

Weld County School District Re-3J

HUDSON, KEENESBURG, LOCHBUIE

FINANCIAL REPORT

Year Ended June 30, 2025



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Independent Auditors' Report

Board of Education
Weld County School District RE-3(J)
Hudson, Colorado

Opinions

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Weld County School District RE-3(J) (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Weld County School District RE-3(J) 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 100 *Accounting Changes and Error Corrections* and Statement No. 101 *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 require that management discussion and analysis, budgetary comparisons, and pension and OPEB information be presented to supplement the basic financial statements. Such information, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements, individual fund financial statements, the Auditors Integrity Report, and the schedule of expenditures of federal awards are presented for purposes of additional analysis and as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the Weld County School District RE-3(J) internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Weld County School District RE-3(J)'s internal control over financial reporting and compliance.

Anderson & Whitney, P.C.

January 28, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Weld County School District RE-3(J) (the District) for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceed liabilities and deferred inflows by \$28,493,375 at June 30, 2025. The net position is being impacted by *Governmental Accounting Standards Board* statements 68 and 75 that require the District to disclose their proportionate share of PERA's (Public Employers Retirement Association) unfunded pension and post-employment benefit liability. The net liability is calculated at \$36.4 million for the period ending June 30, 2025. Without the Pension/OPEB liability impact, the District's net position would be a positive \$66.1 million.
- The General Fund balance was \$18.3 million as of June 30, 2025. Of this amount, \$1.3 million is reserved for emergencies.
- The June 30, 2025 General Fund balance is \$145 thousand more than the previous year-end. The total fund balance is 45% of 2025 General Fund operating expenditures plus operating transfers.
- The Debt Service Fund has a fund balance of \$12.7 million as of June 30, 2025. This balance is a debt service reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

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

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

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Capital Reserve Projects Fund, Designated Grants Fund, and Debt Service Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 53 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on page 55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2025, liabilities exceed assets by \$28.5 million.

The following table provides a summary of the District's net position:

	2025	2024
June 30	Governmental Activities	Governmental Activities
Assets		
Current and other assets	\$ 40,375,157	\$ 38,704,260
Capital assets	95,319,453	95,515,190
Total assets	135,694,610	134,219,450
Deferred Outflows of Resources	6,696,688	12,884,671
Liabilities		
Current and other liabilities	9,236,987	8,898,632
Pension and OPEB long-term liabilities	43,902,315	48,922,887
All other long-term liabilities	60,345,309	62,659,019
Total liabilities	113,484,611	120,480,538
Deferred Inflows of Resources	413,312	366,240
Net Position		
Net investment in capital assets	34,543,465	30,701,764
Restricted	16,070,892	14,712,010
Unrestricted	(22,120,982)	(19,156,431)
Total Net Position (Deficit)	\$ 28,493,375	\$ 26,257,343

A significant portion of the District's net position represents an unrestricted net deficit of \$22,120,982 which may be used to meet the District's ongoing obligations to students and patrons.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to students; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The only long-term debt is the bonds issued for construction of District schools. The District has no other long-term debt.

An additional \$16,070,892 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserves of \$1,304,220, \$12,699,576 in reserves for debt service, \$1,608,284 in capital outlay, \$377,420 in multi-year contract reserves, and \$81,392 in non-expendable funds.

The following table indicates the changes in net position:

Years Ended June 30	2025	2024
	Governmental Activities	Governmental Activities
Revenues:		
Program revenues:		
Charges for services	\$ --	\$ --
Operating grants	7,803,047	9,387,884
General revenues:		
Property taxes	34,135,106	41,444,251
Specific ownership taxes	1,520,651	1,428,734
State equalization	4,449,050	--
Investment earnings	1,172,167	568,566
Total revenues	49,080,021	52,829,435
Expenses:		
Instruction	26,689,785	26,046,632
Student services	3,729,349	3,959,027
Administrative services	5,794,758	5,012,445
Pupil transportation	1,575,258	1,573,404
Operations and maintenance	4,376,105	3,715,513
Interest and costs on long-term debt	2,283,035	2,394,464
Food service	1,512,517	1,451,744
Student activities	500,127	546,267
Total expenses	46,460,934	44,699,496
Increase (decrease) in net position	\$ 2,619,087	\$ 8,129,939

Governmental Activities. Governmental activities increased the District's net position by \$2,619,087 in 2025. Key elements of this increase are as follows:

- Total revenues decreased about 7% compared to the prior year, primarily due to decreases in property taxes exceeding the increase in state equalization.
- Expenses increased about 4% from the previous year, due to fluctuations in the pension liability for 2025 as compared to 2024.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of June 30, 2025, the total fund balances of the District's governmental funds were \$35,371,530. Approximately 34% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The remainder of fund balance is reserved or assigned to indicate that it is not available for new spending because it is for the following purposes: (1) a state-constitution mandated emergency reserve (\$1,304,220); (2) multi-year obligations (\$377,420); (3) debt service (\$12,699,576); (4) permanent (\$81,392); (5) contingencies (\$2,894,088); (6) capital outlay (\$2,131,147)and (\$1,123,757); (7) food service (\$480,162); (8) student activities (\$545,076); and (9) cash-in-lieu for capital outlay from the Town of Keenesburg and Weld County (\$1,608,284.)

The District has four major governmental funds. These are the General Fund, Designated Grants Fund, Capital Reserve Projects Fund and the Debt Service Fund.

1. **General Fund.** This is the primary operating fund of the District. It accounts for the District’s core services, such as instruction and student services. The General Fund balance was \$18,310,420 as of June 30, 2025. The 2025 fund balance is \$144,746 more than the previous year.
2. **Designated Grants Fund.** The Designated Grants Fund accounts for the receipt and spending of state and federal grants restricted for certain educational purposes. The fund balance was \$-0- as of June 30, 2025.
3. **Capital Reserve Projects Fund.** The Capital Reserve Projects Fund accounts for the receipt and spending of certain resources used for equipment purchases. The fund balance was \$2,131,147as of June 30, 2025.
4. **Debt Service Fund.** This is the fund which receives bond redemption property taxes and made bond payments of \$3,250,000 during the year. The fund balance increased \$947,567 during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

2025 General Fund

	Actual	Final Budget
Beginning Fund Balance	\$ 18,165,674	\$ 18,165,674
Revenue	38,956,357	38,341,133
Expenditures	37,311,611	37,801,134
Transfers	(1,500,000)	(1,500,000)
Ending Fund Balance	\$ 18,310,420	\$ 17,205,673

Expenditures are under budget as it was not necessary to spend appropriated reserves that were budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental type activities as of June 30, 2025 totals \$95.3 million (net of accumulated depreciation). This investment includes all land, buildings, and equipment. The total decrease in investment in capital assets for the current year was approximately \$200 thousand, due to current year depreciation in excess of additions.

The District implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land and water certificates which are not depreciated.

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-term Debt. At June 30, 2025, the District had \$56.6 million of bonds payable, primarily funded from a bond redemption property tax. Additional information on the District's debt can be found in Note 5.

OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2025 budget:

- There is potential for long term residential growth within the district which could lead to enrollment increases; however, continued declines in enrollment impact budget and service delivery. Declines in enrollment are due to low birth rates and migration out of the district, particularly due to closer charter schools in the neighboring district.
- The budget is prepared with the anticipation of being successful in filling open staffing positions.
- Enrollment at Lochbuie Intermediate Academy (LIA) is increasing while enrollment at Weld Central Middle School is decreasing due to the grade reconfiguration at LIA. Enrollment overall is expect to be net neutral but the change will require a small increase in overall staffing needs.
- The District budget benefits from the implementation of the new School Finance Act; however, the state budget problems may impact its full implementation which is likely to negatively affect the district's budget in the upcoming 2-3 fiscal years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Weld County School District RE-3(J) finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, P.O. Box 1022, Hudson, Colorado 80642.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

STATEMENT OF NET POSITION

June 30, 2025	Governmental Activities	Charter School
ASSETS		
Current Assets:		
Cash and investments	\$ 26,611,506	\$ 2,680,493
Receivables	1,152,632	-
Total Current Assets	27,764,138	2,680,493
Noncurrent Assets:		
Investments - restricted	12,611,019	-
Capital assets	128,252,585	4,926,903
Less: Accumulated depreciation/amortization	(32,933,132)	(1,727,025)
Total Noncurrent Assets	107,930,472	3,199,878
TOTAL ASSETS	135,694,610	5,880,371
Deferred Outflows of Resources:		
Pension plan	6,663,877	564,477
Other postemployment benefits	32,811	2,067
Total Deferred Outflows of Resources	6,696,688	566,544
LIABILITIES		
Current Liabilities:		
Accounts payable	896,578	28,516
Accrued salaries and benefits	3,871,093	85,364
Unearned revenue	235,956	-
Current portion of long-term debt	4,037,438	34,311
Current portion of lease liabilities	195,922	-
Total Current Liabilities	9,236,987	148,191
Noncurrent Liabilities:		
Bonds payable	53,140,000	35,282
Bonds payable - premium	3,598,550	-
Accrued compensated absences	1,349,756	41,207
Lease liabilities	2,257,003	-
Net postemployment benefits liability	765,067	47,817
Net pension liability	43,137,248	2,588,235
Total Liabilities	113,484,611	2,860,732
Deferred Inflows of Resources:		
Pension plan	-	-
Other postemployment benefits	413,312	25,832
Total Deferred Inflows of Resources	413,312	25,832
NET POSITION		
Net investment in capital assets	34,543,465	3,130,285
Restricted for:		
Debt service	12,699,576	-
Capital outlay	1,608,284	-
Emergencies and multi-year obligations	1,681,640	89,100
Principal of permanent fund	81,392	-
Unrestricted	(22,120,982)	340,966
TOTAL NET POSITION (DEFICIT)	\$ 28,493,375	\$ 3,560,351

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025	Expenses	Charges for Services
Functions/Programs:		
Governmental activities:		
Instruction	\$ 26,689,785	\$ -
Support services:		
Pupils	2,149,613	-
Instructional support	1,579,736	-
General administration	2,628,322	-
School administration	3,166,436	-
Operations and maintenance	4,376,105	-
Pupil transportation	1,575,258	-
Student activities	500,127	-
Food service	1,512,517	-
Interest and costs on long-term debt	2,283,035	-
Total Support Services	19,771,149	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 46,460,934	\$ -
Component Unit:		
Charter School	2,630,090	-
General Revenues:		
State equalization		
Property taxes		
Specific ownership tax		
Investment earnings		
Other Income		
Changes in Net Position		
Net Position - Beginning		
Aggregate Restatement		
NET POSITION - Ending		

See Accompanying Notes to Financial Statements.

Program	Revenues		Net (Expense) Revenue and Changes in Net Position	
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Charter School
\$	6,418,197	\$ -	\$ (20,271,588)	\$ -
	-	-	(2,149,613)	-
	-	-	(1,579,736)	-
	-	-	(2,628,322)	-
	-	-	(3,166,436)	-
	-	-	(4,376,105)	-
	263,495	-	(1,311,763)	-
	-	-	(500,127)	-
	1,121,355	-	(391,162)	-
	-	-	(2,283,035)	-
	1,384,850	-	(18,386,299)	-
\$	7,803,047	\$ -	\$ (38,657,887)	\$ -
	289,831	69,928		(2,270,331)
			4,449,050	-
			34,135,106	2,389,741
			1,520,651	-
			1,172,167	87,714
			-	112,450
			41,276,974	2,589,905
			2,619,087	319,574
			26,257,343	3,276,876
			(383,055)	(36,099)
			\$ 28,493,375	\$ 3,560,351

WELD COUNTY SCHOOL DISTRICT RE-3(J)**BALANCE SHEET - Governmental Funds**

June 30, 2025	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Designated Grants Fund	Other Governmental Funds	Total
<u>ASSETS</u>						
Cash and Investments	\$ 24,517,407	\$ -	\$ 69,341	\$ -	\$ 1,830,655	\$ 26,417,403
Bank Certificates of Deposit	-	-	-	-	194,103	194,103
Investments with Trustee	-	12,611,019	-	-	-	12,611,019
Property Taxes Receivable	55,649	18,013	-	-	-	73,662
Interfund Receivables	484,345	70,544	2,508,440	254,464	210,158	3,527,951
Other Receivables	157,512	-	-	901,427	20,031	1,078,970
TOTAL ASSETS	\$ 25,214,913	\$ 12,699,576	\$ 2,577,781	\$ 1,155,891	\$ 2,254,947	\$ 43,903,108
<u>LIABILITIES AND FUND BALANCES</u>						
Accounts Payable	\$ 406,018	\$ -	\$ 446,634	\$ 32,252	\$ 11,674	\$ 896,578
Accrued Salaries and Benefits	3,713,007	-	-	158,086	-	3,871,093
Unearned Revenue	-	-	-	223,070	12,886	235,956
Interfund Payables	2,785,468	-	-	742,483	-	3,527,951
Total Liabilities	6,904,493	-	446,634	1,155,891	24,560	8,531,578
Fund Balances:						
Non-spendable	-	-	-	-	81,392	81,392
Restricted:						
Debt service	-	12,699,576	-	-	-	12,699,576
Capital outlay	1,608,284	-	-	-	-	1,608,284
TABOR emergencies	1,304,220	-	-	-	-	1,304,220
TABOR multi-year obligations	377,420	-	-	-	-	377,420
Assigned:						
Capital outlay	-	-	2,131,147	-	1,123,757	3,254,904
Contingencies	2,894,088	-	-	-	-	2,894,088
Student activities	-	-	-	-	545,076	545,076
Food service	-	-	-	-	480,162	480,162
Unassigned	12,126,408	-	-	-	-	12,126,408
Total Fund Balances	18,310,420	12,699,576	2,131,147	-	2,230,387	35,371,530
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,214,913	\$ 12,699,576	\$ 2,577,781	\$ 1,155,891	\$ 2,254,947	\$ 43,903,108

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION

June 30, 2025

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

Total Governmental Funds Fund Balance	\$ 35,371,530
Capital assets used in governmental activities are not financial resources and therefore not reported as net position in governmental funds.	
Cost of capital assets	128,252,585
Accumulated depreciation and amortization	(32,933,132)
Deferred inflows and outflows of resources related to pensions and other postemployment benefits	6,283,376
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Compensated absences	(1,349,756)
Debt payable	(56,600,000)
Bonds payable - premium	(4,175,988)
Net pension liability	(43,137,248)
Net other postemployment benefits liability	(765,067)
Lease liabilities	(2,452,925)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 28,493,375
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See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

**STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - Governmental Funds**

Year Ended June 30, 2025	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Designated Grants Fund	Other Governmental Funds	Total
Revenue:						
Local sources	\$ 30,915,710	\$ 6,443,220	\$ -	\$ -	\$ 634,904	\$ 37,993,834
State sources	7,205,902	-	-	45,398	236,094	7,487,394
Federal sources	120,600	-	-	1,184,671	1,121,355	2,426,626
Other	714,145	425,622	-	-	32,400	1,172,167
Total Revenue	38,956,357	6,868,842	-	1,230,069	2,024,753	49,080,021
Expenditures:						
Instruction	21,478,842	-	-	972,951	-	22,451,793
Supporting services	15,038,429	-	-	257,118	2,012,644	17,308,191
Capital outlay	374,106	-	1,084,748	-	12,246	1,471,100
Debt service	420,234	5,921,275	251,062	-	-	6,592,571
Total Expenditures	37,311,611	5,921,275	1,335,810	1,230,069	2,024,890	47,823,655
Revenue Over (Under) Expenditures	1,644,746	947,567	(1,335,810)	-	(137)	1,256,366
Other Financing Sources (Uses):						
Operating transfers in (out)	(1,500,000)	-	1,500,000	-	-	-
Total Other Financing Sources (Uses)	(1,500,000)	-	1,500,000	-	-	-
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses						
	144,746	947,567	164,190	-	(137)	1,256,366
Fund Balances, Beginning of Year	18,165,674	11,752,009	1,966,957	-	2,230,524	34,115,164
Fund Balances, End of Year	\$ 18,310,420	\$ 12,699,576	\$ 2,131,147	\$ -	\$ 2,230,387	\$ 35,371,530

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

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

Total net change in governmental funds fund balances	\$ 1,256,366
Capital outlays to purchase or build capital assets and right to use 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 depreciation expense in the statement of activities:	
Capital outlay	1,432,609
Depreciation and amortization expense	(3,054,415)
Net disposals	-
Repayment of bond principal and lease principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities	3,732,098
The governmental funds recognize bond premiums as other financing sources when issued. An adjustment is necessary to reflect the amortization of the bond premium in the government-wide financial statements	577,438
Lease adjustment related to right-of-use assets and lease liabilities for government wide reporting	53,972
Decrease (Increase) in accrued leave	(164,498)
The governmental funds report District pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned, net of employee contributions, is reported as pension and OPEB expense	(1,214,483)
<hr/> Change in Net Position of Governmental Activities	<hr/> \$ 2,619,087 <hr/>

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Weld County School District RE-3(J) (the District) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no fiscal accountability for any other agency which would require it to be in the reporting entity, except for the Cardinal Community Academy.

In September 1999, the District entered into an agreement with the Cardinal Community Academy to operate a charter school. The School receives 100% of the applicable per-pupil funding from the District, less applicable administrative charges. Funded enrollment for the 2024-2025 school year was approximately 182 pupils.

The District passed through \$2,059,803 in per pupil funding, \$329,938 in mill levy override, and \$162,759 in other State and Federal grants for a total of \$2,552,500 in other instructional expenditures. Administrative costs of \$129,248 and special education teaching costs for the teacher at the Academy of \$105,962 were withheld by the District. The charter school is included in these financial statements as a discretely presented component unit.

Basis of Presentation:

Government-wide Financial Statements:

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

The statement of net position and the statement of activities display information about the District as a whole. The government-wide statement of net position is presented on a consolidated basis. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation - Continued:

Government-wide Financial Statements - Continued:

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program. Grants and contributions that are restricted to meeting the operational requirements of a particular program are included in operating grants and contributions. Grants and contributions that are restricted to capital requirements of a particular program are included in capital grants and contributions. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

The financial transactions of the District are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds would be aggregated and presented as non-major funds.

The District reports the following major funds:

General Fund:

The General Fund is the general operating fund of the District and accounts for all financial resources of the District that are not properly accounted for in other funds.

It is used to account for the instructional and support services programs of the District. The revenue of the fund consists primarily of local property taxes and state equalization aid.

Designated Grants Fund:

The Designated Grants Fund accounts for the receipt and spending of the proceeds of state and federal grants restricted for certain educational purposes.

Debt Service Fund:

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Capital Reserve Projects Fund:

The Capital Reserve Projects Fund accounts for the receipt and spending of certain resources used for equipment purchases.

Fixed Assets and Long-Term Obligations:

The accounting and reporting treatment applied to the fixed assets and long-term obligations are determined by its measurement focus as discussed above.

Fixed Assets:

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Only fixed assets with a cost of more than \$5,000 are added to capital assets.

Depreciation has been provided using the straight-line method over the estimated useful lives as follows:

Buildings	50 years
Equipment	5-15 years
Vehicles	10 years
Land and Building Improvements	20 years

Long-Term Obligations:

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes standards for recognizing and measuring liabilities and expenses related to compensated absences, including vacation leave, sick leave, and other paid time off. See Note 12.

Employee Sick Leave: Sick leave is earned based on the number of days worked and type of employee ranging from 4 to 12 days annually. A licensed, classified or administrator employee who has accumulated 50 or more days is paid their accumulated leave upon termination or retirement up to 75 days for resignations of less than 15 completed years of service and up to 150 days for retirees or resignations with 15 completed years of service or more. The daily rate paid for licensed employees is one-half the per diem rate based on the base salary of the then current licensed salary schedule. The daily rate for eligible administrative and classified staff members is paid at one half their current daily salary. Sick leave may accrue unlimited. If the employee has fewer than 50 days of accumulated sick leave, no sick leave is paid upon retirement or termination.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Long-Term Obligations - Continued:

Employee Vacation Leave: Some employees receive noncumulative vacation leave. No accrual or liability is made as vacation leave accrues July 1 each year and the amount outstanding at year end is lost if not used by September 30 the following year.

At June 30, 2025, the liability for compensated absences approximated \$1,349,756.

Measurement Focus:

Governmental-wide Statements:

The governmental-wide statements are reported using the economic resources measurement focus. The governmental-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include per pupil revenue, grants and donations. Revenue from per pupil revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the District funds certain programs by a combination of specific grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the district's policy to first apply grant resources (restricted net position) to such programs and then general revenues (unrestricted net position).

Fund Financial Statements:

Basis of Accounting:

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds utilize the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both measurable and available as net current assets. Revenues that are susceptible to accrual, that is, are measurable and available to finance the District's operations, consist primarily of interest. Grant revenues are recognized to the extent of eligible expenditures incurred. Expenditures are generally recognized when the related fund liability is incurred.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property Taxes:

Property taxes are levied in November and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Adams and Weld County Treasurers to bill and collect its property taxes. All uncollected taxes are reflected as taxes receivable and deferred revenue as of June 30, 2025. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be immaterial.

The original December 2024, levy for the General Fund of the District was 10.845 mills, plus a 2.084 mill override, plus 0.026 abatements, plus a hold harmless .022 or approximately \$27.7 million, and 3.019 mills or approximately \$6.4 million in the Debt Service Fund.

Budget:

An annual budget and appropriation resolution is adopted by the Board of Education. The budget is prepared on a basis consistent with generally accepted accounting principles for all funds, except that a budget is also prepared for the student activity agency fund. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Superintendent is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board of Education through a supplemental appropriation ordinance. There was a supplemental appropriation in the year ended June 30, 2025.

Interfund Transactions:

Any amounts due to or from other funds at year end represent timing differences for payment reimbursements and are cleared promptly.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for a specific purpose.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity – Continued:

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Debt Service:

These restrictions are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded amounts at June 30, 2025 are \$12,699,576.

Restricted for Emergencies and Multi-Year Obligations:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at June 30, 2025 are \$1,304,220. Recorded multi-year obligations reserves at June 30, 2025 are \$377,420.

Restricted for capital projects:

Cash-in-lieu received are restricted for capital needs to support future students, such as site acquisition, building construction or additions. Recorded amounts at June 30, 2025 are \$1,608,284.

Assigned fund balances are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an official to which the Board delegates the authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and investments restricted for debt service and capital improvements, reduced by the outstanding balances of borrowing used for acquisition and construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of financial 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 future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has one item that qualifies for reporting in this category: changes in the net pension and OPEB liability not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualified for reporting in this category: changes in the net pension and OPEB liability not included in pension expense reported in the government-wide statement of net position.

Pensions:

Weld County School District RE-3(J) 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.

Other Post-Employment Benefits:

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Leases:

The District determines if an arrangement is a lease at inception. For individual lease contracts where information about the discount rate implicit in the lease is not included, an incremental borrowing rate will be used, which represents the rate at which it could borrow funds for a term equivalent to the lease agreements, to calculate the present value of expected lease payments. The lease term includes the non-cancellable period of the lease. The lease term may include options to extend or terminate the leases which it is reasonably certain that the option will be exercised.

The District is a lessee for leases where contracts do not transfer ownership of the underlying asset to the District by the end of the contract. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

As lessee for a financed purchase lease where a contract transfers ownership of the underlying asset to the District by the end of the contract, and does not contain termination options but may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised it is reported as a financed purchase of the underlying asset by the District, if any.

The District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term.

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value and (2) lease term.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and renewal options that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets if certain changes occur that are expected to significantly affect the amount of the lease asset.

Estimates and judgements related to leases include how the District determines the discount rate, lease terms, and lease receipts.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Reclassifications:

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation. These reclassifications have no effect on the previously reported change in fund balance or net position.

NOTE 2 - Cash and Investments:

The District's bank accounts and certificates of deposit at year end were entirely covered by federal depository insurance or by collateral held by the District's custodial bank under provisions of the Colorado Public Deposit Protection Act. FDIC insurance is \$250,000 for each financial institution and bank deposits covered by PDPA were \$2,288,898.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

Cash resources of the General Fund and Food Service Fund are combined and deposited into an interest-bearing checking account. All interest earned on the pooled account is credited to the General Fund.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, District, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements. The District does not have an investment policy beyond the restrictions in State statutes. Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

At June 30, 2025, the General Fund held \$23,708,021 and the Capital Projects fund held \$993,557 in COLOTRUST PLUS+, a 2a-7 like local government investment pool. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at \$1.00. The investment is rated AAA by Standard & Poor's. The District's interest is valued at NAV. At June 30, 2025 COLOTRUST PLUS+ had a weighted average maturity of 29 days and the weighted average life of 92 days as of yearend. COLOTRUST does not have any unfunded commitments, redemptions, restrictions or redemption notice periods.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments – Continued:

At June 30, 2025, the Debt Service Fund held debt service tax proceeds of \$12,611,019 in UMB of MSILF Treasury Money Market Funds. The investment is rated AAA by Standard & Poor's.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets: Investments valued using unadjusted quoted prices in active markets for identical assets or liabilities. These inputs are the most reliable and objective.
- Level 2 Significant other observable inputs: These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, and other market-corroborated inputs.
- Level 3 Significant unobservable inputs: These are based on the entity's own assumptions about market participant assumptions and include unobservable inputs. These require the most judgment and estimation.

The level of an asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table present the fair value hierarchy for the investments in MSILF Treasury Money Mark Funds:

Description	Fair Value Measurements at Reporting Date		
	Using		
	Level 1	Level 2	Level 3
<u>June 30, 2025</u>			
MSILF Treasury Money Market Funds	\$ 12,611,019	\$ --	\$ --
<u>June 30, 2024</u>			
MSILF Treasury Money Market Funds	\$ 11,657,895	\$ --	\$ --

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

	Balance, 6/30/24	Additions	Deletions	Balance, 6/30/25
Land and Improvements	\$ 2,407,001	\$ --	\$ --	\$ 2,407,001
Water certificates	1,987,855	--	--	1,987,855
Buildings and improvements	114,901,973	--	--	114,901,973
Equipment	1,684,328	431,150	--	2,115,478
Transportation equipment	2,731,749	391,340	--	3,123,089
Right to use leased assets	1,681,001	1,426,069	--	3,107,070
Construction in progress	--	610,119	--	610,119
	125,393,907	2,858,678	--	128,252,585
Less Accumulated Depreciation/ Amortization:				
Land and improvements	291,190	24,843	--	316,033
Buildings and improvements	26,558,221	2,383,619	--	28,941,840
Equipment	1,376,338	81,073	--	1,457,411
Transportation equipment	1,290,042	273,661	--	1,563,703
Right to use leased assets	362,926	291,219	--	654,145
	29,878,717	3,054,415	--	32,933,132
Total Capital Assets	\$ 95,515,190	\$(195,737)	\$ --	95,319,453

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Instruction	\$ 2,583,273
Transportation	179,923

Changes in Cardinal Community Academy's capital assets are as follows:

	Balance, 7/1/24	Additions	Deletions	Transfer	Balance, 6/30/25
Land and Improvements	\$ 115,780	\$ --	\$ --	\$ --	\$ 115,780
Construction in Progress	43,500	--	--	(43,500)	--
Building and Improvements	3,834,035	345,404	--	43,500	4,222,939
Furniture and Equipment	531,391	56,793	--	--	588,184
	4,524,706	402,197	--	--	4,926,903
Less:					
Accumulated Depreciation	1,526,886	200,139	--	--	1,727,025
Total Capital Assets	\$ 2,997,820	\$ 202,058	\$ --	\$ --	\$ 3,199,878

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Interfund Receivables and Transfers:

The district reports interfund balances between many of its funds. These balances result from a time lag between the dates interfund goods and services are provided or reimbursable expenditures occur and payments between funds occur. On the fund financial statements, interfund receivables and payables as of June 30, 2025 consist of the following:

June 30, 2025	Interfund Receivables	Interfund Payables
General Fund:		
General Fund	\$ --	\$ 2,785,468
Cash in Lieu Fund	484,345	--
Total General Fund	484,345	2,785,468
Food Service Fund	143,446	--
Grant Fund	254,464	742,483
Bond Redemption Fund	70,544	--
Capital Projects Fund	--	--
Capital Reserve Fund	2,508,440	--
Activity Funds	66,712	--
Total Governmental Funds	\$ 3,527,951	\$3,527,951

Any residual balances outstanding between the governmental activities are reported in the district-wide financial statements as internal balances.

The interfund transfers for the year ended June 30, 2025 are as follows:

Governmental Funds:	Transfers In	Transfers Out
General Fund	\$ --	\$ 1,500,000
Capital Reserve Projects Fund	1,500,000	--
Total	\$ 1,500,000	\$ 1,500,000

The General Fund transferred funds to the capital projects reserve fund for the completion of capital projects and to the Insurance Fund for expenditures.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Changes in Long-Term Debt:

	Balance, 6/30/24	Additions	Deletions	Balance, 6/30/25	Due Within One Year
2018 Refunding Loan	\$ 1,635,000	\$ --	\$ 210,000	\$ 1,425,000	\$ 215,000
2016 Refunding Bonds	2,895,000	--	2,895,000	--	--
2016 Refunding Bonds Premium	229,439	--	229,439	--	--
2016 G.O. Bond	55,530,000	--	355,000	55,175,000	3,580,000
2016 G. O. Bonds Premium	4,523,987	--	347,999	4,175,988	347,999
Accrued Compensated Absences, net *	1,185,258	164,498	--	1,349,756	--
Lease Liabilities	1,352,926	1,372,097	272,098	2,452,925	195,922
	\$ 67,351,610	\$ 1,536,595	\$ 4,309,536	\$ 64,578,669	\$ 4,338,921

*As restated. See Note 12.

In December 2016, the District issued \$58,620,000 of general obligation bonds at 3-5% interest, payable through 2036 to construct or renovate several schools.

In August 2016, the District advance refunded the 2006 and 2007 refunding bond issues. The District issued \$12,530,000 of general obligation refunding bonds at 2-4% interest through 2025 to provide resources to purchase U.S. governmental securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt.

In August 2012, the District advance refunded the 2004 and most of 2005 bond issues. The District issued \$9,605,000 of general obligation refunding bonds at 2% through 2019 to provide resources to purchase U.S. governmental securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. The District has a total of \$7,590,000 of defeased debt.

In June 2013, the District issued certificates of participation (COP's) in the amount of \$3,605,000, to finance the purchase of land and water rights. Annual payments are required through 2033 at interest rates ranging from 2.0 to 4.5%. The COP's are collateralized by the property. These COP's were refunded in October, 2018 from a lease purchase refunding loan, series 2018 in the amount of \$2,670,000. Annual payments are required through 2033 at interest rates ranging from 3.65 to 4.65%.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Changes in Long-Term Debt – Continued:

All bond payments are made through the Debt Service Fund. A summary of annual requirements to amortize debt outstanding is as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 3,795,000	\$ 2,582,874	\$ 6,377,874
2027	3,950,000	2,428,744	6,378,744
2028	4,105,000	2,268,449	6,373,449
2029	4,265,000	2,101,880	6,366,880
2030	4,430,000	1,907,903	6,337,903
2031-2035	24,545,000	6,039,308	30,584,308
2036-2037	11,500,000	582,000	12,082,000
Totals	\$ 56,590,000	\$ 17,911,158	\$ 74,501,158

Cardinal Community Academy's long-term debt is as follows:

June 30	2025
Note payable to a bank in monthly installments of \$3,095, with balance due in June 2027, interest at 5.25%, collateralized by property	\$ 69,593

Changes in long-term debt were as follows:

	Balance, 07/01/24	Additions	Deductions	Balance, 06/30/25
Note payable–bank	\$ 102,055	\$ --	\$ (32,462)	\$ 69,593
Compensated absences, net*	36,099	5,108	--	41,207
Total Long-Term Obligations	\$ 138,154	\$ 5,108	\$ (32,462)	\$110,800

Future maturities of long-term debt are as follows:

Year Ending June 30	Annual Maturities
2026	\$ 34,311
2027	35,282
Total	\$ 69,593

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - Accrued Salaries:

Salaries of certain personnel are paid over a twelve-month period from September to August, but are earned during a School year of approximately nine to eleven months. The salaries and benefits earned, but unpaid, as of June 30, 2025, are estimated to be \$3,871,093.

NOTE 7 - Commitments and Contingencies:

In 1992 the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. In November 1998, the electors of the District voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

Included in the accompanying financial statements are restrictions of fund balances for TABOR reserves, which will not constitute TABOR spending when utilized. TABOR reserves include an emergency reserve. The District believes it is in compliance with the requirements of TABOR.

NOTE 8 – Defined Benefit Pension Plan:

The Weld County School District RE 3J participates in the Local Government 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.

Plan description. Eligible employees of the 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-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – 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.

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

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 Weld County School District RE 3J 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 following table:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Weld County School District RE3J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the Weld County School District RE3J were \$3,852,701 for the year ended June 30, 2025.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Weld County School District RE 3J proportion of the net pension liability was based on Weld County School District RE 3J contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the Weld County School District RE 3J reported a liability of \$43,137,248 for its proportionate share of the net pension liability. The net pension liability 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 Weld County School District RE 3J proportion of the net pension liability was based on the Weld County School District RE 3J contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2024 the Weld County School District RE 3J proportion was .25% percent, which was a decrease of .02% from its proportion measured as of December 31, 2023.

Weld County School District RE 3J proportionate share of the net pension liability	\$ 43,137,248
The State’s proportionate share of the net pension liability as a nonemployer contributing Weld County School District RE 3J associated with the Weld County School District RE 3J	3,478,857
Total	\$ 46,616,105

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

For the year ended December 31, 2024, the Weld County School District RE 3J recognized pension expense of \$1,224,705 and revenue of \$317,516 for support from the State nonemployer contributing Weld County School District RE 3J. At June 30, 2025, the Weld County School District RE 3J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,442,798	\$ --
Changes in assumption	323,405	--
Net difference between projected and actual earnings on pension plan investments	813,880	--
Change in proportion	1,002,838	--
Contributions subsequent to measurement date	2,080,956	--
Total	\$ 6,663,877	\$ --

\$1,970,946 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 3,849,368
2027	2,945,568
2028	(1,631,559)
2029	(580,456)
	\$4,582,921

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

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

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

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

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

- **Males:** 112% of the rates prior to age 80/ 94% of the rates age 80 and older using scale MP - 2019
- **Females:** 83% of the rates prior to age 80/ 106% of the rates age 80 and older using scale MP - 2019

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-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – 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.

- **Males:** 106% of the rates for all ages Using Scale 2024 adjusted MP-2021
- **Females:** 86% of the rates prior to age 85/ 115% of the rates age 85 and older Using Scale 2024 adjusted MP-2021

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan- Continued:

Sensitivity of the Weld County School District RE 3J 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 79,101,889	\$ 43,137,248	\$40,957,650

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.

Subsequent Event: 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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits:

Plan description. Eligible employees of the Weld County School District RE 3J 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.

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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.

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 Weld County School District RE 3J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Weld County School District RE 3J were \$192,824 for the year ended June 30, 2025.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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

At June 30, 2025, the Weld County School District RE 3J reported a liability of \$765,067 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Weld County School District RE 3J proportion of the net OPEB liability was based on Weld County School District RE 3J 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 Weld County School District RE 3J proportion was .16%, which was approximately the same as its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Weld County School District RE 3J recognized OPEB income of \$327,738. At June 30, 2025, the Weld County School District RE 3J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 168,758
Net difference between projected and actual earnings on pension plan investments	2,594	--
Changes in assumptions	8,773	244,554
Change in proportionate share	--	--
Contributions subsequent to the measurement date	21,444	--
Total	\$ 32,811	\$ 413,312

\$20,311 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026 . Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

Year Ending June 30	Amount
2026	\$ (117,531)
2027	(69,286)
2028	(94,610)
2029	(58,421)
2030	(40,312)
Thereafter	(21,785)
	<u>\$ (401,945)</u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20%-11.30%
Long-term investment rate of return, net of OPEB 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

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-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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

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

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

Year	PERACare Medicare	MAPDPPO #21	MedicarePart A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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.

- **Males:** 112% of the rates prior to age 80/ 94% of the rates age 80 and older - PubT-2010
- **Females:** 83% of the rates prior to age 80/ 106% of the rates age 80 and older - PubT-2010

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.

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

Salary increases including wage inflation of 4%-13.40% were reflected for Members and other safety officers for the School Division.

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.

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

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. For the School Division these assumptions were based on PubT 2010 Employee Mortality table.

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – 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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51%	5.00%
Fixed Income	23%	2.60%
Private Equity	10%	7.60%
Real Estate	10%	4.10%
Alternatives	6%	5.20%
Total	100%	

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

Sensitivity of the Weld County School District RE 3J 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:

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$744,454	\$765,067	\$788,395

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:

- 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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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 Weld County School District RE 3J 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:

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 937,602	\$ 765,067	\$ 616,322

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – Wide Area Network Leases:

Under GASB Statement No.87, the District recognizes a lease payable for a wide area network infrastructure lease. At June 30, 2024, the District had three agreements to lease Wide Area Network infrastructure from WANRack, LLC. In June 2025, the leases were combined into one single lease covering the same leased assets at an estimated incremental borrowing rate of 6%.

Lease Descriptions	Present Value of Minimum Lease Payments
In June 2025, The District entered into a Wide Area Network lease for 5 years starting July 2025 with monthly payments of \$27,097 with an optional 5-year renewal that the District is reasonably certain to exercise and includes in the lease term ending June 2035.	\$ 2,452,925
Total	\$ 2,452,925

The following is the lease payable schedule as of June 30, 2025:

Years Ending June 30	Principal	Interest	Total Payments
2026	\$ 195,922	\$ 129,242	\$ 325,164
2027	195,050	130,114	325,164
2028	207,080	118,084	325,164
2029	219,852	105,312	325,164
2030	233,412	91,752	325,164
There after	1,401,609	224,211	1,625,820
	\$2,452,925	\$ 798,715	\$3,251,640

Total lease expense recognized during the year ended June 30, 2025 is as follows:

	<u>Expense</u>	<u>Interest</u>	<u>Total Expense</u>
WAN leases	\$272,098	\$72,083	\$344,181

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - 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 entered into the Colorado School Districts Self Insurance Pool in 1985. The Pool was established by the Colorado Association of District Boards (CASB) to provide insurance coverage's to participants in the areas of general liability, automobile liability, auto physical damage, auto personal injury protection, real and personal property, crime, and other coverages.

The District's share in the Pool is estimated to be less than 1%.

The District continues to carry commercial insurance for other risks of loss, including workers' compensation, employee fidelity, and director liability. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 12 - Change in Accounting Principle:

Transition guidance for Governmental Accounting Standards Board (GASB) Statement 101 *Compensated Absences* indicates implementation of GASB 101 should be reported as a change in accounting principle in accordance with GASB Statement 100 *Accounting Changes and Error Corrections*.

Certain compensated absences that were not previously recognized as liabilities have now been included, per the updated guidance. An adjustment to beginning net position as of July 1, 2024 was recorded to reflect the cumulative effect of applying GASB 101.

Beginning Net Position, as Previously Reported	\$ 26,257,343
Implementation of GASB 101	(383,055)
Beginning of Net Position, as Restated	<u>\$ 25,874,288</u>

REQUIRED SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-3(J)**BUDGETARY COMPARISON SCHEDULE**

Year Ended June 30, 2025	General Fund			
	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	\$ 30,915,710	\$ 33,865,129	\$ 30,943,951	\$ (28,241)
State sources	7,205,902	3,953,373	6,755,682	450,220
Federal sources	120,600	94,507	1,500	119,100
Other	714,145	340,000	640,000	74,145
Total Revenue	38,956,357	38,253,009	38,341,133	615,224
Expenditures:				
Instruction	21,478,842	21,465,227	21,827,017	348,175
Supporting services	15,038,429	15,473,501	15,256,599	218,170
Capital outlay	374,106	217,518	217,518	(156,588)
Debt service	420,234	-	500,000	79,766
Appropriated reserves	-	-	-	-
Total Expenditures	37,311,611	37,156,246	37,801,134	489,523
Revenue Over (Under) Expenditures	1,644,746	1,096,763	539,999	1,104,747
Other Financing Sources (Uses):				
Operating transfers in (out)	(1,500,000)	(2,000,000)	(1,500,000)	-
Total Other Financing Sources (Uses)	(1,500,000)	(2,000,000)	(1,500,000)	-
Revenue and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	144,746	(903,237)	(960,001)	1,104,747
Fund Balance, Beginning of Year	18,165,674	18,165,674	18,165,674	-
Fund Balance, End of Year	\$ 18,310,420	\$ 17,262,437	\$ 17,205,673	\$ 1,104,747

**WELD COUNTY SCHOOL DISTRICT RE-3(J)
DESIGNATED GRANTS FUND**

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	\$ -	\$ 5,000	\$ -	\$ -
State sources	45,398	4,000	77,608	(32,210)
Federal sources	1,184,671	1,196,922	1,207,074	(22,403)
Total Revenue	\$ 1,230,069	\$ 1,205,922	\$ 1,284,682	\$ (54,613)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Instruction				
Salaries	\$ 799,295	\$ 685,260	\$ 684,879	\$ (114,416)
Employee benefits	130,522	245,100	257,149	126,627
Purchased services	38,988	46,587	39,087	99
Supplies and materials	4,146	7,500	4,556	410
Other	-	11,831	-	-
Supporting Services				
Salaries	166,978	103,827	133,866	(33,112)
Employee benefits	25,221	39,526	44,412	19,191
Purchased services	32,713	25,604	68,266	35,553
Supplies and materials	32,206	40,687	52,467	20,261
Other	-	-	-	-
Capital Outlay:				
Equipment	-	-	-	-
Total Expenditures	\$ 1,230,069	\$ 1,205,922	\$ 1,284,682	\$ 54,613

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2025	3,852,701	3,852,701	19,079,953	20.2%
2024	3,622,296	3,622,296	17,270,250	21.0%
2023	3,212,216	3,212,216	16,132,060	19.9%
2022	3,126,084	3,126,084	14,841,847	21.1%
2021	2,650,613	2,650,613	14,001,921	18.9%
2020	2,567,126	2,567,126	13,418,954	19.1%
2019	2,264,440	2,264,440	11,984,784	18.9%
2018	2,263,418	2,263,418	11,353,960	19.9%
2017	1,970,185	1,970,185	10,234,727	19.3%
2016	1,842,571	1,842,581	9,826,954	18.8%

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2025	\$ 192,824	\$ 192,824	\$ 19,079,953	1.0%
2024	182,677	182,677	17,270,250	1.1%
2023	164,436	164,436	16,132,060	1.0%
2022	149,902	149,903	14,841,847	1.0%
2021	139,846	139,846	14,001,921	1.0%
2020	136,873	136,873	13,418,954	1.0%
2019	122,245	122,245	11,984,784	1.0%
2018	115,810	115,810	11,353,960	1.0%
2017	100,059	100,059	10,234,727	1.0%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended June 30	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2025	0.25%	43,137,248	19,079,953	226%	67.2%
2024	0.27%	47,745,239	17,270,250	276%	64.7%
2023	0.22%	39,696,634	16,132,060	246%	61.8%
2022	0.24%	31,420,888	14,841,847	212%	74.9%
2021	0.27%	40,818,554	14,001,921	292%	67.0%
2020	0.22%	32,867,523	13,418,954	245%	64.5%
2019	0.22%	38,955,519	11,984,784	325%	57.1%
2018	0.24%	77,607,470	11,353,960	684%	44.0%
2017*	0.22%	65,502,507	10,234,727	640%	43.1%
2016	0.22%	34,782,130	9,826,954	353%	59.2%

* Significant changes in assumptions made by Colorado PERA.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY

Year Ended June 30	Cumulative Proportion of Net OPEB Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2025	0.16%	765,067	19,079,953	4%	59.8%
2024	0.16%	1,177,648	17,270,250	7%	46.2%
2023	0.16%	1,347,190	16,132,060	8%	38.6%
2022	0.16%	1,379,688	14,841,847	9%	39.4%
2021	0.15%	1,425,338	14,001,921	10%	32.8%
2020	0.15%	1,685,997	13,418,954	13%	24.5%
2019	0.13%	1,904,759	11,984,784	16%	17.0%
2018	0.13%	1,819,440	11,353,960	16%	17.5%
2017	0.13%	1,815,148	10,234,727	18%	16.7%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-3(J)
DEBT SERVICE FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local Sources:				
Property taxes, current	\$ 6,441,176	\$ 5,982,875	\$ 6,519,995	\$ (78,819)
Other revenue	2,044	3,500	3,500	(1,456)
Total Local Sources	6,443,220	5,986,375	6,523,495	(80,275)
Other:				
Interest	425,622	400,000	400,000	25,622
Total Revenue	\$ 6,868,842	\$ 6,386,375	\$ 6,923,495	\$ (54,653)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Debt Service:				
Principal payments	\$ 3,250,000	\$ 3,307,900	\$ 3,250,000	\$ -
Interest on bonds	2,669,975	2,669,975	2,669,975	-
Other Expenses	1,300	5,000	5,000	3,700
Total Expenditures	\$ 5,921,275	\$ 5,982,875	\$ 5,924,975	\$ 3,700

**WELD COUNTY SCHOOL DISTRICT RE-3(J)
CAPITAL RESERVE PROJECTS FUND**

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
State Sources:				
State grants	\$ -	-	\$ -	\$ -
Other:				
Interest	-	-	-	-
Other local revenue	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Capital Outlay:				
Land and improvements	\$ 501,304	\$ 370,000	\$ 620,000	\$ 118,696
Buildings	177,004	358,000	390,687	213,683
Equipment and vehicles	406,440	915,000	370,000	(36,440)
Expenditures:				
Debt Service:				
Principal payments	210,000	300,919	269,313	59,313
Interest on loan	41,062	-	-	(41,062)
Total Expenditures	\$ 1,335,810	\$ 1,943,919	\$ 1,650,000	\$ 314,190

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
General Fund	\$ 1,500,000	\$ 2,000,000	\$ 1,500,000	\$ -

WELD COUNTY SCHOOL DISTRICT RE-3(J)
GENERAL FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Local Sources:				
Property taxes, current	\$ 27,690,131	\$ 31,705,358	\$ 28,036,825	\$ (346,694)
Delinquent taxes	1,755	30,000	30,000	(28,245)
Specific ownership taxes	1,520,651	1,500,117	1,437,429	83,222
Other	1,703,173	629,654	1,439,697	263,476
Total Local Sources	30,915,710	33,865,129	30,943,951	(28,241)
State Sources:				
Vocational education	74,578	48,361	48,361	26,217
State equalization	4,449,050	1,648,268	4,449,047	3
Transportation	263,495	237,051	245,617	17,878
On behalf payment	324,478	-	-	324,478
Other grants	2,094,301	2,019,693	2,012,657	81,644
Total State Sources	7,205,902	3,953,373	6,755,682	450,220
Federal Sources:				
Other grants	120,600	94,507	1,500	119,100
Total Federal Sources	120,600	94,507	1,500	119,100
Other:				
Interest	714,145	340,000	640,000	74,145
Total Revenue	\$ 38,956,357	\$ 38,253,009	\$ 38,341,133	\$ 615,224

WELD COUNTY SCHOOL DISTRICT RE-3(J)
GENERAL FUND

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Instruction:				
Current operating:				
Salaries	\$ 12,185,944	\$ 12,753,384	\$ 12,565,751	\$ 379,807
Employee benefits	4,490,880	4,670,477	4,762,495	271,615
Purchased services	1,433,175	942,900	1,460,522	27,347
Supplies and materials	972,395	1,031,995	965,511	(6,884)
Other	2,071,970	2,058,971	2,065,238	(6,732)
On behalf payment	324,478	-	-	(324,478)
Capital outlay	-	7,500	7,500	7,500
Total Instruction	21,478,842	21,465,227	21,827,017	348,175
Supporting Services:				
Pupils:				
Current operating:				
Salaries	1,241,007	1,415,234	1,362,012	121,005
Employee benefits	466,638	528,543	501,425	34,787
Purchased services	434,047	456,886	380,945	(53,102)
Supplies and materials	7,771	3,000	3,000	(4,771)
Other	150	-	-	(150)
Capital outlay	-	-	-	-
Total Pupils	2,149,613	2,403,663	2,247,382	97,769
Instructional support:				
Current operating:				
Salaries	844,843	917,773	917,994	73,151
Employee benefits	327,547	327,415	300,521	(27,026)
Purchased services	117,733	109,500	109,500	(8,233)
Supplies and materials	30,950	95,000	45,000	14,050
Other	1,545	1,650	1,650	105
Capital outlay	-	-	-	-
Total Instructional Staff	1,322,618	1,451,338	1,374,665	52,047
General administration:				
Current operating:				
Salaries	1,100,763	1,124,697	1,077,727	(23,036)
Employee benefits	398,737	347,193	381,348	(17,389)
Purchased services	652,440	912,839	865,339	212,899
Supplies and materials	430,632	253,846	251,672	(178,960)
Other	45,750	25,250	25,250	(20,500)
Capital outlay	373,224	175,000	175,000	(198,224)
Total General Administration	3,001,546	2,838,825	2,776,336	(225,210)

Continued on next page.

WELD COUNTY SCHOOL DISTRICT RE-3(J)
GENERAL FUND

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Supporting Services - Continued:				
School administration:				
Current operating:				
Salaries	\$ 1,697,393	1,688,601	1,689,157	\$ (8,236)
Employee benefits	554,369	578,643	578,767	24,398
Purchased services	27,704	6,030	6,030	(21,674)
Supplies and materials	9,327	-	-	(9,327)
Other	6,570	-	-	(6,570)
Capital outlay	-	-	-	-
Total School Administration	2,295,363	2,273,274	2,273,954	(21,409)
Operations and maintenance:				
Current operating:				
Salaries	1,299,293	1,351,037	1,362,049	62,756
Employee benefits	485,894	542,523	545,041	59,147
Purchased services	1,391,007	969,932	939,932	(451,075)
Supplies and materials	1,199,621	1,318,000	1,248,000	48,379
Other	290	500	500	210
Capital outlay	882	5,000	5,000	4,118
Total Operations and Maintenance	4,376,987	4,186,992	4,100,522	(276,465)
Pupil transportation:				
Current operating:				
Salaries	712,710	752,307	746,913	34,203
Employee benefits	289,823	318,624	422,154	132,331
Purchased services	29,471	91,000	91,000	61,529
Supplies and materials	363,331	485,976	485,494	122,163
Other	-	450	450	450
Capital outlay	-	30,018	30,018	30,018
Total Pupil Transportation	1,395,335	1,678,375	1,776,029	380,694
Other Supporting Services:				
Current operating:				
Insurance	871,073	858,552	925,229	54,156
Total Supporting Services	15,412,535	15,691,019	15,474,117	61,582
Debt Service:				
Lease principal payments	272,098	-	380,000	107,902
Lease interest	148,136	-	120,000	(28,136)
Total Debt Service	420,234	-	500,000	79,766
Appropriated Reserves	-	-	-	-
Total Expenditures	\$ 37,311,611	\$ 37,156,246	\$ 37,801,134	\$ 489,523

**WELD COUNTY SCHOOL DISTRICT RE-3(J)
GENERAL FUND**

Schedule of Operating Transfers Compared to Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Operating Transfers Out:				
Food Service Fund	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	-	-	-	-
Capital Reserve Projects Fund	1,500,000	2,000,000	1,500,000	-
Total Transfers	\$ 1,500,000	\$ 2,000,000	\$ 1,500,000	\$ -

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

June 30, 2025	Capital Projects Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
<u>ASSETS</u>					
Cash and Investments	\$ 993,557	\$ 17,489	\$ 359,686	\$ 459,923	\$ 1,830,655
Bank Certificates of Deposit	130,200	63,903	-	-	194,103
Due From Other Funds	-	-	143,446	66,712	210,158
Other Receivables	-	-	2,322	17,709	20,031
TOTAL ASSETS	\$ 1,123,757	\$ 81,392	\$ 505,454	\$ 544,344	\$ 2,254,947
<u>LIABILITIES</u>					
Accounts Payable	\$ -	\$ -	\$ 12,406	\$ (732)	\$ 11,674
Accrued Salaries and Benefits	-	-	-	-	-
Unearned Revenue	-	-	12,886	-	12,886
Due To Other Funds	-	-	-	-	-
Total Liabilities	-	-	25,292	(732)	24,560
<u>FUND BALANCES</u>					
Nonspendable	-	81,392	-	-	81,392
Assigned:					
Capital Outlay	1,123,757	-	-	-	1,123,757
Student Activities	-	-	-	545,076	545,076
Food Service	-	-	480,162	-	480,162
Total Fund Balances	1,123,757	81,392	480,162	545,076	2,230,387
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,123,757	\$ 81,392	\$ 505,454	\$ 544,344	\$ 2,254,947

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2025	Capital Projects Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
Revenue:					
Interest	\$ 30,488	\$ 1,605	\$ 307	\$ -	\$ 32,400
Local sources	-	-	134,798	500,106	634,904
State sources	-	-	236,094	-	236,094
Federal sources	-	-	1,121,355	-	1,121,355
Total Revenue	30,488	1,605	1,492,554	500,106	2,024,753
Expenditures:					
Instruction	-	-	-	-	-
Supporting services	-	-	1,512,517	500,127	2,012,644
Capital outlay	-	-	12,246	-	12,246
Non-capital outlay	-	-	-	-	-
Total Expenditures	-	-	1,524,763	500,127	2,024,890
Revenue (Under) Over Expenditures	30,488	1,605	(32,209)	(21)	(137)
Other Financing Sources (Uses):					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances, Beginning of Year	1,093,269	79,787	512,371	545,097	2,230,524
Fund Balances, End of Year	\$1,123,757	\$ 81,392	\$ 480,162	\$ 545,076	\$ 2,230,387

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR FUNDS
CAPITAL PROJECTS FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Other:				
Interest	\$ 30,488	\$ 60,000	\$ 35,000	\$ (4,512)
Other Income	-	-	-	-
Total Revenue and Other Financing Sources	\$ 30,488	\$ 60,000	\$ 35,000	\$ (4,512)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Supporting Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay:				
Land and improvements	-	-	-	-
Buildings	-	-	-	-
Equipment and vehicles	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
General Fund	\$ -	\$ -	\$ -	\$ -

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR FUNDS
PERMANENT FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Miscellaneous Revenue:				
Interest	\$ 1,605	\$ 2,000	\$ 1,600	\$ 5
Total Revenue	\$ 1,605	\$ 2,000	\$ 1,600	\$ 5

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Budget	Budget	Variance
Supporting Services:				
Other	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR FUNDS
FOOD SERVICE FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Operating Revenue:				
Food and milk sales	\$ 134,798	\$ 126,107	\$ 126,107	\$ 8,691
Nonoperating Revenue:				
State grants	236,094	524,702	524,702	(288,608)
Federal grants	980,894	865,111	865,113	115,781
U.S.D.A. commodities	140,461	87,043	87,043	53,418
Interest	307	200	200	107
Total Revenue	\$ 1,492,554	\$ 1,603,163	\$ 1,603,165	\$ (110,611)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Salaries and benefits	\$ 15,463	\$ 34,580	\$ 34,580	\$ 19,117
Supplies	649,659	705,075	705,075	55,416
Purchased services	847,395	863,510	863,510	16,115
Capital Outlay:				
Equipment	12,246	100,000	100,000	87,754
Total Expenses	\$ 1,524,763	\$ 1,703,165	\$ 1,703,165	\$ 178,402

WELD COUNTY SCHOOL DISTRICT RE-3(J)
NONMAJOR FUNDS
STUDENT ACTIVITIES FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 500,106	\$650,000	\$ 650,000	\$ 149,894
Total Additions	\$ 500,106	\$650,000	\$ 650,000	\$ 149,894

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2025	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 500,127	\$650,000	\$ 650,000	\$ 149,873
Total Deductions	\$ 500,127	\$650,000	\$ 650,000	\$ 149,873

CARDINAL COMMUNITY ACADEMY

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2025	Actual	Original Budget	Amended Budget	Variance
Revenue:				
Weld County School District RE-3(J) PPR	\$ 2,059,803	\$ 2,053,445	\$ 2,053,445	\$ 6,358
Mill Levy override	329,938	306,549	306,549	23,389
Colorado Department of Education grants	120,445	49,000	75,812	44,633
Federal grants	42,314	24,705	24,705	17,609
Contributions and Grants	197,000	-	206,500	(9,500)
Interest income	87,714	20,000	59,704	28,010
On behalf payment	20,323	-	-	20,323
Other	112,450	163,000	163,000	(50,550)
Total Revenue	2,969,987	2,616,699	2,889,715	80,272
Expenditures:				
Current:				
Instruction:				
Teachers' salaries	635,834	666,409	640,301	4,467
Substitute teachers	22,952	20,000	20,000	(2,952)
Teachers aides	193,564	177,130	170,416	(23,148)
After school staff	6,245	14,359	14,359	8,114
Incentives	114,405	111,900	111,900	(2,505)
PERA contributions	187,960	202,900	197,804	9,844
Other benefits	91,088	102,329	101,754	10,666
Special education	105,962	90,000	90,000	(15,962)
Educational equipment & furniture	24,411	38,000	48,500	24,089
Instructional materials & supplies	74,268	76,000	77,500	3,232
Total Instruction	1,456,689	1,499,027	1,472,534	15,845
Supporting Services:				
RE-3(J) administrative withholding	129,248	110,000	110,000	(19,248)
Director salary	161,364	161,364	161,364	-
Office staff salary	106,496	108,476	108,476	1,980
Accountability/evaluation	-	4,200	4,200	4,200
PERA contributions	71,110	76,762	74,834	3,724
Custodian	53,177	50,593	50,593	(2,584)
Utilities	43,825	64,000	64,000	20,175
Telephone	5,428	5,000	7,500	2,072
Building expense	13,025	15,500	15,500	2,475
Insurance	34,337	40,000	40,000	5,663
Equipment rentals	51,337	54,000	54,000	2,663
Water/wastewater	15,200	20,000	20,000	4,800
Contracted services	78,390	71,000	116,000	37,610
Fundraising expense	58,241	75,000	75,000	16,759
PTO expense	26,018	75,000	75,000	48,982
On behalf payment	20,323	-	-	(20,323)
Miscellaneous expense	8,703	9,000	12,800	4,097
Total Supporting Services	876,222	939,895	989,267	113,045
Capital outlay	402,197	350,000	350,000	(52,197)
Debt service (principal)	32,462	30,000	30,000	(2,462)
Interest expense	4,260	8,000	8,000	3,740
Total Expenditures	2,771,830	2,826,922	2,849,801	77,971
Revenue Over (Under) Expenditures	198,157	(210,223)	39,914	158,243
Fund Balance, Beginning of Year	2,368,456	2,368,456	2,368,456	-
Fund Balance, End of Year	\$ 2,566,613	\$ 2,158,233	\$ 2,408,370	\$ 158,243

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

Agency/Program Grant Title	Pass-Through Identification Number	Assistance Listing Number	Expenditures
<u>Department of Agriculture</u>			
Child Nutrition Cluster:			
Passed Through CDHHS:			
Food Distribution		10.555	\$ 140,461
Passed Through Colorado Department of Education:			
National School Lunch Program	4555	10.555	775,913
School Breakfast Program	4553	10.553	204,981
Child Nutrition Cluster Total			1,121,355
<u>Department of Education</u>			
Passed Through Colorado Department of Education:			
Title I Grants to Local Education Agencies	4010	84.010	419,986
Title III Part A ELA	4365	84.365	36,419
Title II Part A Teacher Quality	4367	84.367	75,525
Title III Set Aside Immigrant	7365	84.365	858
Title IV Part A - Student Support and Enrichment	4424	84.424	31,831
Summer Electronic Benefit Transfer Program for Child	4646	10.646	1,500
COVID-19 Stronger Connections Grant Revenue	4451	84.424F	109,032
Special Education Cluster (IDEA):			
Special Education - Part B IDEA	4027	84.027	496,715
Special Education - Part B Preschool	4173	84.173	14,305
Special Education Cluster Total			511,020
Total Federal Assistance			\$2,307,526

Note 1: Schedule is prepared on the modified accrual basis of accounting except for the food distribution commodities received which are at fair value.

Note 2: The District does not have any significant subrecipients or indirect cost recovery.

Note 3: The District's federal programs generally do not utilize the 10% de minimus cost rate.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

SUMMARY OF AUDITORS' RESULTS

- Type of report issued on financial statements Unmodified
- Internal control over financial reporting:
 - Material weaknesses identified No
 - Significant deficiencies identified None reported
- Noncompliance material to the financial statements noted No
- Internal control over federal awards:
 - Material weaknesses identified No
 - Significant deficiencies identified None reported
- Type of report issued on major programs Unmodified
- Audit findings disclosed None under 2 CFR 200.516(a)
- Major programs 10.553 and 10.555
Child Nutrition Cluster
- Dollar threshold between Type A and Type B programs \$750,000
- Low-risk auditee Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

- None



Independent Auditors' Report on Compliance for Each Major Federal Program and
Internal Control Over Compliance in Accordance with Uniform Guidance

Board of Education
Weld County School District RE-3(J)
Hudson, Colorado

Report on Compliance for Major Federal Programs

Opinion on Each Major Federal Program

We have audited Weld County School District RE-3(J)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Weld County School District RE-3(J)'s major federal programs for the year ended June 30, 2025. Weld County School District RE-3(J)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Weld County School District RE-3(J) complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Weld County School District RE-3(J) and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Weld County School District RE-3(J)'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Weld County School District RE-3(J)'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Weld County School District RE-3(J)'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Weld County School District RE-3(J)'s compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Weld County School District RE-3(J)'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Weld County School District RE-3(J)'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Weld County School District RE-3(J)'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Anderson & Whitney, P.C.

January 28, 2026



Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Education
Weld County School District RE-3(J)
Hudson, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-3(J), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 28, 2026. The financial statements of Cardinal Community Academy as of June 30, 2025 were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Weld County School District RE-3(J)'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Anderson & Whitney, P.C.

January 28, 2026



Colorado Department of Education
Auditors Integrity Report
 District: 3090 - Weld County School District RE-3J
 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	18,165,677		35,394,553		35,249,808		18,310,422
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	18,165,677		35,394,553		35,249,808		18,310,422
11 Charter School Fund	2,368,459		2,969,987		2,771,828		2,566,618
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
07 Total Program Reserve Fund	0		0		0		0
21 Food Service Spec Revenue Fund	512,371		1,492,553		1,524,724		480,200
22 Govt Designated-Purpose Grants Fund	0		1,230,068		1,230,068		0
23 Pupil Activity Special Revenue Fund	545,097		500,106		500,127		545,077
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	11,752,008		6,868,843		5,921,275		12,699,576
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	1,093,268		30,489		0		1,123,757
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	1,966,958		1,500,000		1,335,811		2,131,147
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	36,403,839		49,986,599		48,533,641		37,856,797
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	79,786		1,605		0		81,391
85 Foundations	0		0		0		0
Totals	79,786		1,605		0		81,391

FINAL