invested \$26,982,544 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State Statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

D. Interest Rate Risk

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 INDIVIDUAL FUND INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

As of June 30, 2025, the District had the following interfund receivables and payables:

<u>Fund</u>	<u>Interfund Payable</u>	<u>Interfund Receivable</u>
General Fund	\$ 1,355,228	\$ -
Bond Redemption Fund	-	-
Designated Purposes Grants Fund	620,735	-
Building Fund	-	-
Capital Reserve Fund	-	1,335,831
Food Service Fund	-	332,541
Pupil Activity Fund	-	314,091
Custodial Fund	6,500	-
Total	<u>\$ 1,982,463</u>	<u>\$ 1,982,463</u>

A. Interfund Transfers

<u>Fund</u>	<u>Transfers To</u>	<u>Transfers From</u>
General Fund	\$ 696,626	\$ 455,000
Bond Redemption Fund	-	696,626
Capital Reserve Fund	400,000	-
Food Service Fund	55,000	-
Total	<u>\$ 1,151,626</u>	<u>\$ 1,151,626</u>

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Governmental Activities:				
Buildings and Improvements	\$ 94,469,441	\$ -	\$ -	\$ 94,469,441
Site Improvements	2,529,875	-	-	2,529,875
Transportation Equipment and Vehicles	2,287,138	224,416	-	2,511,554
Other Equipment	677,154	-	-	677,154
Right-To-Use Equipment	125,098	-	-	125,098
Total Capital Assets	<u>100,088,706</u>	<u>224,416</u>	<u>-</u>	<u>100,313,122</u>
Being Depreciated/Amortized	100,088,706	224,416	-	100,313,122
Accumulated Depreciation/Amortization:				
Buildings and Improvements	(26,204,840)	(1,998,360)	-	(28,203,200)
Site Improvements	(1,642,392)	(59,808)	-	(1,702,200)
Transportation Equipment and Vehicles	(1,886,952)	(106,936)	-	(1,993,888)
Other Equipment	(471,009)	(45,890)	-	(516,899)
Right-To-Use Equipment	(80,466)	(25,719)	-	(106,185)
Total Accumulated Depreciation/ Amortization	<u>(30,285,659)</u>	<u>(2,236,713)</u>	<u>-</u>	<u>(32,522,372)</u>
Capital Assets, Net	<u>\$ 69,803,047</u>	<u>\$ (2,012,297)</u>	<u>\$ -</u>	<u>\$ 67,790,750</u>

Depreciation/amortization was charged to the functions/programs as follows at June 30, 2025.

Governmental Activities:	
Instruction	\$ 1,588,532
Maintenance and Operations	648,181
Total	<u>\$ 2,236,713</u>

NOTE 5 ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a 12-month period from October to September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, for the District were \$2,987,707. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2025:

	Beginning Balance, Restated	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2012	\$ 3,805,000	\$ -	\$ (595,000)	\$ 3,210,000	\$ 610,000
Series 2013	2,160,000	-	-	2,160,000	-
Series 2017	39,030,000	-	(2,115,000)	36,915,000	2,180,000
Bond Premium	2,932,482	-	(372,963)	2,559,519	-
Lease Liability	47,758	-	(26,817)	20,941	13,111
Compensated Absences	458,273	34,407	-	492,680	492,680
Total Long-Term Obligations	<u>\$ 48,433,513</u>	<u>\$ 34,407</u>	<u>\$ (3,109,780)</u>	<u>\$ 45,358,140</u>	<u>\$ 3,295,791</u>

The change in the compensated absence liability is presented as a net change. The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences* (see Note 15).

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$ 2,790,000	\$ 1,822,163	\$ 4,612,163
2027	2,870,000	1,717,900	4,587,900
2028	2,995,000	1,586,688	4,581,688
2029	3,135,000	1,448,875	4,583,875
2030	3,270,000	1,304,181	4,574,181
2031-2035	18,570,000	4,297,137	22,867,137
2036-2037	8,655,000	438,125	9,093,125
Total	<u>\$ 42,285,000</u>	<u>\$ 12,615,069</u>	<u>\$ 54,900,069</u>

A. General Obligation Bonds – Series 2012

During 2012, the District issued General Obligation Bonds for \$7,600,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School, and Twombly Elementary School. Principal payments are due annually on December 1 through 2029. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 2.75%. Bonds maturing on or after January 1, 2023 are callable at par in order of maturity on or after December 1, 2022. The District did not exercise such option as of June 30, 2025.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

B. General Obligation Bonds – Series 2013

During 2013, the District issued General Obligation Bonds for \$4,125,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School, and Twombly Elementary School. Principal payments are due annually on December 1 through 2032. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 3.50%. Bonds maturing on or after January 1, 2023 are callable at par in any order of maturity on or after December 1, 2022. The District did not exercise such option as of June 30, 2025.

C. General Obligation Bonds – Series 2017

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

D. Lease Liability

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 13,111	\$ 443	\$ 13,554
2027	7,830	78	7,908
Total	<u>\$ 20,941</u>	<u>\$ 521</u>	<u>\$ 21,462</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 FORT LUPTON PUBLIC AND SCHOOL LIBRARY

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

NOTE 8 DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

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

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

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

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions Provisions as of June 30, 2025

Eligible employees of the District and the state are required to contribute to the SCHDTF at a rate set by Colorado Statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11% 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:

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

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

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 \$4,253,429 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the state is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

At June 30, 2025, the District reported a liability of \$45,292,910 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 Proportionate Share of the Net Pension Liability	\$ 45,292,910
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>4,068,023</u>
Total	<u><u>\$ 49,360,933</u></u>

At December 31, 2024, the District's proportion was 0.286%, which was an increase of 0.005% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$2,149,859 and revenue of (\$371,289) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,564,869	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	854,551	-
Change of Assumptions or Other Inputs	339,566	-
Changes in Proportionate Share	3,091,187	1,904,478
District Contributions Subsequent to the Measurement Date	<u>2,169,630</u>	<u>-</u>
Total	<u><u>\$ 9,019,803</u></u>	<u><u>\$ 1,904,478</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

\$2,169,630 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. 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 Ending June 30,</u>	<u>Amount</u>
2026	\$ 3,657,067
2027	3,382,558
2028	(1,484,465)
2029	(609,465)
Total	<u>\$ 4,945,695</u>

Actuarial Assumptions

The TPL in the December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The 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.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	51.0 %	5.00%
Fixed Income	23.0	2.60%
Private Equity	10.0	7.60%
Real Estate	10.0	4.10%
Alternatives	6.0	5.20%
Total	<u>100.0 %</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 rate of return assumption of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 61,406,689	\$ 45,292,910	\$ 31,795,369

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.

Events Subsequent to Measurement Date

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 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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN

A. General Information About the OPEB Plan

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

B. PERA Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$212,880 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$803,624 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.16806%, which was an increase of 0.00350% from its proportion measured as of December 31, 2023.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense (revenue) of \$(205,801). At June 30, 2025, 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	\$ -	\$ 177,263
Changes of Assumptions or Other Inputs	9,215	256,878
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,724	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share Share of Contributions	40,903	85,973
Contributions Subsequent to the Measurement Date	<u>108,588</u>	<u>-</u>
Total	<u>\$ 161,430</u>	<u>\$ 520,114</u>

\$108,588 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (147,316)
2027	(89,579)
2028	(102,843)
2029	(65,156)
2030	(42,330)
Thereafter	<u>(20,048)</u>
Total	<u>\$ (467,272)</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

Actuarial Assumptions – The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Trust Fund			
	State Division	School Division	Local Governme	Judicial Division
Actuarial Cost Method			Entry Age	
Price Inflation			2.30%	
Real Wage Growth			0.70%	
Wage Inflation			3.00%	
Salary Increases, Including Wage Inflation				
Members other than State Troopers	30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment				
Expenses, Including Price Inflation			7.25%	
Discount rate			7.25%	
Health Care Cost Trend Rates				
Service-based Premium Subsidy			0.00%	
PERACare Medicare Plans			16.00% in 2024, then 6.75% in 2025,	
MAPD PPO #2			105.00% in 2024, then 8.55% in 2025,	
Medicare Part A Premiums			3.50% in 2024, gradually increasing to 4.50% in 2033	

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

Sample Age	MAPD PPO #1 with Medicare Part A		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	\$ 1,692	\$ 1,406	\$ 579	\$ 481	\$ 1,913	\$ 1,589
70	\$ 1,901	\$ 1,573	\$ 650	\$ 538	\$ 2,149	\$ 1,778
75	\$ 2,100	\$ 1,653	\$ 718	\$ 566	\$ 2,374	\$ 1,869

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	\$ 6,469	\$ 5,373	\$ 4,198	\$ 3,487	\$ 6,719	\$ 5,581
70	\$ 7,266	\$ 6,011	\$ 4,715	\$ 3,900	\$ 7,546	\$ 6,243
75	\$ 8,026	\$ 6,319	\$ 5,208	\$ 4,101	\$ 8,336	\$ 6,563

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

Year	PERACare Medicare Plans	MAPD PPO #2 ¹	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

Mortality assumptions used in the December 31, 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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

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

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

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages
		Females: 85% of the rates prior to age 80 / 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages
		Females: 86% of the rates prior to age 85 / 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages
		Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The 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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

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

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

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

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

	<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 PPO#2 Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate 1	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 781,973	\$ 803,624	\$ 828,128

¹ For the January 1, 2025, plan year.

Discount Rate

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

Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024 measurement date.

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

Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

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

Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

As of the December 31, 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 presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the OPEB Liability	\$ 984,854	\$ 803,624	\$ 647,382

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.

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 DEFINED CONTRIBUTION PENSION PLAN

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

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

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

Voluntary member contributions are subject to maximum limits set by the Internal Revenue Service. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed \$110,219 and \$6,080 for Voluntary Investment Program and Deferred Compensation Plan, respectively. The District had no contributions or liabilities related to these plans.

NOTE 11 RISK MANAGEMENT

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Self-Insurance Pool

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

B. Grant Programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

C. Litigation

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

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At June 30, 2025, the District's reserve of \$987,777 was reported as a restriction of fund balance in the General Fund.

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

NOTE 14 VIOLATION OF STATE STATUTES

During the year ended June 30, 2025, the following fund may be in violation of State Statutes as the expenditures exceeded the appropriated budget.

	Original Budget	Final Budget	Actual	Unfavorable Variance
Total Expenditures Pupil Activity Fund	\$ 255,500	\$ 255,500	\$ 282,059	\$ (26,559)

NOTE 15 RESTATEMENT OF BEGINNING NET POSITION

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was understated by \$420,009 in the governmental activities. The effect of the implementation of this standard is shown in table below.

	June 30, 2024 as Originally Reported	Change in Accounting Principle	June 30, 2024 as Restated
Government-Wide:			
Governmental Activities	\$ 15,177,651	\$ (420,009)	\$ 14,757,642
Total Government-Wide	\$ 15,177,651	\$ (420,009)	\$ 14,757,642

REQUIRED SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/ Negative
REVENUES				
Local	\$ 22,413,075	\$ 18,259,247	\$ 18,395,756	\$ 136,509
State	11,145,246	15,530,496	15,773,771	243,275
Earnings on Investments	256,050	800,000	253,533	(546,467)
Total Revenue	<u>33,814,371</u>	<u>34,589,743</u>	<u>34,423,060</u>	<u>(166,683)</u>
EXPENDITURES				
Current:				
Instruction	21,219,908	21,219,908	21,196,157	23,751
Supporting Services:				
Students	1,573,078	1,573,078	1,400,878	172,200
Instructional Staff	1,585,153	1,585,153	1,336,709	248,444
General Administration	1,113,974	1,113,974	1,895,888	(781,914)
School Administration	2,864,426	2,864,426	2,450,443	413,983
Business Services	555,786	555,786	1,600,111	(1,044,325)
Maintenance and Operations	5,090,678	5,090,678	4,570,161	520,517
Pupil Transportation	1,363,277	1,363,277	1,588,977	(225,700)
Central Supporting Services	1,795,566	1,795,566	1,042,288	753,278
Food Service Operations	-	-	57,857	(57,857)
Capital Outlay	172,211	172,211	18,868	153,343
Debt Service:				
Principal	-	-	26,817	(26,817)
Interest	-	-	1,017	(1,017)
Total Expenditures	<u>37,334,057</u>	<u>37,334,057</u>	<u>37,186,171</u>	<u>147,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,519,686)	(2,744,314)	(2,763,111)	(314,569)
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	30,642	30,642
Transfers In	-	-	696,626	696,626
Transfers Out	(455,000)	(502,214)	(455,000)	47,214
Total Other Financing (Sources) Uses	<u>(455,000)</u>	<u>(502,214)</u>	<u>272,268</u>	<u>774,482</u>
NET CHANGE IN FUND BALANCE	(3,974,686)	(3,246,528)	(2,490,843)	459,913
Fund Balance - Beginning of Year	<u>9,998,686</u>	<u>10,697,648</u>	<u>15,172,622</u>	<u>4,474,974</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,024,000</u>	<u>\$ 7,451,120</u>	<u>\$ 12,681,779</u>	<u>\$ 4,934,887</u>

See accompanying Notes to Required Supplementary Information.

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
GOVERNMENT DESIGNATED PURPOSE
GRANTS FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
REVENUES				
Federal	\$ 1,897,668	\$ 1,897,668	\$ 1,998,419	\$ 100,751
State	897,123	897,123	696,157	(200,966)
Local	68,421	68,421	156,994	88,573
Total Revenue	<u>2,863,212</u>	<u>2,863,212</u>	<u>2,851,570</u>	<u>(11,642)</u>
EXPENDITURES				
Current:				
Instruction	2,028,407	2,028,407	2,026,568	1,839
Supporting Services:				
Students	140,076	140,076	130,273	9,803
Instructional Staff	427,945	427,945	427,945	-
General Administration	2,644	2,644	2,644	-
School Administration	600	600	600	-
Maintenance and Operations	130,730	130,730	130,730	-
Central Supporting Services	132,810	132,810	132,810	-
Food Service Operations	-	-	-	-
Total Expenditures	<u>2,863,212</u>	<u>2,863,212</u>	<u>2,851,570</u>	<u>11,642</u>
OTHER FINANCING USES				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCE				
	-	-	-	-
Fund Balance - Beginning of Year	-	-	(61)	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61)</u>	<u>\$ -</u>

See accompanying Notes to Required Supplementary Information.

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

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

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

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

Budget amounts included in the financial statements are based on the Supplemental budget as adopted by the Board of Education in April 2025. Original budgets for all funds were adopted by the Board of Education in June 2024.

Budget appropriations lapse at the end of each fiscal year.

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 2 CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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

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

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

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

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

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

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

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

NOTE 3 CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

- As of the December 31, 2024 measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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

- MAPD premium costs are no longer age graded.

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

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

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

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

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

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

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

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.2625%	0.2751%	0.2244%	0.2578%	0.3042%	0.2753%	0.2684%	0.3117%	0.3208%	0.3199%
District's proportionate share of the net pension liability	\$ 45,292,910	\$ 48,643,453	\$ 40,860,055	\$ 29,999,392	\$ 45,983,758	\$ 41,128,009	\$ 47,521,878	\$ 100,786,731	\$ 95,517,225	\$ 48,920,237
State's proportionate share of the net pension liability associated with the District**	4,068,023	1,066,606	11,907,031	3,439,047	-	5,216,565	6,497,956	-	-	-
Total	\$ 49,360,933	\$ 49,710,059	\$ 52,767,086	\$ 33,438,439	\$ 45,983,758	\$ 46,344,574	\$ 54,019,834	\$ 100,786,731	\$ 95,517,225	\$ 48,920,237
Covered Payroll	\$ 20,276,965	\$ 18,185,233	\$ 17,306,734	\$ 16,110,754	\$ 16,277,600	\$ 16,173,509	\$ 14,754,189	\$ 14,377,497	\$ 14,400,841	\$ 13,939,399
District's proportionate share of the net pension liability as a percentage of its covered payroll	223.40%	267.49%	236.09%	186.21%	282.50%	254.29%	322.09%	701.00%	663.28%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	67.20%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

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

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

Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 4,253,429	\$ 3,965,199	\$ 3,571,987	\$ 3,298,842	\$ 3,182,255	\$ 3,752,933	\$ 2,926,618	\$ 2,701,731	\$ 2,835,891	\$ 2,519,204
Contributions in Relation to the Statutorily Required Contribution	<u>4,253,429</u>	<u>3,965,199</u>	<u>3,571,987</u>	<u>3,298,842</u>	<u>3,182,255</u>	<u>3,752,933</u>	<u>2,926,618</u>	<u>2,701,731</u>	<u>2,835,891</u>	<u>2,519,204</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 20,870,597	\$ 19,456,314	\$ 17,526,911	\$ 16,593,768	\$ 16,007,318	\$ 19,364,982	\$ 15,298,581	\$ 14,377,497	\$ 14,621,903	\$ 14,210,929
Contributions as a Percentage of Covered Payroll	20.4%	20.4%	20.4%	19.9%	19.9%	19.4%	19.1%	18.8%	19.4%	17.7%

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

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

December 31,*	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date*	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1681%	0.1646%	0.1705%	0.1683%	0.1760%	0.1799%	0.1744%	0.1771%	0.1823%
District's proportionate share of the net OPEB liability	\$ 803,624	\$ 1,174,544	\$ 1,392,498	\$ 1,451,381	\$ 1,672,609	\$ 2,021,779	\$ 2,373,428	\$ 2,301,542	\$ 2,364,185
District's covered Payroll	\$ 20,276,965	\$ 18,185,233	\$ 17,306,734	\$ 16,110,754	\$ 16,277,600	\$ 16,173,509	\$ 14,754,189	\$ 14,377,497	\$ 14,400,841
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

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

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

Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 212,880	\$ 198,454	\$ 178,774	\$ 169,256	\$ 163,275	\$ 197,523	\$ 156,047	\$ 145,949	\$ 149,144	\$ 144,951
Contributions in Relation to the Statutorily Required Contribution	<u>212,880</u>	<u>198,454</u>	<u>178,774</u>	<u>169,256</u>	<u>163,275</u>	<u>197,523</u>	<u>156,047</u>	<u>145,949</u>	<u>149,144</u>	<u>144,951</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 20,870,597	\$ 19,456,314	\$ 17,526,911	\$ 16,593,768	\$ 16,007,318	\$ 19,364,982	\$ 15,298,581	\$ 14,377,497	\$ 14,621,903	\$ 14,210,929
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

OTHER SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-8
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 6,027	\$ 10,004	\$ 16,031
Accounts Receivable	-	900	1,150	2,050
Grants Receivable	-	114,981	-	114,981
Due from Other Funds	1,335,831	332,541	314,091	1,982,463
Inventories	-	8,785	-	8,785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,335,831</u>	<u>\$ 463,234</u>	<u>\$ 325,245</u>	<u>\$ 2,124,310</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,763	\$ 38,668	\$ 6,639	\$ 49,070
Due to Other Funds	-	-	-	-
Accrued Salaries and Benefits	-	2,098	-	2,098
Total Liabilities	<u>3,763</u>	<u>40,766</u>	<u>6,639</u>	<u>51,168</u>
FUND BALANCES				
Nonspendable	-	8,785	-	8,785
Restricted	-	413,683	-	413,683
Assigned	1,332,068	-	318,606	1,650,674
Total Fund Balances	<u>1,332,068</u>	<u>422,468</u>	<u>318,606</u>	<u>2,073,142</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,335,831</u>	<u>\$ 463,234</u>	<u>\$ 325,245</u>	<u>\$ 2,124,310</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
REVENUES				
Federal	\$ -	\$ 1,226,766	\$ -	\$ 1,226,766
State	-	335,724	-	335,724
Local	-	-	5,500	5,500
Charges for Services	-	3,509	280,604	284,113
Earnings on Investments	-	8	73	81
Total Revenues	<u>-</u>	<u>1,566,007</u>	<u>286,177</u>	<u>1,852,184</u>
EXPENDITURES				
Current:				
Instruction	-	-	282,059	282,059
Supporting Services:				
Maintenance and Operations	125,228	-	-	125,228
Food Service Operations	-	1,581,272	-	1,581,272
Capital Outlay	253,226	-	-	253,226
Total Expenditures	<u>378,454</u>	<u>1,581,272</u>	<u>282,059</u>	<u>2,241,785</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(378,454)	(15,265)	4,118	(389,601)
OTHER FINANCING SOURCES				
Transfers In	400,000	55,000	-	455,000
Total Other Financing Sources	<u>400,000</u>	<u>55,000</u>	<u>-</u>	<u>455,000</u>
NET CHANGES IN FUND BALANCES	21,546	39,735	4,118	65,399
Fund Balance - Beginning of Year	<u>1,310,522</u>	<u>382,733</u>	<u>314,488</u>	<u>2,007,743</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,332,068</u>	<u>\$ 422,468</u>	<u>\$ 318,606</u>	<u>\$ 2,073,142</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
REVENUES				
Local	\$ 6,595,000	\$ 4,652,431	\$ 4,618,744	\$ (33,687)
Earnings on Investments	50,000	50,000	707,070	657,070
Total Revenues	<u>6,645,000</u>	<u>4,702,431</u>	<u>5,325,814</u>	<u>623,383</u>
EXPENDITURES				
Debt Service:				
Principal	2,710,000	2,710,000	2,710,000	-
Interest	1,901,650	1,901,650	1,938,763	(37,113)
Other Services	5,000	100,000	-	100,000
Total Expenditures	<u>4,616,650</u>	<u>4,711,650</u>	<u>4,648,763</u>	<u>62,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,028,350	(9,219)	677,051	686,270
OTHER FINANCING USES				
Transfers Out	<u>(95,000)</u>	<u>(95,000)</u>	<u>(696,626)</u>	<u>(601,626)</u>
NET CHANGE IN FUND BALANCE	1,933,350	(104,219)	(19,575)	84,644
Fund Balance - Beginning of Year	<u>15,577,170</u>	<u>15,577,170</u>	<u>15,806,978</u>	<u>229,808</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,510,520</u>	<u>\$ 15,472,951</u>	<u>\$ 15,787,403</u>	<u>\$ 314,452</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
REVENUES				
State	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Supporting Services:				
Purchased Services	23,000	23,000	125,228	(102,228)
Capital Expenditures	272,000	496,216	253,226	242,990
Total Expenditures	<u>295,000</u>	<u>519,216</u>	<u>378,454</u>	<u>140,762</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(295,000)	(519,216)	(378,454)	140,762
OTHER FINANCING SOURCES				
Transfers In	400,000	400,000	400,000	-
Total Other Financing Sources	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	105,000	(119,216)	21,546	140,762
Fund Balance - Beginning of Year	1,093,994	1,093,994	1,310,522	216,528
FUND BALANCE - END OF YEAR	<u>\$ 1,198,994</u>	<u>\$ 974,778</u>	<u>\$ 1,332,068</u>	<u>\$ 357,290</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
REVENUES				
Charges for Services	\$ 2,500	\$ 4,000	\$ 3,509	\$ (491)
Earnings on Investment	-	-	8	8
State Sources	30,000	780,000	335,724	(444,276)
Federal Sources	1,856,402	1,054,765	1,226,766	172,001
Total Revenues	<u>1,888,902</u>	<u>1,838,765</u>	<u>1,566,007</u>	<u>(272,758)</u>
EXPENDITURES				
Food Service Operations	<u>1,940,980</u>	<u>1,940,979</u>	<u>1,581,272</u>	<u>359,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,078)	(102,214)	(15,265)	86,949
OTHER FINANCING SOURCES				
Transfers In	<u>52,077</u>	<u>102,214</u>	<u>55,000</u>	<u>(47,214)</u>
NET CHANGES IN FUND BALANCES	(1)	-	39,735	39,735
Fund Balance - Beginning of Year	<u>319,655</u>	<u>319,655</u>	<u>382,733</u>	<u>63,078</u>
FUND BALANCE - END OF YEAR	<u>\$ 319,654</u>	<u>\$ 319,655</u>	<u>\$ 422,468</u>	<u>\$ 102,813</u>

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
REVENUES				
Local	\$ -	\$ -	\$ 5,500	\$ 5,500
Charges for Services	255,500	255,500	280,604	25,104
Earnings on Investments	-	-	73	73
Total Revenues	<u>255,500</u>	<u>255,500</u>	<u>286,177</u>	<u>30,677</u>
EXPENDITURES				
Current:				
Instruction	<u>255,500</u>	<u>255,500</u>	<u>282,059</u>	<u>(26,559)</u>
Total Expenditures	<u>255,500</u>	<u>255,500</u>	<u>282,059</u>	<u>(26,559)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>4,118</u>	<u>4,118</u>
NET CHANGES IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>4,118</u>	<u>4,118</u>
Fund Balance - Beginning of Year	<u>310,003</u>	<u>310,003</u>	<u>314,488</u>	<u>4,485</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 310,003</u></u>	<u><u>\$ 310,003</u></u>	<u><u>\$ 318,606</u></u>	<u><u>\$ 8,603</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-8
BUDGETARY COMPARISON SCHEDULE
CUSTODIAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ Negative
	Original	Final		
ADDITIONS				
Earnings on Investments	\$ 15	\$ 15	\$ 99	\$ 84
DEDUCTIONS				
Scholarships and Awards	5,500	5,500	2,010	3,490
CHANGE IN NET POSITION	(5,485)	(5,485)	(1,911)	3,574
Net Position - Beginning of Year	8,694	8,694	8,738	44
NET POSITION - END OF YEAR	<u>\$ 3,209</u>	<u>\$ 3,209</u>	<u>\$ 6,827</u>	<u>\$ 3,618</u>

REPORTS TO GOVERNMENTAL AGENCIES



Colorado Department of Education
Auditors Integrity Report
 District: 3140 - Weld Re-8 Schools
 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	14,619,979	34,694,075	37,184,920	12,129,134
18 Risk Mgmt Sub-Fund of General Fund	552,642	0	0	552,642
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	15,172,620	34,694,075	37,184,920	12,681,776
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	382,733	1,621,006	1,581,272	422,467
22 Govt Designated-Purpose Grants Fund	-60	2,851,569	2,851,569	-61
23 Pupil Activity Special Revenue Fund	314,487	286,177	282,058	318,605
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	15,806,979	4,629,188	4,648,763	15,787,404
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,310,522	400,000	378,453	1,332,068
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	32,987,281	44,482,014	46,927,035	30,542,260
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	8,737	100	2,010	6,826
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	8,737	100	2,010	6,826

DRAFT



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

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

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

Report on Internal Control Over Financial Reporting

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

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

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

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025 – 002 and 2025 – 003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025 – 001 to be a significant deficiency.

Report on Compliance and Other Matters

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

The District’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District’s responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



CliftonLarsonAllen LLP

Denver, Colorado
December 3, 2025

**WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

2025 – 001 Property and Specific Ownership Tax Revenue Reconciliation

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

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

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

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

- General Fund – an adjustment to increase property tax revenue by \$272,032, increase property tax accounts receivable by \$301,603, and increase deferred inflows of resources related to property taxes by \$29,571. For specific ownership, there was a net adjustment of \$1,369 to decrease specific ownership tax revenue and related accounts receivable.
- Bond Redemption Fund – an adjustment to increase property tax revenue by \$84,455, increase property tax accounts receivable by \$108,397, and an increase to deferred inflows of resources related to property taxes by \$23,942.

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

Repeat Finding: This finding is a repeat of prior year findings 2024-001 & 2023-001.

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

2025 – 002 Grant Revenue Reconciliation

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: There was insufficient accounting and reconciliation of the grants fund and schedule of expenditures of federal awards.

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

Effect: Unearned revenue was not fully reconciled, thus there was an adjustment to decrease unearned revenue and increase revenue for \$130,730. Additionally, the initial schedule of expenditures of federal awards was incomplete compared to federal revenues and expenditures in the grant and food service funds.

Cause: Lack of established procedures to review and reconcile the grants fund and schedule of expenditures of federal awards.

Repeat Finding: This finding is a repeat of prior year finding number 2024-002.

Recommendation: We recommend the District establish procedures to routinely review and reconcile the grants fund by individual grant by trial balance category, including assets, liabilities, revenues, and expenditures. Reconciling the trial balance to the schedule of expenditures of federal awards to make the necessary adjustments in a timely manner after the end of the fiscal year should be incorporated in this process.

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

**WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

2025 – 003 Financial Close and Reporting

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

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

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

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

- Adjusting entry posted to reduce interest earnings and expenditures in the General Fund by \$696,626 as interest earnings were already recorded in the Bond Redemption Fund. This adjustment did not impact fund balance but rather reclassified the transaction as a transfer in to the General Fund and a transfer out of the Bond Redemption Fund.
- Adjusting entry totaling \$243,450 posted to increase accounts payable and expenditures. \$224,416 of the adjustment was posted to the Capital Reserve Fund and \$19,034 was posted to the General Fund.
- Cash and accounts payable were not properly reconciled to the trial balance, which required adjustments. The year-end accounts payable and cash balances were understated by \$123,473 for several vouchers that were initiated in July but reflected as outstanding checks in the June bank reconciliation. This also resulted in an adjustment of \$39,289 to correct interfund balances.
- Two adjustments posted to increase accounts receivable and revenue totaling \$31,858 in the General Fund.
- Adjusting journal entry for \$242,352 posted to reclassify restricted fund balance for TABOR.
- Two adjustments posted to reclassify principal and interest expenditures in the General Fund and Bond Redemption Fund based on expenditures for the District’s general obligation debt and lease liabilities.

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

Repeat Finding: This finding is a repeat of prior year finding number 2024-003.

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

**WELD COUNTY SCHOOL DISTRICT RE-8
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

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

**WELD COUNTY SCHOOL DISTRICT RE-8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

Department of Education

Weld County School District RE-8 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2025.

Audit period: July 1, 2024 through June 30, 2025

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

FINDINGS—FINANCIAL STATEMENT AUDIT

2024 – 001 Property and Specific Ownership Tax Revenue Reconciliation

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

Status: See current year finding 2025-001.

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

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

2024 – 002 Grant Revenue Reconciliation

Condition: This finding was a material weakness due to insufficient accounting and reconciliations over the Grants Fund.

Status: See current year finding 2025-002.

Reason for finding's recurrence: Lack of established procedures to review and reconcile the grants fund, to include asset and liability accounts, in a timely manner.

Corrective Action: Management will ensure that district personnel will establish procedures to routinely review and reconcile the grants fund and to make necessary adjustments in a timely manner after the end of the fiscal year.

2024 – 003 Financial Close and Reporting

Condition: This finding was a material weakness due to insufficient internal controls over financial close and reporting.

Status: See current year finding 2025-003.

Reason for finding's recurrence: Lack of sufficient procedures to reconcile each fund, including analysis of balance sheet accounts, in a timely manner.

**WELD COUNTY SCHOOL DISTRICT RE-8
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

Corrective Action: Management will ensure that district personnel will establish procedures to reconcile and close the fiscal year to allow for timely preparation of the financial statements and compliance with bond requirements.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.