

Weld County School District RE-9
Ault, Colorado

Financial Statements

For the Year Ended June 30, 2025

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Independent Auditors' Report

Board of Education
Weld County School District RE-9
Ault, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-9 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension and other post-employment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

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

Supplementary Information

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

Other Information

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 13, 2025

WELD COUNTY SCHOOL DISTRICT RE-9
Management's Discussion and Analysis
June 30, 2025

The discussion and analysis of Weld County School District RE-9's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The fund balance for Governmental Funds increased by \$102,411,373 for the 2025 fiscal year.

Outlays for capital assets included various district improvements and purchases. The transportation department saw purchases for a new route bus, a new small bus, and an air compressor. The maintenance department included purchases for a new grounds truck with a maxey lift gate, a snowplow attachment, a golf utility cart, a new welder, and a floor scrubber with an extractor attachment. The high school received upgraded door security and PA systems as well as the Ag department receiving new welders. The district purchased a new baseball scoreboard, entered a new contract for districtwide copy machines, and purchased 145 acres of land in Pierce. The District increased its principal long-term debt by \$87,190,000 for general obligation bonds and \$37,022 for leased business equipment.

The funded student count decreased in 2025 to 985.5 from 989.2 from fiscal year 2024.

The District's fund balance continues to remain sufficient to accommodate cash flow needs.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

As of June 30, 2025, the District’s total net position was \$29,465,364. The total net position of the District increased from the previous year by \$11,093,114 with the PERA Net Pension Liability decreasing by \$1,359,183 for a total PERA Net Pension Liability of \$15,076,084 and an increase to Capital Assets being depreciated.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District’s net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is made up of Governmental Activities:

Governmental Activities – The District’s programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

A condensed summary of the District’s net position is as follows:

**Table 1
NET POSITION**

	2025	2024
Current and other assets	\$ 121,235,728	\$ 18,369,517
Capital assets	<u>26,953,145</u>	<u>21,866,194</u>
Total assets	148,188,873	40,235,711
Deferred outflows of resources	2,978,029	4,025,492
Long-term liabilities	117,997,666	23,029,577
Other liabilities	<u>2,563,989</u>	<u>1,788,098</u>
Total liabilities	120,561,655	24,817,675
Deferred inflows of resources	1,139,883	1,071,278
Net position		
Net investment in capital assets	8,348,555	15,838,027
Restricted	7,442,079	2,690,551
Unrestricted (deficit)	<u>13,674,730</u>	<u>(156,328)</u>
Total net position	<u>\$ 29,465,364</u>	<u>\$ 18,372,250</u>

Most of the District’s net position is invested in capital assets (buildings, land, equipment and vehicles). The remaining unrestricted net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside for the repayment of debt, or set aside as required by Colorado statutes for emergencies.

A condensed Statement of Activities and Changes in Net Position is as follows:

**Table 2
CHANGES IN NET POSITION**

	2025	2024
Program revenues		
Charges for services	\$ 55,763	\$ 189,515
Operating grants	1,531,317	1,392,344
Capital grants	-	-
General revenues		
Taxes	23,009,799	13,869,155
State equalization	-	-
Earnings on investments	2,113,062	618,718
Sale of assets	10,450	-
Other	992,924	1,607,747
Total revenues	27,713,315	17,677,479
Expenses		
Instruction	7,652,417	7,754,043
Supporting services	6,165,291	5,770,903
Unallocated depreciation	694,558	683,169
Interest on long-term debt	2,107,935	153,154
Total expenses	16,620,201	14,361,269
Change in net position	11,093,114	3,316,210
Net position at beginning of year	18,372,250	15,056,040
Net position at end of year	\$ 29,465,364	\$ 18,372,250

The major source of the District’s revenue is from local property taxes. The District received \$12,051 per funded pupil. Overall, the District’s revenue exceeded expenses for the governmental activities of the year.

Reporting the District’s Most Significant Funds

The analysis of the District’s major funds begins on page 16. Fund financial reports provide detailed information about the District’s major funds. The District’s major funds are the General, Bond Redemption and Building Funds.

Governmental Funds.

Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Projects, Food Service, Pupil Activity, Bond Redemption and Building Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Total Program Reserve Fund accounts for the revenues from a specific tax levy pursuant to Section 22-54-107(5) C.R.S. The Food Service Fund accounts for financial transactions related to the food service operations. The Pupil Activity Fund accounts for financial transactions related to school-sponsored pupil organizations and activities. The Capital Projects Fund accounts for the District's funding for capital needs. The Bond Redemption Fund accounts for the repayment of the District's general obligation debt. The Building fund accounts for the bond proceeds and related revenue and the construction costs.

Fund Financial Statements

As of June 30, 2025, the District's governmental funds reported a combined fund balance of \$118,964,547. The following is additional information, by fund, which contributed to the total.

General Fund showed an increase to fund balance of \$3,967,227. Information regarding the District's General Fund is shown below. The District also has six other governmental funds, the Capital Projects Fund, the Bond Redemption Fund, the Total Program Reserve Fund, the Food Service Fund, the Pupil Activity Fund and the Building.

The Bond Redemption Fund showed an increase of \$5,114,626 in ending fund balance to \$6,336,276.

The Building Fund showed an increase of \$93,793,215 in fund balance to \$93,793,215.

The Capital Reserve Capital Projects Fund showed a decrease of \$389,943 in fund balance to \$268,908 which was due to purchasing land for future development.

The 2025 Capital Projects Fund balance will be held in reserve to use for future student transportation fleet upgrades.

The District's Total Program Reserve Fund showed a \$88,583 decrease in fund balance to \$78,746.

The District's Food Service Fund showed a \$15,054 decrease in fund balance to \$204,125.

The District's Pupil Activity Fund showed a \$29,885 increase in fund balance to \$274,578.

Capital Assets

As of June 30, 2025, the District had \$26,953,145 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. This amount represents an increase (including additions, deletions, and depreciation) of \$5,086,951 from last year. A summary of the District's Capital Assets is as follows:

Capital assets, not being depreciated	
Land	\$ 1,419,286
Construction in progress	<u>4,281,348</u>
Total capital assets, not being depreciated	5,700,634
Capital assets, being depreciated	
Land improvements	4,595,108
Buildings and improvements	24,878,649
Food service equipment	141,554
Equipment	1,029,783
Transportation equipment	2,025,054
Leased equipment	<u>51,037</u>
Total capital assets, being depreciated	<u>32,721,185</u>
Total capital assets	38,421,819
Less accumulated depreciation	
Land improvements	(1,973,078)
Buildings and improvements	(7,721,760)
Food service equipment	(87,399)
Equipment	(522,783)
Transportation equipment	(1,157,700)
Leased equipment	<u>(5,954)</u>
Total accumulated depreciation	<u>(11,468,674)</u>
Capital assets, net	<u>\$ 26,953,145</u>

Debt Administration

As of June 30, 2025, the District had total outstanding long-term debt as follows:

Compensated absences	\$ 420,847
Lease payable	45,933
Bonds payable	92,565,000
Bond premium	<u>9,622,310</u>
Total	<u>\$ 102,654,090</u>

The financed purchases represent extended obligations for the purchase of copier equipment, the bonds payable were utilized for building improvements, and the accrued compensated absences represent the liability for earned but unused sick leave and severance pay. Additional information related to the District's debt can be found in Note G to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes may be made prior to January 31st. The majority of changes from the original budget, which is adopted by June 30th, and the final January budget is mainly due to the student count and state equalization funding, actual teachers' contracts, any special needs of students that may impact the budget and final grant allocations.

Economic Factors and Next Year's Budget

Student enrollment is a major factor in funding. Enrollment is calculated using the higher count of either current or an average of previous years, which is being phased out. The student count has decreased from 974 students in 2024 to 958 in October 2025.

The District's preliminary assessed valuation for 2025 decreased to \$663,862,350. Successful tax collections at the local level and responsible spending practices have resulted in an acceptable general fund balance. Interest earnings on investments have also contributed to the increase in the general fund balance.

The District continues to work on ways to increase salaries for faculty and staff in an effort to attract and retain high quality teachers for our students. The Board of Education has approved financial bonuses for teacher retention and has awarded funds for the Snow Hook Scholarship Program.

The student transportation department continues to replace outdated vehicles with new vehicles to improve safety. It is likely the District will purchase one additional bus during the fiscal year.

Weld Re-9 has benefitted from oil and gas production on district owned property. While additional revenue is anticipated, the amount is unknown and will not be relied upon as a consistent source.

Anticipated improvements include new boilers at the middle school and continued improvements to the grounds and facilities as needed throughout the year.

Weld Re-9 successfully passed an \$88 million dollar bond in 2024. These funds will be used to construct a new K-8 school on existing land that the District owns in Ault. The District will be purchasing additional water shares to accommodate the new school. Any additional bond funds will be used for District updates as the Board of Education sees fit, which include an enhanced CTE program at the high school.

In summary, Weld Re-9 has remained in stable financial condition.

Requests for Information

This financial report is designed to provide a general overview of Weld County School District RE-9's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Weld County School District RE-9, Box 1390, Ault Colorado, 80610.

Basic Financial Statements

The basic financial statements of the District include the following:

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash	\$ 2,996,551
Cash with fiscal agent	203,387
Investments	117,554,288
Receivables	476,230
Inventory	5,272
Capital assets, net of depreciation	26,953,145
Total assets	<u>148,188,873</u>
Deferred outflows of resources	
Pension benefit deferrals	2,929,386
Other post-employment benefit deferrals	48,643
Total deferred outflows of resources	<u>2,978,029</u>
Total assets and deferred outflows of resources	<u><u>\$ 151,166,902</u></u>
Liabilities	
Accounts payable	\$ 869,966
Accrued salaries and benefits	1,202,253
Unearned grant revenue	89,476
Unearned revenue	6,958
Accrued interest	395,336
Noncurrent liabilities	
Due within one year	3,886,725
Due in more than one year	98,767,365
Net pension liability	15,076,084
Net OPEB liability	267,492
Total liabilities	<u>120,561,655</u>
Deferred inflows of resources	
Pension benefit deferrals	992,052
Other post-employment benefit deferrals	147,831
Total deferred inflows of resources	<u>1,139,883</u>
Net position	
Net investment in capital assets	8,348,555
Restricted for:	
Emergencies	840,000
Universal preschool	61,678
Debt service	6,336,276
Food service	204,125
Unrestricted	13,674,730
Total net position	<u>29,465,364</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 151,166,902</u></u>

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

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WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 7,652,417	\$ 1,000	\$ 596,172	
Supporting services				
Students	378,630		1,444	
Instructional staff	484,636		35,692	
General administration	338,460			
School administration	875,791			
Business services	372,093		2,000	
Operations and maintenance	1,774,448		192,446	
Student transportation	905,422	25,522	1	
Central support services	76,952			
Other support services	195,323			
Food service operations	763,536	29,241	703,562	
Unallocated depreciation *	694,558			
Interest and fiscal charges	2,107,935			
Total governmental activities	<u>\$ 16,620,201</u>	<u>\$ 55,763</u>	<u>\$ 1,531,317</u>	<u>\$ -</u>

General revenues

Taxes

Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for total program reserve
Specific ownership taxes
Delinquent taxes, interest and abatements

Earnings on investments

Sale of assets

Other

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

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

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

Net (Expenses)
Revenues and
Changes in
Net Position

Total
Governmental
Activities

\$ (7,055,245)

(377,186)
(448,944)
(338,460)
(875,791)
(370,093)
(1,582,002)
(879,899)
(76,952)
(195,323)
(30,733)
(694,558)
(2,107,935)

(15,033,121)

12,863,655
7,348,879
2,052,789
730,636
13,840
2,113,062
10,450
992,924

26,126,235

11,093,114

18,372,250

\$ 29,465,364

WELD COUNTY SCHOOL DISTRICT RE-9
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
Assets				
Cash	\$ 2,541,643			\$ 454,908
Cash with fiscal agent	144,636	\$ 39,994		18,757
Investments	16,535,243	6,287,084	\$ 94,418,473	313,488
Property taxes receivable	151,427	92,661		25,888
Due from other funds	46,406			3,183
Grants receivable	92,881			55,560
Other receivables	57,743			70
Inventory				5,272
Total assets	\$ 19,569,979	\$ 6,419,739	\$ 94,418,473	\$ 877,126
Liabilities				
Due to other funds	\$ 3,183	\$ 46,406		
Accounts payable	244,708		\$ 625,258	
Accrued salaries and benefits	1,169,195			\$ 33,058
Unearned grant revenues	89,202			274
Total liabilities	1,506,288	46,406	625,258	33,332
Deferred inflows of resources				
Deferred property tax revenues	54,992	37,057		10,479
Unearned revenues				6,958
Total deferred inflows of resources	54,992	37,057	-	17,437
Fund balance				
Nonspendable inventory				5,272
Restricted for emergencies	840,000			
Restricted for universal preschool	61,678			
Restricted for capital outlays			93,793,215	
Restricted for debt service		6,336,276		
Restricted to food service				198,853
Committed to pupil activities				274,578
Assigned to total program reserve				78,746
Assigned to insurance costs	119,697			
Assigned to capital projects				268,908
Unassigned	16,987,324			
Total fund balance	18,008,699	6,336,276	93,793,215	826,357
Total liabilities, deferred inflows of resources and fund balance	\$ 19,569,979	\$ 6,419,739	\$ 94,418,473	\$ 877,126

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

WELD COUNTY SCHOOL DISTRICT RE-9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

	Total Governmental Funds		
		Amounts reported for governmental activities in the statement of net position are different because:	
\$ 2,996,551			
203,387			
117,554,288		Total fund balance - governmental funds	\$ 118,964,547
269,976			
49,589		Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	26,953,145
148,441			
57,813		Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.	102,528
5,272			
\$ 121,285,317			
\$ 49,589		Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(395,336)
869,966			
1,202,253		Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	2,978,029
89,476			
2,211,284			
102,528		Long-term liabilities, including bonds payable, lease payables, net pension and OPEB liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(117,997,666)
6,958			
109,486			
5,272		Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	(1,139,883)
840,000			
61,678		Net position of the governmental activities	\$ 29,465,364
93,793,215			
6,336,276			
198,853			
274,578			
78,746			
119,697			
268,908			
16,987,324			
118,964,547			
\$ 121,285,317			

WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
Revenues				
Local sources	\$ 14,255,250	\$ 7,324,672	\$ 1,427,470	\$ 2,692,168
Intermediate sources	453,530			
State sources	409,350			216,100
Federal sources	248,811			487,462
Total revenues	15,366,941	7,324,672	1,427,470	3,395,730
Expenditures				
Instruction	7,070,280			483,035
Supporting services	5,635,539			752,967
Capital outlay	64,460		4,281,348	1,289,709
Debt service				
Principal retirement		810,000		14,015
Interest and fiscal charges		1,400,046		171
Debt issuance costs			563,500	
Total expenditures	12,770,279	2,210,046	4,844,848	2,539,897
Excess of revenues over (under) expenditures	2,596,662	5,114,626	(3,417,378)	855,833
Other financing sources (uses)				
Lease proceeds				51,037
Proceeds from bond issuance			88,000,000	
Premium on bonds			9,210,593	
Transfers in	2,200,000			829,435
Transfers out	(829,435)			(2,200,000)
Total other financing sources (uses)	1,370,565	-	97,210,593	(1,319,528)
Net change in fund balances	3,967,227	5,114,626	93,793,215	(463,695)
Fund balance at beginning of year	14,041,472	1,221,650	-	1,290,052
Fund balance at end of year	\$ 18,008,699	\$ 6,336,276	\$ 93,793,215	\$ 826,357

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

WELD COUNTY SCHOOL DISTRICT RE-9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Total Governmental Funds			
\$ 25,699,560	<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Net change in fund balances - governmental funds</p> <p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.</p> <p>Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered to be "available" revenues in the governmental funds and are, instead, counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.</p> <p>In the statement of activities, certain expenses related to the pension and OPEB liabilities and related deferred outflows and inflows, compensated absences, interest, and amortization are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).</p> <p>Bond proceeds and premiums, as well as lease proceeds, are reported as revenues in the governmental funds, however, they are reported as long-term liabilities in the statement of net position.</p> <p>Repayment of principal on general obligation bonds and lease obligations are expenditures in the governmental funds, but the repayment reduces the long-term liability in the statement of net position.</p> <p>Change in net position of governmental activities</p>		
453,530			
625,450			
736,273			
27,514,813			\$ 102,411,373
7,553,315			
6,388,506			
5,635,517			5,086,951
824,015			
1,400,217			
563,500			
22,365,070			55,704
5,149,743			
51,037			
88,000,000			
9,210,593		(23,299)	
3,029,435			
(3,029,435)			
97,261,630		(97,261,630)	
102,411,373			
16,553,174			
\$ 118,964,547		824,015	
		\$ 11,093,114	

WELD COUNTY SCHOOL DISTRICT RE-9

Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Weld County School District RE-9's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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

A.1 – Reporting entity

The Weld County School District RE-9 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

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

A.2 – Fund accounting

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

The following are the District's nonmajor governmental funds:

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

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

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

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

Note A.3 – Basis of presentation

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

A.4 – Basis of accounting

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

A.5 – Encumbrances

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

A.6 – Short-term interfund receivables/payables

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

A.7 – Inventories

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

A.8 – Capital assets

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	20 years
Buildings and improvements	10-50 years
Food service equipment	8-15 years
Equipment	5-20 years
Transportation equipment	6-15 years

A.9 – Compensated absences

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

A.10 – Accrued liabilities and long-term obligations

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

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

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

A.11 – Leases

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

Lease assets represent the District's control of the right to use an underlying 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 of 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.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The District recognizes payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and the leases are not included as lease liabilities or right-to-use lease assets in the statement of net position.

A.12 – Fund balance

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

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

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.13 – Net Position

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

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

A.14 – Interfund transactions

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

A.15 – Extraordinary and special items

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

Note B – Cash and investments

Cash and deposits

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note B – Cash and investments (Continued)

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$5,436,793, of which \$250,000 was insured and \$5,186,793 was collateralized with securities held by the pledging institution’s trust department or agent but not in the District’s name.

Investments

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

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

During the year, the District invested in Colotrust (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 \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2025, the District had invested \$117,554,288 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note B – Cash and investments (Continued)

As of June 30, 2025, the District had invested in COLOTRUST PLUS+.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	<u>\$117,554,288</u>	<u>\$117,554,288</u>	<u>\$ -</u>	<u>\$ -</u>

The investments in Colotrust are maintained in the General, Total Program Reserve, Insurance Reserve, Bond Redemption, Building and Capital Reserve Capital Projects Funds.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colotrust was rated AAAM by Standard and Poor’s.

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 269,976
Grants receivable	148,441
Other receivables	<u>57,813</u>
Total	<u>\$ 476,230</u>

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note D – Interfund transactions

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ 46,406	\$ 3,183
Bond Redemption Fund	-	46,406
Other Governmental Funds	<u>3,183</u>	<u>-</u>
Total	<u>\$ 49,589</u>	<u>\$ 49,589</u>

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

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ 2,200,000	\$ 829,435
Other governmental funds	<u>829,435</u>	<u>2,200,000</u>
Total	<u>\$ 3,029,435</u>	<u>\$ 3,029,435</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of \$2,200,000 from the Other Governmental Funds to the General Fund in accordance with C.R.S. Section 22-45-103(k) as well as \$829,435 from the General Fund to the Other Governmental Funds for capital expenses.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 455,977	\$ 963,309	\$ -	\$ 1,419,286
Construction in progress	-	4,281,348	-	4,281,348
Total capital assets, not being depreciated	455,977	5,244,657	-	5,700,634
Capital assets, being depreciated:				
Land improvements	4,569,055	26,053	-	4,595,108
Buildings and improvements	24,692,513	186,136	-	24,878,649
Food service equipment	141,554	-	-	141,554
Equipment	833,216	196,567	-	1,029,783
Transportation equipment	1,964,109	280,503	(219,558)	2,025,054
Leased equipment	-	51,037	-	51,037
Total capital assets, being depreciated	<u>32,200,447</u>	<u>740,296</u>	<u>(219,558)</u>	<u>32,721,185</u>
Total capital assets	32,656,424	5,984,953	(219,558)	38,421,819
Less accumulated depreciation for:				
Land improvements	(1,769,153)	(203,925)	-	(1,973,078)
Buildings and improvements	(7,231,126)	(490,634)	-	(7,721,760)
Food service equipment	(71,746)	(15,653)	-	(87,399)
Equipment	(458,784)	(63,999)	-	(522,783)
Transportation equipment	(1,259,421)	(117,837)	219,558	(1,157,700)
Leased equipment	-	(5,954)	-	(5,954)
Total accumulated depreciation	<u>(10,790,230)</u>	<u>(898,002)</u>	<u>219,558</u>	<u>(11,468,674)</u>
Governmental activities capital assets, net	<u>\$ 21,866,194</u>	<u>\$ 5,086,951</u>	<u>\$ -</u>	<u>\$ 26,953,145</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	\$ 14,707
Operations and maintenance	42,318
Student transportation	118,054
Central supporting services	12,712
Food services	15,653
Unallocated	<u>694,558</u>
 Total depreciation expense	 <u>\$ 898,002</u>

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$1,202,253. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

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

	<u>Beginning</u> <u>Balances</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Reductions/</u> <u>Adjustments</u>	<u>Ending</u> <u>Balances</u>	<u>Due within</u> <u>one year</u>
Governmental activities					
Compensated absences	\$ 169,297	\$ 251,550*	\$ -	\$ 420,847	\$ 201,518
Financed purchases	8,911	-	(8,911)	-	-
Lease payable	-	51,037	(5,104)	45,933	10,207
Bonds payable	5,375,000	88,000,000	(810,000)	92,565,000	3,675,000
Bond premium	<u>644,256</u>	<u>9,210,593</u>	<u>(232,539)</u>	<u>9,622,310</u>	<u>-</u>
Total	<u>\$ 6,197,464</u>	<u>\$ 97,513,180</u>	<u>\$ (1,056,554)</u>	<u>\$102,654,090</u>	<u>\$ 3,886,725</u>

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

Payments on the lease and bonds payable are made in the Capital Reserve Capital Projects and Bond Redemption Funds, respectively.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note G – Long-term debt (Continued)

Lease payable

Office equipment obligation – In December 2024, the District entered into a 60-month lease as lessee for nine copy machines. An initial lease liability was recorded at \$51,037. As of year-end, the lease liability is \$45,933. The District is required to make fixed monthly payments of \$851, plus additional output and toner fees. The lease has 0% interest. The agreement allows the District to purchase the equipment at the end of the lease.

Bonds payable

General obligation bonds payable consist of the following individual issues:

\$8,500,000 general obligation bonds, dated December 10, 2014, due in annual installments beginning in fiscal year 2016 ranging from \$265,000 to \$780,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1 st and December 1 st .	\$ 3,595,000
\$2,200,000 general obligation bonds, dated January 14, 2015, due in annual installments ranging from \$80,000 to \$210,000; varying annual interest rates ranging from 2.00% to 5.00%, payable semi-annually on December 1 st and June 1 st .	970,000
\$88,000,000 general obligation bonds, dated February 27, 2025, due in annual installments ranging from \$1,890,000 to \$5,985,000; varying annual interest rates ranging from 5.00% to 5.25%, payable semi-annually on December 1 st and June 1 st .	<u>88,000,000</u>
Total general obligation bonds	<u>\$ 92,565,000</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note G – Long-term debt (Continued)

The following schedule represents the District’s debt service requirements to maturity for the outstanding long-term debt at year-end:

Year Ending June 30,	<u>Lease Payable</u>		<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 10,207	\$ -	\$ 3,675,000	\$ 4,656,363
2027	10,207	-	2,765,000	4,503,013
2028	10,207	-	2,895,000	4,368,538
2029	10,207	-	3,035,000	4,227,588
2030	5,105	-	3,180,000	4,079,837
2031-2035	-	-	12,690,000	18,496,937
2036-2040	-	-	16,250,000	14,835,462
2041-2045	-	-	20,980,000	9,978,412
2046-2050	-	-	27,095,000	3,701,381
Totals	<u>\$ 45,933</u>	<u>\$ -</u>	<u>\$92,565,000</u>	<u>\$68,847,531</u>

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,424,673 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.

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

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

At year end, the District reported a liability of \$15,076,084 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 15,076,084
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>1,354,072</u>
Total	<u>\$ 16,430,156</u>

At December 31, 2024, the District's proportion was 0.0874%, which was a decrease of 0.0055% from its proportion measured as of December 31, 2023.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$1,416,487 and revenue of \$123,586 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 878,732	\$ -
Changes of assumptions or other inputs	113,027	-
Net difference between projected and actual earnings on pension plan investments	-	177,263
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,219,123	814,789
Contributions subsequent to the measurement date	<u>718,504</u>	<u>-</u>
Total	<u>\$ 2,929,386</u>	<u>\$ 992,052</u>

\$718,504 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ 1,071,219
2027	892,302
2028	(541,828)
2029	<u>(202,863)</u>
Totals	<u>\$ 1,218,830</u>

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

- 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%.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (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 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 20,439,676</u>	<u>\$ 15,076,084</u>	<u>\$ 10,583,326</u>

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

Payables to the pension plan

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

Subsequent events

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

Note I – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note I – Defined contribution pension plan (Continued)

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed \$117,138 for the PERAPlus 401(k) Plan.

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$71,303 for the year ended June 30, 2025.

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

At year-end, the District reported a liability of \$267,492 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.0559%, which was an increase of 0.0003% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(26,595). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 58,735
Changes of assumptions or other inputs	3,075	85,243
Net difference between projected and actual earnings on OPEB plan investments	739	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,869	3,853
Contributions subsequent to the measurement date	<u>35,960</u>	<u>-</u>
Total	<u>\$ 48,643</u>	<u>\$ 147,831</u>

\$35,960 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (38,127)
2027	(23,069)
2028	(33,153)
2029	(19,959)
2030	(13,497)
2031	<u>(7,343)</u>
Total	<u>\$ (135,148)</u>

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

<u>Year</u>	<u>PERACare Medicare Plans¹</u>	<u>MAPD PPO #2</u>	<u>Medicare Part A Premiums</u>
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PP #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 260,285	\$ 267,492	\$ 275,649

¹For the January 1, 2025, plan year.

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ <u>327,816</u>	\$ <u>267,492</u>	\$ <u>215,486</u>

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

Payables to the OPEB plan

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

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool’s objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District’s contribution for the year was \$259,668. The District continues to carry commercial insurance for all other risks of loss, including workers’ compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer’s Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR’s language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$840,000 for the emergency reserve.

Federal and state funding

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

Local Government Budget Law

Expenditures in the Total Program Reserve Fund exceeded appropriations by \$3,584 and may be in violation of Colorado Local Government Budget Laws.

Note M – Joint venture

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note M – Joint venture (Continued)

- has absolute authority over all funds and fiscal responsibility, including budgetary responsibility, and reporting to state agencies and controls fiscal management.

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

For the year, the District's financial contribution to the BOCES was \$25,504.

Note N – Construction commitments

The District began various projects to construct a new K-8 school facility, renovation of existing buildings, demolition of the elementary school and, to the extent funds are available, acquire, construct, remove, repair, equip and improve capital assets during the 2024-25 school year at an estimated cost of \$80,000,000, funded fully with local bond funds. At year-end, the District had approximately \$83,718,652 in uncompleted construction contracts, which will be paid from the remaining local bond funds.

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Required Supplementary Information

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 12,579,280	\$ 13,598,441	\$ 14,255,250	\$ 656,809
Intermediate sources	283,055	359,430	453,530	94,100
State sources	1,541,208	641,236	409,350	(231,886)
Federal sources	256,168	332,301	248,811	(83,490)
Total revenues	14,659,711	14,931,408	15,366,941	435,533
Expenditures				
Instruction	8,346,006	7,960,059	7,070,280	889,779
Supporting services	6,827,871	7,311,672	5,635,539	1,676,133
Capital outlay	621,000	463,002	64,460	398,542
Reserve for contingency	11,487,707	14,496,629		14,496,629
Total expenditures	27,282,584	30,231,362	12,770,279	17,461,083
Excess of revenues over (under) expenditures	(12,622,873)	(15,299,954)	2,596,662	17,896,616
Other financing sources (uses)				
Transfers in	169,942	2,087,917	2,200,000	112,083
Transfers out	(829,435)	(829,435)	(829,435)	-
Total other financing sources (uses)	(659,493)	1,258,482	1,370,565	112,083
Net change in fund balance	\$ (13,282,366)	\$(14,041,472)	3,967,227	\$ 18,008,699
Fund balance at beginning of year			14,041,472	
Fund balance at end of year			<u>\$ 18,008,699</u>	

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WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA's School Division Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
District's proportion of the net pension liability	0.0874%	0.0929%	0.0730%	0.0859%
District's proportionate share of the net pension liability	\$ 15,076,084	\$ 16,435,267	\$ 13,283,820	\$ 9,997,650
State's proportionate share of the net pension liability	<u>1,354,072</u>	<u>360,377</u>	<u>3,871,039</u>	<u>1,146,103</u>
Total	<u>\$ 16,430,156</u>	<u>\$ 16,795,644</u>	<u>\$ 17,154,859</u>	<u>\$ 11,143,753</u>
District's covered payroll	\$ 6,751,697	\$ 6,144,281	\$ 5,626,485	\$ 5,369,096
District's proportionate share of the net pension liability as a percentage of its covered payroll	223.29%	267.49%	236.09%	186.21%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%

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

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
0.0957%	0.0835%	0.0839%	0.0959%	0.0960%	0.0948%
\$ 14,470,083	\$ 12,467,562	\$ 14,847,767	\$ 31,022,516	\$ 28,678,529	\$ 14,498,600
-	1,581,352	2,030,226	-	-	-
<u>\$ 14,470,083</u>	<u>\$ 14,048,914</u>	<u>\$ 16,877,993</u>	<u>\$ 31,022,516</u>	<u>\$ 28,678,529</u>	<u>\$ 14,498,600</u>
\$ 5,119,411	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446	\$ 4,323,065	\$ 4,131,251
282.65%	254.25%	322.09%	701.00%	663.38%	350.95%
66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of District Contributions
PERA's School Division Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 1,424,673	\$ 1,316,654	\$ 1,184,640	\$ 1,091,569
Contributions in relation to the contractually required contribution	<u>(1,424,673)</u>	<u>(1,316,654)</u>	<u>(1,184,640)</u>	<u>(1,091,569)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,990,530	\$ 6,460,505	\$ 5,812,744	\$ 5,490,761
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
\$ 1,034,106	\$ 982,777	\$ 905,579	\$ 848,504	\$ 807,307	\$ 750,723
<u>(1,034,106)</u>	<u>(982,777)</u>	<u>(905,579)</u>	<u>(848,504)</u>	<u>(807,307)</u>	<u>(750,723)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,201,717	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126	\$ 4,388,422	\$ 4,232,436
19.88%	19.38%	19.13%	18.88%	18.40%	17.74%

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of the District's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
District's proportion of the net OPEB liability	0.0559%	0.0556%	0.0554%	0.0561%
District's proportionate share of the net OPEB liability	\$ 267,492	\$ 396,846	\$ 452,706	\$ 483,690
District's covered payroll	\$ 6,751,697	\$ 6,144,281	\$ 5,626,485	\$ 5,369,096
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%

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

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

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
0.0554%	0.0545%	0.0545%	0.0545%	0.0548%
\$ 526,046	\$ 612,982	\$ 741,555	\$ 708,423	\$ 709,853
\$ 5,119,411	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446	\$ 4,323,039
10.28%	12.50%	16.09%	16.01%	16.42%
32.78%	24.49%	17.03%	17.53%	16.72%

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of District Contributions ¹
PERA's Health Care Trust Fund
June 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 71,303	\$ 65,897	\$ 59,290	\$ 56,006
Contributions in relation to the contractually required contribution	<u>(71,303)</u>	<u>(65,897)</u>	<u>(59,290)</u>	<u>(56,006)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,990,530	\$ 6,460,505	\$ 5,812,744	\$ 5,490,761
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

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

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
\$ 53,058	\$ 51,725	\$ 48,285	\$ 45,830	\$ 44,762
<u>(53,058)</u>	<u>(51,725)</u>	<u>(48,285)</u>	<u>(45,830)</u>	<u>(44,762)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,201,717	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126	\$ 4,388,422
1.02%	1.02%	1.02%	1.02%	1.02%

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to the Required Supplementary Information

Note A – Budgetary data

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

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

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

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

Other Supplementary Information

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

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General Fund

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

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 11,851,224	\$ 12,508,151	\$ 12,841,176	\$ 333,025
Specific ownership taxes	427,900	432,900	681,016	248,116
Delinquent taxes and interest	9,500	9,500	11,375	1,875
Transportation	9,000	1,300	1,000	(300)
Earnings on investments	211,000	542,827	635,837	93,010
Other local revenue	70,656	103,763	84,196	(19,567)
Services within the BOCES			650	650
Total local sources	12,579,280	13,598,441	14,255,250	656,809
Intermediate sources	283,055	359,430	453,530	94,100
State sources				
State equalization	353,042			-
ELPA professional development	30,162	31,571	3,893	(27,678)
English language proficiency	31,000			-
Vocational education	22,000	(6,824)		6,824
Special education		(390,671)	(390,670)	1
Gifted and talented	11,439	(4,662)	(16,101)	(11,439)
Transportation	130,000	(1)		1
Library grant	4,500	4,500	4,500	-
Small rural funding	479,840	482,458	482,458	-
At risk funding			4,434	4,434
READ Act	32,000	33,442	33,443	1
Menstrual hygiene products	5,500		4,000	4,000
Summer EBT			625	625
State on-behalf payment	350,000	350,000	123,586	(226,414)
Other agency state grants	91,725	141,423	111,265	(30,158)
Services within the BOCES			47,917	47,917
Total state sources	1,541,208	641,236	409,350	(231,886)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Federal sources				
Title I	195,467	239,187	197,963	(41,224)
Title II-A	38,215	59,432	29,456	(29,976)
Title III	7,938	12,004		(12,004)
Title IV	14,548	21,678	13,156	(8,522)
School workforce retention			2,000	2,000
Services within the BOCES			6,236	6,236
Total federal sources	256,168	332,301	248,811	(83,490)
Total revenues	\$ 14,659,711	\$ 14,931,408	\$ 15,366,941	\$ 435,533

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Instruction				
Salaries	\$ 5,158,762	\$ 4,935,295	\$ 4,760,445	\$ 174,850
Employee benefits	2,225,283	2,085,212	1,812,073	273,139
Purchased services	530,029	545,070	226,321	318,749
Supplies and materials	304,664	301,571	215,454	86,117
Property	120,608	86,166	50,684	35,482
Other	6,660	6,745	5,303	1,442
Total instruction	8,346,006	7,960,059	7,070,280	889,779
Supporting services				
Students				
Salaries	258,377	244,537	231,221	13,316
Employee benefits	112,223	113,158	89,358	23,800
Purchased services	58,625	55,525	43,165	12,360
Supplies and materials	12,995	22,046	19,688	2,358
Property	2,650	4,519	2,370	2,149
Other	550	550	165	385
Total students	445,420	440,335	385,967	54,368
Instructional staff				
Salaries	270,213	261,128	241,186	19,942
Employee benefits	104,466	100,366	73,350	27,016
Purchased services	122,550	177,871	53,389	124,482
Supplies and materials	23,350	28,480	6,644	21,836
Property	124,500	142,155	117,720	24,435
Other	250			-
Total instructional staff	645,329	710,000	492,289	217,711
General administration				
Salaries	394,004	360,804	180,802	180,002
Employee benefits	135,883	128,883	59,676	69,207
Purchased services	80,850	86,350	59,794	26,556
Supplies and materials	35,975	36,375	23,751	12,624
Property	1,000	3,500	2,328	1,172
Other	15,000	20,000	17,846	2,154
Total general administration	662,712	635,912	344,197	291,715

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	670,367	653,423	650,403	3,020
Employee benefits	272,065	263,065	225,072	37,993
Purchased services	8,750	7,958	3,263	4,695
Supplies and materials	18,700	13,750	12,119	1,631
Property	5,500	4,535	3,453	1,082
Other	2,500	2,500	2,120	380
Total school administration	977,882	945,231	896,430	48,801
Business services				
Salaries	226,302	226,342	224,590	1,752
Employee benefits	103,245	98,245	72,564	25,681
Purchased services	80,500	87,500	74,590	12,910
Supplies and materials	4,600	4,600	1,707	2,893
Property	1,500	1,500	115	1,385
Other	1,500	1,500	570	930
Total business services	417,647	419,687	374,136	45,551
Operations and maintenance				
Salaries	426,635	396,172	351,101	45,071
Employee benefits	197,243	195,455	154,975	40,480
Purchased services	1,143,483	1,757,162	1,101,212	655,950
Supplies and materials	437,100	495,168	377,602	117,566
Property	166,100	252,600	81,440	171,160
Total operations and maintenance	2,370,561	3,096,557	2,066,330	1,030,227
Student transportation				
Salaries	456,353	465,068	430,101	34,967
Employee benefits	148,432	147,932	132,533	15,399
Purchased services	66,750	70,950	70,588	362
Supplies and materials	209,200	205,000	169,788	35,212
Property	18,000	18,000	8,285	9,715
Other	50	50		50
Total student transportation	898,785	907,000	811,295	95,705

(continued)

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2025

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Purchased services	327,585	81,000	59,592	21,408
Supplies and materials	3,650	3,650	3,094	556
Other	52,100	42,100	1,555	40,545
Total central support services	383,335	126,750	64,241	62,509
Other support services				
Salaries			168,000	(168,000)
Employee benefits	200	3,200	7,150	(3,950)
Purchased services	26,000	27,000	25,504	1,496
Total other support services	26,200	30,200	200,654	(170,454)
Total supporting services	6,827,871	7,311,672	5,635,539	1,676,133
Capital outlay				
Facilities acquisition				
Purchased services	221,000	62,000	62,787	(787)
Supplies		1,002	1,673	(671)
Property	400,000	400,000		400,000
Total capital outlay	621,000	463,002	64,460	398,542
Reserve for contingency	11,487,707	14,496,629		14,496,629
Total expenditures	<u>\$ 27,282,584</u>	<u>\$ 30,231,362</u>	<u>\$ 12,770,279</u>	<u>\$ 17,461,083</u>

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

The District reports the following nonmajor governmental funds:

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

- Total Program Reserve Fund – This fund is used to account for the revenues from a specific tax levy pursuant to § 22-54-107(5), C.R.S.
- Food Service Fund – This fund is used to account for sales to customers, as well as the dedicated grants received from state and federal sources that are associated with the operation of the District’s food service program.
- Pupil Activity Fund – This fund is used to account for revenues from pupils and other fund-raising activities related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Total Program Reserve Fund	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund
Assets				
Cash		\$ 180,330	\$ 274,578	
Cash with fiscal agent	\$ 18,757			
Investments	44,580			\$ 268,908
Property taxes receivable	25,888			
Due from other funds		3,183		
Grants receivable		55,560		
Other receivable		70		
Inventory		5,272		
Total assets	\$ 89,225	\$ 244,415	\$ 274,578	\$ 268,908
Liabilities				
Accrued salaries and benefits		\$ 33,058		
Unearned grant revenue		274		
Total liabilities	\$ -	33,332	\$ -	\$ -
Deferred inflows of resources				
Deferred property tax revenues	10,479			
Unearned revenues		6,958		
Total deferred inflows of resources	10,479	6,958	-	-
Fund balance				
Nonspendable inventory		5,272		
Restricted to food service		198,853		
Committed to pupil activities			274,578	
Assigned to total program reserve	78,746			
Assigned to capital projects				268,908
Total fund balance	78,746	204,125	274,578	268,908
Total liabilities, deferred inflows of resources and fund balance	\$ 89,225	\$ 244,415	\$ 274,578	\$ 268,908

	<u>Total</u>
\$	454,908
	18,757
	313,488
	25,888
	3,183
	55,560
	70
	<u>5,272</u>
\$	<u>877,126</u>
\$	33,058
	<u>274</u>
	33,332
	10,479
	<u>6,958</u>
	17,437
	5,272
	198,853
	274,578
	78,746
	<u>268,908</u>
	826,357
\$	<u>877,126</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2025

	Total Program Reserve Fund	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund
Revenues				
Local sources	\$ 2,116,501	\$ 29,267	\$ 512,920	\$ 33,480
State sources		216,100		
Federal sources		487,462		
Total revenues	2,116,501	732,829	512,920	33,480
Expenditures				
Instruction			483,035	
Supporting services	5,084	747,883		
Capital outlay				1,289,709
Debt service				
Principal retirement				14,015
Interest and fiscal charges				171
Total expenditures	5,084	747,883	483,035	1,303,895
Excess of revenues over (under) expenditures	2,111,417	(15,054)	29,885	(1,270,415)
Other financing sources (uses)				
Lease proceeds				51,037
Transfers in				829,435
Transfers out	(2,200,000)			
Total other financing sources (uses)	(2,200,000)	-	-	880,472
Net change in fund balances	(88,583)	(15,054)	29,885	(389,943)
Fund balance at beginning of year	167,329	219,179	244,693	658,851
Fund balance at end of year	<u>\$ 78,746</u>	<u>\$ 204,125</u>	<u>\$ 274,578</u>	<u>\$ 268,908</u>

Total

\$ 2,692,168
216,100
487,462

3,395,730

483,035
752,967
1,289,709

14,015
171

2,539,897

855,833

51,037
829,435
(2,200,000)

(1,319,528)

(463,695)

1,290,052

\$ 826,357

WELD COUNTY SCHOOL DISTRICT RE-9
Total Program Reserve Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes		\$ 1,906,058	\$ 2,045,705	\$ 139,647
Specific ownership taxes		7,732	49,620	41,888
Delinquent taxes and interest		300	531	231
Earnings on investments	\$ 2,000	7,998	20,645	12,647
Total revenues	2,000	1,922,088	2,116,501	194,413
Expenditures				
Supporting services				
Purchased services	100	1,500	5,084	(3,584)
Appropriated reserves	(100)			-
Total expenditures	-	1,500	5,084	(3,584)
Excess of revenues over (under) expenditures	2,000	1,920,588	2,111,417	190,829
Other financing uses				
Transfers out	(169,942)	(2,087,917)	(2,200,000)	(112,083)
Net change in fund balance	\$ (167,942)	\$ (167,329)	(88,583)	\$ 78,746
Fund balance at beginning of year			167,329	
Fund balance at end of year			\$ 78,746	

WELD COUNTY SCHOOL DISTRICT RE-9
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 27,020	\$ 27,860	\$ 29,267	\$ 1,407
State sources	215,805	217,030	216,100	(930)
Federal sources	454,040	475,638	487,462	11,824
Total revenues	696,865	720,528	732,829	12,301
Expenditures				
Supporting services				
Salaries	322,477	326,087	303,158	22,929
Employee benefits	94,911	90,911	82,408	8,503
Purchased services	11,200	11,200	6,005	5,195
Supplies and materials	393,550	420,798	355,905	64,893
Property	22,000	11,500	227	11,273
Other	1,250	1,250	180	1,070
Appropriated reserves	1,198	77,961		77,961
Total expenditures	846,586	939,707	747,883	191,824
Net change in fund balance	\$ (149,721)	\$ (219,179)	(15,054)	\$ 204,125
Fund balance at beginning of year			219,179	
Fund balance at end of year			\$ 204,125	

WELD COUNTY SCHOOL DISTRICT RE-9
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Fundraising and other events	\$ 440,000	\$ 515,000	\$ 512,920	\$ (2,080)
Total revenues	440,000	515,000	512,920	(2,080)
Expenditures				
Instruction				
Purchased services	183,800	203,300	173,074	30,226
Supplies and materials	240,000	265,000	282,847	(17,847)
Property	9,000	10,000	12,562	(2,562)
Other	15,000	15,000	14,552	448
Appropriated reserves	204,426	266,393		266,393
Total expenditures	652,226	759,693	483,035	276,658
Net change in fund balance	\$ (212,226)	\$ (244,693)	29,885	\$ 274,578
Fund balance at beginning of year			244,693	
Fund balance at end of year			\$ 274,578	

WELD COUNTY SCHOOL DISTRICT RE-9
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 8,495	\$ 33,069	\$ 29,084	\$ (3,985)
Other local revenue			4,396	4,396
Total revenues	8,495	33,069	33,480	411
Expenditures				
Capital outlay				
Property	1,272,000	1,270,228	1,289,709	(19,481)
Debt service				
Principal retirement	14,015	14,015	14,015	-
Interest and fiscal charges	1,554	1,554	171	1,383
Appropriated reserves	208,919	235,558		235,558
Total expenditures	1,496,488	1,521,355	1,303,895	217,460
Excess of revenues over (under) expenditures	(1,487,993)	(1,488,286)	(1,270,415)	217,871
Other financing sources				
Lease proceeds			51,037	51,037
Transfers in	829,435	829,435	829,435	-
Total other financing sources	829,435	829,435	880,472	51,037
Net change in fund balance	\$ (658,558)	\$ (658,851)	(389,943)	\$ 268,908
Fund balance at beginning of year			658,851	
Fund balance at end of year			\$ 268,908	

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Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

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

WELD COUNTY SCHOOL DISTRICT RE-9
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 1,018,000	\$ 2,216,750	\$ 7,322,738	\$ 5,105,988
Delinquent taxes and interest	1,000	1,000	1,934	934
Total revenues	1,019,000	2,217,750	7,324,672	5,106,922
Expenditures				
Debt service				
Purchased services	4,200	8,700	4,330	4,370
Principal retirement	810,000	810,000	810,000	-
Interest and fiscal charges	206,750	1,406,750	1,395,716	11,034
Appropriated reserves	1,183,995	1,213,950		1,213,950
Total expenditures	2,204,945	3,439,400	2,210,046	1,229,354
Net change in fund balance	<u>\$ (1,185,945)</u>	<u>\$ (1,221,650)</u>	5,114,626	<u>\$ 6,336,276</u>
Fund balance at beginning of year			1,221,650	
Fund balance at end of year			<u>\$ 6,336,276</u>	

Budgetary Comparison Schedule – Capital Projects Fund

The District reports the following major capital projects fund:

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

- Building Fund – This fund is used to account for the proceeds of bond sales, revenues from other sources and expenditures for capital outlay for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional and replacement of equipment as authorized by the local board of education, as specified in the related bond issue.

WELD COUNTY SCHOOL DISTRICT RE-9
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments		\$ 750,000	\$ 1,427,470	\$ 677,470
Total revenues	\$ -	750,000	1,427,470	677,470
Expenditures				
Capital outlay				
Purchased services		5,163,051	3,173,848	1,989,203
Property			1,107,500	(1,107,500)
Debt service				
Debt issuance costs			563,500	(563,500)
Appropriated reserves		89,586,949		89,586,949
Total expenditures	-	94,750,000	4,844,848	89,905,152
Excess of revenues over (under) expenditures	-	(94,000,000)	(3,417,378)	(89,227,682)
Other financing sources				
Proceeds from bond issuance		88,000,000	88,000,000	-
Premium on bonds		6,000,000	9,210,593	3,210,593
Total other financing sources	-	94,000,000	97,210,593	3,210,593
Net change in fund balance	\$ -	\$ -	93,793,215	\$ 93,793,215
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 93,793,215	

**Colorado Department of Education
Supplementary Schedule**

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



Colorado Department of Education
Auditors Integrity Report
 District: 3145 - Ault-Highland RE-9
 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	13,927,342	16,472,022	12,510,362	17,889,002
18 Risk Mgmt Sub-Fund of General Fund	114,130	265,484	259,917	119,697
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	14,041,472	16,737,506	12,770,279	18,008,699
11 Charter School Fund	0	0	0	0
20-25-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
07 Total Program Reserve Fund	167,329	-83,499	5,084	78,746
21 Food Service Spec Revenue Fund	219,179	732,829	747,884	204,125
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	244,693	512,920	483,034	274,578
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,221,650	7,324,672	2,210,046	6,336,276
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	98,638,063	4,844,848	93,793,215
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	658,851	913,952	1,303,895	268,908
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals	16,553,174	124,776,443	22,365,070	118,964,548
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0
FINAL				

Debt Compliance Schedules

WELD COUNTY SCHOOL DISTRICT RE-9
History of District Mill Levies

Mill Levies							
Levy/Collection Year	General Operating	Categorical Buyout	Total Program Reserve	Override	Bond	Abatement	Total
2020/2021	16.880	-	-	3.004	3.449	0.023	23.356
2021/2022	17.880	-	-	2.786	3.189	0.034	23.889
2022/2023	18.880	-	-	1.844	2.109	0.005	22.838
2023/2024	18.316	1.049	0.515	1.567	1.828	0.007	23.282
2024/2025	16.899	0.919	3.062	1.341	10.960	0.004	33.185

Source: State of Colorado Department of Education and the District.

WELD COUNTY SCHOOL DISTRICT RE-9
History of Assessed Valuations and Mill Levies for the District

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2020/2021	299,668,750	50.99%
2021/2022	323,091,530	7.82%
2022/2023	488,213,650	51.11%
2023/2024	574,355,450	17.64%
2024/2025	671,251,470	16.87%

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

WELD COUNTY SCHOOL DISTRICT RE-9
History of District's Actual Valuation

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2020/2021	1,366,476,713	24.79%
2021/2022	1,620,268,058	18.57%
2022/2023	1,902,297,507	17.41%
2023/2024	2,167,143,399	13.92%
2024/2025	2,331,635,308	7.59%

Source: Weld County Assessor's Office.

WELD COUNTY SCHOOL DISTRICT RE-9
Historical Property Tax Collections

Levy/Collection Year	Taxes Levied (1)	Current Collections (2)	Collection Rate
2020/2021	6,992,171	6,967,805	99.65%
2021/2022	7,707,348	7,649,089	99.24%
2022/2023	11,147,382	11,105,395	99.62%
2023/2024	13,368,123	13,331,249	99.72%
2024/2025	22,272,795	22,170,282	99.54%

(1) Levies do not include abatements or other adjustments.

(2) The Weld County Treasurer's collection fees have not been deducted from these amounts.

(3) Includes delinquent taxes and interest on current and delinquent taxes.

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

WELD COUNTY SCHOOL DISTRICT RE-9
District Enrollment

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2020/21	901	-4.45%
2021/22	1,013	12.43%
2022/23	993	-1.97%
2023/24	960	-3.32%
2024/25	976	1.67%

Source: Colorado Department of Education.

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WELD COUNTY SCHOOL DISTRICT RE-9
General Fund Revenues, Expenditures and Changes in Fund Balance (GAAP Basis)

	Fiscal Year Ended June 30,			
	2021	2022	2023	2024
Revenues				
Local sources	\$ 6,383,662	\$ 7,271,433	\$ 11,218,797	\$ 13,346,350
Intermediate sources	150,037	150,037	155,380	1,041,448
State sources	3,209,980	4,290,028	1,539,834	256,496
Federal sources,	1,608,343	637,938	375,005	389,612
Total revenues	11,352,022	12,349,436	13,289,016	15,033,906
Expenditures				
Instruction	5,918,100	6,177,191	6,585,986	6,713,633
Supporting services	3,657,351	4,234,662	5,044,418	4,799,858
Capital outlay	747,450	586,032	30,022	353,839
Debt service	-	-	-	-
Total expenditures	10,322,901	10,997,885	11,660,426	11,867,330
Excess of revenues over (under) expenditures	1,029,121	1,351,551	1,628,590	3,166,576
Other financing sources (uses)				
Transfers in (out), net	(92,628)	(15,569)	(65,569)	118,783
Net change in fund balance	936,493	1,335,982	1,563,021	3,285,359
Fund balance at beginning of year	6,920,617	7,857,110	9,193,092	10,756,113
Fund balance at end of year	\$ 7,857,110	\$ 9,193,092	\$ 10,756,113	\$ 14,041,472

Fiscal Year
Ended June 30,

2025

\$ 14,255,250
453,530
409,350
248,811

15,366,941

7,070,280
5,635,539
64,460
-

12,770,279

2,596,662

1,370,565

3,967,227

14,041,472

\$ 18,008,699