Weldon Valley School District RE-20J

Weldona, Colorado

Financial Statements

For the Year Ended June 30, 2026

Table of Contents

	Page
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	16-17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Notes to Financial Statements	22-57
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	60
Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund	62-63
Schedule of District Contributions – PERA's School Division Trust Fund	64-65
Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund	66-67
Schedule of District Contributions – PERA's Health Care Trust Fund	68-69
Notes to the Required Supplementary Information	70-72
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule – Revenues	76
Budgetary Comparison Schedule – Expenditures	78-80

Table of Contents

	Page
Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	83
Budgetary Comparison Schedule – Food Service Fund	84
Budgetary Comparison Schedule – Pupil Activity Fund	85
Budgetary Comparison Schedule – Bond Redemption Fund	86
Budgetary Comparison Schedule – Capital Reserve Capital Projects Fund	87
Capital Projects Fund	
Budgetary Comparison Schedule – Building Fund	90
Colorado Department of Education Supplementary Schedule	
Auditors' Integrity Report	92

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Independent Auditors' Report

Board of Education
Weldon Valley School District RE-20J
Weldona, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weldon Valley School District RE-20J (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Other Supplementary Information

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 17, 2026

The purpose of management's discussion and analysis is to help District families and other readers understand what the financial statements and notes in this financial report say about the District's health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by management's knowledge of the District's finances. If you have questions about this report or require further information, contact Weldon Valley School District RE-20J, 911 North Avenue, Weldona, CO 80653.

Overview of Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. Short-term and long-term information about the District's overall financial status is provided in these statements. These statements use the economic resources measurement focus and the accrual basis of accounting used by most private sector companies. This basis of accounting recognizes revenue when earned, and expenses are recorded when an obligation has been incurred.

The Statement of Net Position and Statement of Activities report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. In the Statement of Net Position and the Statement of Activities, the School District's activities include the following:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance, student transportation, food service and extracurricular activities.

The Statement of Net Position presents information on all the District's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District reports only governmental activities and does not have any business-type activities. The government-wide financial statements can be found on pages 14-17 of this report.

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 School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to maintain accountability over resources that are restricted or designated for specific purposes. The District reports only governmental funds.

Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for near-term spending. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which recognizes revenue when it is measurable and available, and expenses are recorded when the related fund liability is incurred Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's education programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The District maintains six 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 and the Building Fund, both of which are considered to be major funds. Data for the other four nonmajor governmental funds are combined into a single, aggregated presentation identified as “Other Governmental Funds”. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 18-21 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 22-57.

Required and other supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information that further supports the financial statements with budgetary comparison information for each fund, historical pension and other post-employment benefit information, and another report required by the Colorado Department of Education.

Financial Summary

Financial Analysis of the School District as a Whole

The District's net position was $19,388,748 at June 30, 2026, an increase of $1,011,442, or 5.50%, from the prior year. The largest portion of the net position, $16,761,055 or 86%, reflects the District's investment in capital assets (i.e. land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its 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. An additional portion of the net position ($700,651) represents resources that are subject to external restrictions on how they may be used. The analyses in Table 1 and Table 2 below focus on the summary of net position and summary of changes in net position for the District's governmental activities.

Table 1 – Net Position

	June 30, 2026	June 30, 2025	Change
Current assets	$ 6,964,360	$ 10,193,691	$ (3,229,331)
Capital assets	23,012,256	22,075,442	936,814
Total assets	29,976,616	32,269,133	(2,292,517)
Deferred outflows of resources	558,531	846,811	(288,280)
Current liabilities	264,297	3,641,142	(3,376,845)
Long-term liabilities	10,089,373	10,663,835	(574,462)
Total liabilities	10,353,670	14,304,977	(3,951,307)
Deferred inflows of resources	792,729	433,661	359,068
Net position			
Net investment in capital assets	16,761,055	15,807,599	953,456
Restricted	700,651	754,646	(53,995)
Unrestricted	1,927,042	1,815,061	111,981
Total net position	$ 19,388,748	$ 18,377,306	$ 1,011,442

Current assets and current liabilities both decreased by $3,229,331 and $3,376,845, respectively, compared to the prior year, primarily due to the timing of the District's new gym and agricultural wing construction project. At June 30, 2025 the District had significant cash and grant receivables related to the project, along with substantial construction contracts payable. The majority of the construction project was completed and the related receivables and payables were substantially settled early in the current fiscal year.

Capital assets, net increased $936,814 or 4.24% compared to the prior year, primarily due to the completion of the new gym and ag shop wing additions. See comments below under "Capital Assets" for more detailed analysis.

Pension and OPEB deferred outflows and inflows can change significantly from year to year due to factors such as investment performance, changes in actuarial assumptions, differences between expected and actual experience, and changes in the District's proportionate share of the plans. These factors are outside of the District's direct control and can cause significant fluctuations in the amounts reported as deferred outflows and inflows of resources from one year to the next.

The results of this year's operations for the District as a whole are reported in the Statement of Activities.

Table 2 – Changes in Net Position

	June 30, 2026	June 30, 2025	Change
Revenues			
Program revenues			
Charges for services	$ 77,198	$ 80,992	$ (3,794)
Operating grants and contributions	432,376	693,790	(261,414)
Capital grants and contributions	1,092,221	8,947,495	(7,855,274)
General revenues			
Property taxes for general purposes	946,779	893,186	53,593
Property taxes for debt service	380,205	407,985	(27,780)
Specific ownership taxes	103,638	106,050	(2,412)
Delinquent taxes and interest	76,086	2,065	74,021
State equalization	2,885,356	2,870,644	14,712
Earnings on investments	147,050	223,032	(75,982)
Other	298,175	221,947	76,228
Total revenues	6,439,084	14,547,186	(8,108,102)
Expenses			
Instruction	2,725,809	2,458,488	267,321
Students	123,640	106,890	16,750
Instructional staff	55,784	49,216	6,568
General administration	221,679	170,975	50,704
School administration	215,096	156,226	58,870
Business services	136,913	89,117	47,796
Operations and maintenance	602,521	498,524	103,997
Student transportation	231,830	232,063	(233)
Central support services	11,444	3,782	7,662
Food service operations	176,639	184,342	(7,703)
Facilities acquisition	69,320	204,763	(135,443)
Unallocated depreciation	623,518	230,156	393,362
Interest on long-term obligations	275,557	278,389	(2,832)
Total expenses	5,469,750	4,662,931	806,819
Change in net position	(969,334)	9,884,255	(10,853,589)
Net position at beginning of year, as previously reported	18,377,306	8,493,051	9,884,225
Restatement for correction of an error	42,108	-	42,108
Net position at beginning of year, as restated	18,419,414	8,493,051	9,926,363
Net position at end of year	$ 19,388,748	$ 18,377,306	$ 1,011,442

As reported in the Statement of Activities, the cost of all of the governmental activities this year was $5,469,750. Charges for services and operating grants and contributions covered a portion of the cost of governmental activities, with the remaining costs financed primarily through property and related taxes, state equalization, earnings on investments and other revenues. Total revenues decreased significantly from the prior year, primarily due to the timing of capital grants and contributions related to the District's new gym and agricultural shop wing additions.

Total revenues decreased $8,108,102, or 55.74%, compared to the prior year, primarily due to a decrease of $7,855,274 in capital grants and contributions. The prior year included significant grant funding received in connection with the District's new gym and agricultural shop wing construction project. Capital grants and contributions decreased to $1,092,221 in the current year as the major portion of the project was completed early in the fiscal year. Operating grants and contributions also decreased $261,414, or 37.68%, compared to the prior year. Earnings on investments decreased $75,982, or 54.48%, compared to the prior year, consistent with lower cash and investment balances as construction-related funds were expended during the current year.

Despite the overall decrease in revenues, revenue received under the School Finance Act of 1994, as amended (SFA), increased $65,893 compared to the prior year. The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (the SFA) and includes property taxes levied for general purposes, specific ownership taxes and state equalization. The District received $3,935,773 in the current fiscal year according to the SFA, compared to $3,869,880, in the prior year, an increase of $65,893. This increase in revenue was due to an increase in per pupil funding of $471 over the prior year, coupled with a decrease in the funded pupil count of 1.2 pupils.

Total expenses increased $806,819, or 17.30%, compared to the prior year. Instruction expense increased $267,321, or 10.87%, and operations and maintenance increased $103,997, or 20.86%. Unallocated depreciation expense increased $393,362, or 170.91%, primarily due to depreciation associated with capital assets placed in service, including the new gym and agricultural shop wing additions, which was placed in service in August 2025.

Another significant factor affecting the change in the District’s net position was pension and OPEB expense recognized in accordance with GASB Statements No. 68 and 75. The District recognized pension and OPEB expense of $657,706 in the current fiscal year compared to $319,178 in the prior year.

The pension and OPEB expense recognized under GASB Statements No. 68 and 75 is not solely reflective of the District’s current year contributions or cash payments. Rather, the expense incorporates changes in the District’s proportionate share of the plans’ net liabilities, actuarial assumptions, investment performance, and other factors. As a result, pension and OPEB expense can fluctuate significantly from year-to-year and can have a substantial impact on reported changes in net position even when the District’s underlying operations and cash flows have not changed to the same extent.

The District's governmental activities resulted in a decrease in net position of $969,334 in the current year, compared to an increase of $9,884,255 in the prior year. The significant change between years was primarily attributable to the timing of capital grants received for the new gym and agricultural shop wing construction project. The prior year included substantial capital grant revenue related to the project, while the current year reflects the completion of the project and associated depreciation expense, as well as higher pension and OPEB expense.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's two major governmental funds are shown in Tables 3 and 4 and are discussed in more detail below.

Table 3 – Revenues, Expenditures and Changes in Fund Balance – General Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 4,480,698	$ 4,608,909
Total expenditures	3,838,496	3,853,204
Excess of revenues over (under) expenditures	642,202	755,705
Lease proceeds	75,250	-
Transfers out	(12,000)	(50,000)
Net change in fund balance	705,452	705,705
Fund balance at beginning of year, as previously reported	4,716,047	4,010,342
Restatement for correction of an error	42,108	-
Fund balance at beginning of year, as restated	4,758,155	4,010,342
Fund balance at end of year	$ 5,463,607	$ 4,716,047

The fund balance of the District's General Fund increased by $747,560, or 15.9%, during the current fiscal year. Total revenues decreased $128,211, or 2.8%, compared to the prior year, while total expenditures decreased $14,708, or 0.4%. Despite the slight decrease in revenues, the General Fund generated an excess of revenues over expenditures of $642,202. The General Fund also received $75,250 in lease proceeds during the current year, resulting in a net increase in fund balance of $705,452.

The General Fund had a total fund balance of $5,463,607 at June 30, 2026, the majority of which is available for future operations and is not subject to significant restrictions, commitments, or assignments. This represents approximately eight months of General Fund expenditures.

Table 4 – Revenues, Expenditures and Changes in Fund Balance – Building Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 1,146,359	$ 9,127,500
Total expenditures	1,584,774	14,190,538
Net change in fund balance	(438,415)	(5,063,038)
Fund balance at beginning of year	584,566	5,647,604
Fund balance at end of year	$ 146,151	$ 584,566

The fund balance of the District's Building Fund decreased by $438,415, or 75.0%, during the current fiscal year. The decrease in fund balance was primarily attributable to the continued use of available Building Fund resources to complete the District's new gym and agricultural shop wing construction project. Building Fund expenditures exceeded revenues by $438,415 during the current fiscal year as the project neared completion.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

The District's total capital assets, net of accumulated depreciation are shown in Table 5 and discussed in more detail below:

Table 5 – Capital Assets, Net of Accumulated Depreciation

	June 30, 2026	June 30, 2025	Change
Land	$ 134,268	$ 134,268	$ 0
Construction in progress	-	16,133,830	(16,133,830)
Buildings and improvements	21,579,511	4,991,073	16,588,438
Licensed vehicles	111,397	55,725	55,672
Equipment	951,574	540,103	411,471
Leased equipment	65,746	38,018	27,728
Food service equipment	169,760	182,425	(12,665)
Totals	$ 23,012,256	$ 22,075,442	$ 936,814

At June 30, 2026, the District had $23,012,256 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings and improvements, vehicles, equipment and leased assets, all with an original cost greater than $5,000. This amount represents a net increase (including additions, deletions, and depreciation) of $936,814 from last year.

In May 2024, the District broke ground on the new gym and agricultural shop wing. Major construction concluded early in the school year, and the new $16.8-million-dollar building renovation was placed in service in August 2025. Other capital spending during the current year related to the project included new bleachers, security, phone, intercom and sound system upgrades and new signage. The district also made improvements to the bus barn parking lot, dugouts, and track, and replaced several HVAC units. One vehicle was traded and two new vehicles were purchased, along with a 42-passenger bus. The District reported $798,479 in depreciation expense in the current fiscal year. See Note E of the Notes to the Financial Statements for more information on capital assets.

Long-Term Financing Activity

The District's total long-term financing obligations are shown in Table 6 and discussed in more detail below:

Table 6 – Long-Term Liabilities

	June 30, 2026	June 30, 2025	Change
Bonds payable	$ 6,100,000	$ 6,205,000	$ (105,000)
Bond premium	80,729	83,710	(2,981)
Lease payable	91,208	39,328	51,880
Totals	$ 6,271,937	$ 6,328,038	$ (56,101)

As shown in the table above, at the end of this year, the District had $6,271,937 in long-term liabilities outstanding compared to $6,328,038 last year, a decrease of $56,101 or 0.89%. The decrease primarily resulted from principal payments and the recurring amortization of the bond premium. The increase in lease payable reflects new lease activity during the current fiscal year. See Note G of the Notes to the Financial Statements for more information on long-term liabilities.

Currently Known Facts, Decisions, or Conditions

As we begin planning for the 2026–2027 school year, it is important to review the economic factors that will influence Weldon Valley School District RE-20J's budget. The District's adopted budget focuses on "academic excellence" for all students in combination with fiscal stability in all conditions. Given our size and reliance on per-pupil funding, even modest shifts in enrollment, state aid, or expenditures can have a significant impact on the District's overall financial health. This memo outlines key revenue projections, expenditure pressures, and strategic priorities for consideration.

- **Inflation and increased operating costs** continue to place pressure on the District's budget. Athletic expenses, transportation costs, food, energy, cleaning supplies, maintenance, insurance, and building-related expenses have all increased. The costs associated with operating and maintaining the District's facilities, including the new addition, have also contributed to higher expenditures.

- **Employee compensation remains a significant budget consideration.** In an effort to remain competitive with surrounding school districts and address the current cost of living, the District provided a significant payroll increase for staff this year. Larger districts in the surrounding area have also increased their base pay and wages, creating continued challenges in maintaining a competitive position for recruiting and retaining qualified employees. Employer PERA contributions continue to represent a substantial financial obligation for the District.

- **Transportation costs are expected to remain elevated.** The District operates an aging bus and vehicle fleet, resulting in increased repair and maintenance costs. The age and mileage of the fleet will continue to be a budget factor, and purchases or replacement of aging vehicles may be necessary in the current and upcoming fiscal years. Rising fuel, parts, and service costs further contribute to transportation expenditures.

- **Technology expenditures are expected to increase.** As the District continues to rely on technology to support classroom instruction and student learning, additional funds will be needed for technology services that must be contracted externally. These costs include services necessary to maintain technology infrastructure, student devices, and technology-supported classrooms.

- **Federal grant funding creates an additional area of financial uncertainty.** The District may experience a loss or significant reduction in its largest federal grant, which currently helps support student Chromebooks and technology classrooms. A reduction or loss of this funding would require the District to identify alternative funding sources or adjust expenditures to maintain these technology resources.

- **Other grant funding is also projected to decrease.** Reductions in other federal grants may affect funding available to support programs and expenditures associated with Title I and Title IV. These changes could increase the amount of local funds needed to sustain services that have historically been supported through grant funding.

- **Enrollment has remained relatively consistent; however, state funding projections indicate that the District may receive less state funding.** Because Weldon Valley School District RE-20J is a small rural district that relies heavily on per-pupil funding, changes in the amount of state funding can have a significant effect on available resources even when enrollment remains stable.

- **Overall financial planning will require careful prioritization of resources.** The District must balance increased operating and personnel costs with potentially declining state and federal revenues while continuing to provide essential academic, extracurricular, transportation, technology, and student support services. Budget decisions will need to consider both immediate operational needs and the long-term financial sustainability of the District.

Basic Financial Statements

The basic financial statements of the District include the following:

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

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash	$ 3,061,306
Cash with fiscal agent	360,600
Investments	3,372,458
Receivables	164,984
Inventory	5,012
Capital assets, net of depreciation	23,012,256
Total assets	29,976,616
Deferred outflows of resources	
Pension deferrals	546,756
Other post-employment benefit deferrals	11,775
Total deferred outflows of resources	558,531
Total assets and deferred outflows of resources	$ 30,535,147
Liabilities	
Accounts payable	$ 25,013
Accrued salaries and benefits	160,951
Unearned revenues	433
Unearned grant revenue	32,102
Accrued interest payable	45,798
Noncurrent liabilities	
Due within one year	139,885
Due in more than one year	6,132,052
Net pension liability	3,775,709
Net OPEB liability	41,727
Total liabilities	10,353,670
Deferred inflows of resources	
Pension deferrals	741,275
Other post-employment benefit deferrals	51,454
Total deferred inflows of resources	792,729
Net position	
Net investment in capital assets	16,761,055
Restricted for:	
Emergencies	180,000
Food service operations	18,211
Debt service	356,289
Capital projects	146,151
Unrestricted	1,927,042
Total net position	19,388,748
Total liabilities, deferred inflows of resources and net position	$ 30,535,147

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

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WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
Instruction	$ 2,725,809	$ 69,656	$ 266,075	
Supporting services				
Students	123,640			
Instructional staff	55,784		4,500	
General administration	221,679			
School administration	215,096			
Business services	136,913		650	
Operations and maintenance	602,521			
Student transportation	231,830		37,217	
Central support services	11,444			
Food service operations	176,639	7,542	123,934	
Facilities acquisition	69,320			$ 1,092,221
Unallocated depreciation *	623,518			
Interest and fiscal charges	275,557			
Total governmental activities	$ 5,469,750	$ 77,198	$ 432,376	$ 1,092,221
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes and interest				
State equalization				
Earnings on investments				
Other				
Total general revenues				
Change in net position				
Net position at beginning of year, as previously reported				
Restatement for correction of an error				
Net position at beginning of year, as restated				
Net position at end of year				

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

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

Net (Expenses) Revenues and Changes in Net Position
Total Governmental Activities
$ (2,390,078)
(123,640)
(51,284)
(221,679)
(215,096)
(136,263)
(602,521)
(194,613)
(11,444)
(45,163)
1,022,901
(623,518)
(275,557)
(3,867,955)
946,779
380,205
103,638
76,086
2,885,356
147,050
298,175
4,837,289
969,334
18,377,306
42,108
18,419,414
$ 19,388,748

WELDON VALLEY SCHOOL DISTRICT RE-20J
Balance Sheet
Governmental Funds
June 30, 2026

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 2,288,391		$ 772,915	$ 3,061,306
Cash with fiscal agent	11,675		348,925	360,600
Investments	2,123,933	$ 1,248,525		3,372,458
Property taxes receivable	28,728		10,656	39,384
Due from other funds	1,128,362			1,128,362
Grants receivable	90,997	25,988	8,615	125,600
Inventories			5,012	5,012
Total assets	$ 5,672,086	$ 1,274,513	$ 1,146,123	$ 8,092,722
Liabilities				
Due to other funds		$ 1,128,362		$ 1,128,362
Accounts payable	$ 11,455		$ 13,558	25,013
Accrued salaries and benefits	155,269		5,682	160,951
Unearned revenues			433	433
Unearned grant revenues	30,854		1,248	32,102
Total liabilities	197,578	1,128,362	20,921	1,346,861
Deferred inflows of resources				
Deferred property tax revenues	10,901		3,292	14,193
Total deferred inflows of resources	10,901	-	3,292	14,193
Fund balance				
Nonspendable inventories			5,012	5,012
Restricted for:				
Emergencies	180,000			180,000
Food service operations			13,199	13,199
Debt service			356,289	356,289
Capital projects		146,151		146,151
Committed to:				
Pupil activities			133,151	133,151
Assigned to:				
Capital outlay			614,259	614,259
Unassigned	5,283,607			5,283,607
Total fund balance	5,463,607	146,151	1,121,910	6,731,668
Total liabilities, deferred inflows of resources and fund balance	$ 5,672,086	$ 1,274,513	$ 1,146,123	$ 8,092,722

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2026

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 6,731,668
Capital assets, net of accumulated depreciation used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds.	23,012,256
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the governmental funds.	14,193
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(45,798)
Long-term liabilities and related deferred inflows and outflows of resources, including bonds payable, leases, and net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(10,323,571)
Net position of the governmental activities	$ 19,388,748

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Building Fund	(Formerly Major Fund) Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources	$ 1,345,500	$ 54,138		$ 677,131	$ 2,076,769
Intermediate sources	541			260	801
State sources	3,071,491	1,092,221		64,111	4,227,823
Federal sources	63,166			59,823	122,989
Total revenues	4,480,698	1,146,359	-	801,325	6,428,382
Expenditures					
Instruction	2,369,065			226,003	2,595,068
Supporting services	1,446,061			152,421	1,598,482
Capital outlay		1,584,774		171,305	1,756,079
Debt service					
Principal retirement	23,370			105,000	128,370
Interest and fiscal charges				279,413	279,413
Total expenditures	3,838,496	1,584,774	-	934,142	6,357,412
Excess of revenues over (under) expenditures	642,202	(438,415)	-	(132,817)	70,970
Other financing sources (uses)					
Lease proceeds	75,250				75,250
Transfers in				12,000	12,000
Transfers out	(12,000)				(12,000)
Total other financing sources (uses)	63,250	-	-	12,000	75,250
Net change in fund balances	705,452	(438,415)	-	(120,817)	146,220
Fund balance at beginning of year, as previously reported	4,716,047	584,566	785,564	457,163	6,543,340
Restatement for correction of an error	42,108				42,108
Adjustment - changes between major and nonmajor funds	-		(785,564)	785,564	-
Fund balance at beginning of year, as restated/adjusted	4,758,155	584,566	-	1,242,727	6,585,448
Fund balance at end of year	$ 5,463,607	$ 146,151	$ -	$ 1,121,910	$ 6,731,668

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - governmental funds	$	146,220
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.		936,814
Because some property taxes and other revenues will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, reported as unearned revenues and deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.		(41,689)
The recognition of lease proceeds provides current financial resources in the governmental funds, however, the proceeds increase the long-term liabilities in the statement of net position.		(75,250)
Repayment of principal on bonds payable and leases are expenditures in the governmental funds, but the repayment reduces the long-term liability in the statement of net position.		128,370
In the statement of activities, certain operating expenses - accrued interest payable and bond premium amortization - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		3,856
In the statement of activities, pension and OPEB expense reflects the changes in the net pension and OPEB liabilities, net of related deferred inflows and outflows of resources. In the governmental funds, however, pension and OPEB expenditures reflect payments made to the plans. This is the amount by which the change in liabilities and related deferrals exceeded contributions.		(128,987)
Change in net position of governmental activities	$	969,334

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

Note A – Summary of significant accounting policies

This summary of the Weldon Valley School District RE-20J's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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

A.1 – Reporting entity

The Weldon Valley School District RE-20J is a school district governed by an elected seven-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

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

A.2 – Fund accounting

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, risk-related transactions, debt service, scholarships, and pupil activities.

Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

The following are the District's nonmajor governmental funds:

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

Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

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

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

Note A.3 – Basis of presentation

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

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

Note A – Summary of significant accounting policies (Continued)

relationship between the government-wide statements and the statements for governmental funds.

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

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

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

A.4 – Basis of accounting

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

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

Note A – Summary of significant accounting policies (Continued)

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

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

Deferred outflows/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 a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

Note A – Summary of significant accounting policies (Continued)

A.5 – Encumbrances

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

A.6 – Short-term interfund receivables/payables

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

A.7 – Inventories

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

A.8 – Capital assets

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

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

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

Note A – Summary of significant accounting policies (Continued)

Description	Governmental Activities
Buildings and improvements	10-40 years
Licensed vehicles	5-10 years
Equipment	5-20 years
Food service equipment	5-20 years

A.9 – Compensated absences

The Board recognizes that there may be times when an employee is unable to fulfill the duties of his/her position due to a temporary medical problem. Therefore, paid general leave is provided for full-time employees.

Staff employed on nine-month contracts will receive 11 days of general leave annually. Staff employed on twelve-month contracts will receive 14 days of general leave annually. Part-time classified staff shall receive the same number of leave days as provided for full-time classified staff prorated according to the regular daily hours worked each day. Each year, an employee can choose to apply the remainder of their general leave days to their sick bank for medical emergencies. An employee will not be paid out for these days unless they work for the district for a minimum of twenty years of full-time service.

The District also offers vacation time to classified employees who qualify as full-time or limited full-time. Employees will receive two weeks' vacation with pay at the completion of the first full year of employment. For every full year of employment after the first year the employee will receive an additional day of vacation per year with a total vacation not to exceed three weeks. All vacation time earned by all employees will not be allowed to be carried over to the next year unless a deferred vacation is approved by the superintendent.

No liability is shown in the financial statements as the amount would be negligible.

A.10 – Accrued liabilities and long-term obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that it will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Note A – Summary of significant accounting policies (Continued)

A.11 – Leases

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

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

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

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

A.12 – Fund balance

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

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

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

A.13 – Net position

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

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

A.14 – Interfund transactions

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

Note A – Summary of significant accounting policies (Continued)

A.15 – Extraordinary and special items

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

Note B – Cash and investments

Cash and deposits

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of $3,142,995, of which $250,000 was insured and $2,892,995 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Investments

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

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

Note B – Cash and investments (Continued)

During the year, the District invested funds in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to $1.00. CSAFE offers shares in multiple portfolios. All portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for CSAFE's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2026, the District had invested $3,372,458 in CSAFE, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At year-end, the District had the following investments:

		Investment maturities (in years)		
Investment type	Fair value	Less than 1	1-5	6-10
CSAFE	$ 3,372,458	$ 3,372,458	$ -	$ -

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District's investment in CSAFE was rated AAAf/S1 by Fitch Ratings.

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities
Property taxes receivable	$ 39,384
Grants receivable	125,600
Total	$ 164,984

Note C – Receivables (Continued)

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

Note D – Interfund transactions

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

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	$ 1,128,362	$ -
Building fund	-	1,128,362
Total	$ 1,128,362	$ 1,128,362

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

	Transfers In	Transfers Out
Governmental funds		
General fund	$ -	$ 12,000
Other governmental funds	12,000	-
Subtotal	$ 12,000	$ 12,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of $12,000 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District's food service operations.

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 134,268	$ -	$ -	$ 134,268
Construction in progress	16,133,830	896,044	(17,029,874)	-
Total capital assets, not being depreciated	16,268,098	896,044	(17,029,874)	134,268
Capital assets, being depreciated:				
Buildings and improvements	9,012,667	371,307	16,845,858	26,229,832
Licensed vehicles	455,496	81,550	(19,310)	517,736
Equipment	777,736	331,094	184,016	1,292,846
Leased equipment	82,589	48,034	-	130,623
Food service equipment	192,026	7,264	-	199,290
Total capital assets, being depreciated	10,520,514	839,249	17,010,564	28,370,327
Total capital assets	26,788,612	1,735,293	(19,310)	28,504,595
Less accumulated depreciation for:				
Buildings and improvements	(4,021,594)	(628,727)	-	(4,650,321)
Licensed vehicles	(399,771)	(25,878)	19,310	(406,339)
Equipment	(237,633)	(103,639)	-	(341,272)
Leased equipment	(44,571)	(20,306)	-	(64,877)
Food service equipment	(9,601)	(19,929)	-	(29,530)
Total accumulated depreciation	(4,713,170)	(798,479)	19,310	(5,492,339)
Governmental activities capital assets, net	$ 22,075,442	$ 936,814	$ -	$ 23,012,256

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	$ 59,761
Operations and maintenance	60,726
Student transportation	25,879
Central support services	8,666
Food service operations	19,929
Unallocated	623,518
Total	$ 798,479

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be $160,951. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

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

	Beginning Balances	Additions	Reductions	Ending Balances	Due within one year
Governmental activities					
Bonds payable	$ 6,205,000	$ -	$ (105,000)	$ 6,100,000	$ 110,000
Bond premium	83,710	-	(2,981)	80,729	-
Lease payable	39,328	75,250	(23,370)	91,208	29,885
Total	$ 6,328,038	$ 75,250	$ (131,351)	$ 6,271,937	$ 139,885

The lease payable attributable to the governmental activities will be liquidated primarily by the General Fund. Bond payments will be made in the Bond Redemption Fund.

Note G – Long-term debt (Continued)

Bonds payable

General obligation bonds payable consist of the following individual issues:

$6,255,000 general obligation bonds, dated August 23, 2023, due in annual installments ranging from $50,000 to $365,000; varying annual interest rates ranging from 4.00% to 5.00%, payable semi-annually on May 1st and November 1st.	$ 6,100,000

Lease payable

In September 2022, the District entered into a 63-month lease as lessee for four copy machines. An initial lease liability was recorded at $82,589. As of year-end, the value of the lease liability is $20,736. The District is required to make fixed monthly payments of $1,296. The lease has 0% interest and there are no residual value guarantees in the lease provisions.

In January 2026, the District entered into a 63-month lease as lessee for four copy machines. An initial lease liability was recorded at $75,250. As of year-end, the value of the lease liability is $70,472. The District is required to make fixed monthly payments of $1,194. The lease has 0% interest and there are no residual value guarantees in the lease provisions.

The following schedule represents the District's debt service requirements to maturity for its bonds and lease at year-end:

	Bonds Payable		Lease Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest
2027	$ 110,000	$ 272,038	$ 29,885	$ -
2028	115,000	266,412	19,517	-
2029	120,000	260,538	14,333	-
2030	125,000	254,412	14,334	-
2031	135,000	247,912	13,139	-
2032-2036	770,000	1,130,187	-	-
2037-2041	980,000	916,338	-	-
2042-2046	1,205,000	687,394	-	-
2047-2051	1,490,000	398,125	-	-
2052-2054	1,050,000	70,219	-	-
Totals	$ 6,100,000	$ 4,503,575	$ 91,208	$ -

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2025. 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.

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

Contributions provisions as of June 30, 2025: Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2025 through June 30, 2026. Employer contribution requirements are summarized in the following table:

	July 1, 2025 Through June 30, 2026
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	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. Section 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $418,307 for the year ended June 30, 2026.

Note H – Defined benefit pension plan (Continued)

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2025, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and DPS Division Trust Fund. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual Direct Distribution.

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, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the total pension liability to December 31, 2025. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2025 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At year end, the District reported a liability of $3,775,709 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 3,775,709
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	354,830
Total	$ 4,130,539

At December 31, 2025, the District's proportion was 0.0242%, which was a decrease of 0.0005% from its proportion measured as of December 31, 2024.

Note H – Defined benefit pension plan (Continued)

For the year ended June 30, 2026, the District recognized pension expense of $668,398 and revenue of $37,587 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 232,284	$ -
Changes of assumptions or other inputs	18,903	-
Net difference between projected and actual earnings on pension plan investments	-	513,433
Changes in proportion and differences between contributions recognized and proportionate share of contributions	84,652	227,842
Contributions subsequent to the measurement date	210,917	-
Total	$ 546,756	$ 741,275

$210,917 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2027	$ 131,303
2028	(263,660)
2029	(158,669)
2030	(114,410)
Totals	$ (405,436)

Note H – Defined benefit pension plan (Continued)

Actuarial assumptions. The December 31, 2024, 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:	4.00%–13.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

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

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

The actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the PERA Board on January 17, 2025.

Note H – Defined benefit pension plan (Continued)

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

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

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

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

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%. For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

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

Note H – Defined benefit pension plan (Continued)

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

- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at the current fixed statutory rates specified in law for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employer contributions also include current and 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. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution. 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 because, per statute, AIR amounts cannot be used to pay benefits until they are transferred out of the AIR to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the AIR and the related benefit payments were included in the projections.

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

Note H – Defined benefit pension plan (Continued)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table 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	$ 5,341,559	$ 3,775,709	$ 2,464,505

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.

Note I – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2026, program members contributed $12,236 for the PERAPlus 401(k) Plan.

Note I – Defined contribution pension plan (Continued)

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan description - Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding policy - The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Members are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2026, program members contributed $36,600 for the PERAPlus 457 Plan.

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

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

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

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

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

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

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. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $20,936 for the year ended June 30, 2026.

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

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

At year-end, the District reported a liability of $41,727 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2025. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

At December 31, 2025, the District's proportion was 0.0155%, which was a decrease of 0.0003% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the District recognized OPEB expense of $(10,692). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 17,383
Changes of assumptions or other inputs	488	20,813
Net difference between projected and actual earnings on OPEB plan investments	-	6,582
Changes in proportion and differences between contributions recognized and proportionate share of contributions	731	6,676
Contributions subsequent to the measurement date	10,556	-
Total	$ 11,775	$ 51,454

$10,556 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year Ended June 30,	Amount
2027	$ (11,084)
2028	(13,976)
2029	(10,365)
2030	(8,394)
2031	(4,567)
2032	(1,849)
Total	$ (50,235)

Actuarial assumptions. The December 31, 2024, 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	4.00%-13.40%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.00% in 2025, gradually decreasing to 4.50% in 2035
Medicare Part A premiums	3.50% in 2025, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Each year the per capita health care costs are developed by plan option. As of the December 31, 2024, actuarial valuation, costs are based on 2025 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. MAPD premium costs are not age graded, an allowed exception under Section 3.7.7 (c) of Actuarial Standard of Practice No. 6.

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

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$4,188	$8,928
MAPD PPO #2	2,028	5,508
MAPD HMO (Kaiser)	2,040	7,596

The 2025 Medicare Part A premium is $518 per month.

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

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.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2025	8.00%	3.50%
2026	7.65%	3.75%
2027	7.30%	3.75%
2028	6.95%	4.00%
2029	6.60%	4.00%
2030	6.25%	4.25%
2031	5.90%	4.25%
2032	5.55%	4.25%
2033	5.20%	4.50%
2034	4.85%	4.50%
2035+	4.50%	4.50%

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

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, 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 the 2024 adjusted MP-2021 scale. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

School Division	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The 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, 2024, 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 2025 plan year.

- The health care cost trend rates applicable to health plan premiums were revised to reflect the current expectation of future increases in those premiums.

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 actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, through December 31, 2023. Revised economic and demographic assumptions were adopted by the Board on January 17, 2025.

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.

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

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

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

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

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%. For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	6.65%	7.65%	8.65%
Ultimate PERACare Medicare 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	$ 39,992	$ 41,727	$ 43,690

[1]For the January 1, 2026, plan year.

Discount rate. The discount rate used to measure the total OPEB liability 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, 2024, and the financial status of the HCTF as of the current measurement date (December 31, 2025). 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, 2025, 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. The current employer contribution rate for the HCTF is 1.02% of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

- 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.

Note J – Defined benefit other post-employment benefit (OPEB) plan (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 and were not projected to reach a depletion date. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 57,449	$ 41,727	$ 28,166

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.

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was $142,178. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

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

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 7, 1995, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of $180,000 for the emergency reserve.

Local Government Budget Law

Expenditures in the Pupil Activity Fund and the Building Fund exceeded appropriations by $3,486 and $1,000,208, respectively and may be in violation of Colorado Local Government Budget Laws.

Note M – Joint venture

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

Note M – Joint venture (Continued)

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

The District has one member on the board. This board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the Centennial Board of Educational Services are available by contacting their administrative office in Greeley, Colorado.

For the year, the District's financial contribution was $57,024.

Note N – Restatement of Beginning Balances

During the current fiscal year, the District identified an error related to a grant receivable that was not recorded in the General Fund in the prior fiscal year. The error resulted in an understatement of grants receivable and fund balance in the General Fund and an understatement of grants receivable and net position in the Governmental Activities. Accordingly, the beginning fund balance of the General Fund and beginning net position of the Governmental Activities were restated to correct the error as follows:

	General Fund	Governmental Activities
Beginning fund balance/net position, as previously reported	$ 4,716,047	$ 18,377,306
Correction of error – grants receivable	42,108	42,108
Beginning fund balance/net position, as restated	$ 4,758,155	$ 18,419,414

Note O – Adoption of new accounting pronouncements

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The District implemented this Statement for the fiscal year ended June 30, 2026. The implementation of this Statement resulted in changes to the presentation and disclosure requirements of the District's financial statements, including changes to the Management's Discussion and Analysis and budgetary comparison information.

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Required Supplementary Information

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 1,081,700	$ 1,081,700	$ -	$ 1,345,500	$ 263,800
Intermediate sources	718	718	-	541	(177)
State sources	3,288,582	3,153,000	(135,582)	3,071,491	(81,509)
Federal sources	109,000	89,000	(20,000)	63,166	(25,834)
Total revenues	4,480,000	4,324,418	(155,582)	4,480,698	156,280
Expenditures					
Instruction	3,235,700	3,092,165	(143,535)	2,369,065	(723,100)
Supporting services	1,827,300	1,746,253	(81,047)	1,446,061	(300,192)
Debt service			-		
Principal retirement	17,000	17,000	-	23,370	6,370
Appropriated reserves	1,820,000	4,105,047	2,285,047		(4,105,047)
Total expenditures	6,900,000	8,960,465	2,060,465	3,838,496	(5,121,969)
Excess of revenues over (under) expenditures	(2,420,000)	(4,636,047)	(2,216,047)	642,202	5,278,249
Other financing sources (uses)					
Lease proceeds			-	75,250	75,250
Transfers out	(80,000)	(80,000)	-	(12,000)	68,000
Total other financing sources (uses)	(80,000)	(80,000)	-	63,250	143,250
Net change in fund balance	$(2,500,000)	$(4,716,047)	$(2,216,047)	705,452	$ 5,421,499
Fund balance at beginning of year, as previously report				4,716,047	
Restatement for correction of an error				42,108	
Fund balance at beginning of year, as restated				4,758,155	
Fund balance at end of year				$ 5,463,607	

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WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA's School Division Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
District's proportion of the net pension liability	0.0242%	0.0247%	0.0273%	0.0218%
District's proportionate share of the net pension liability	$ 3,775,709	$ 4,260,209	$ 4,835,826	$ 3,960,916
State's proportionate share of the net pension liability	354,830	382,634	106,035	1,154,251
Total	$ 4,130,539	$ 4,642,843	$ 4,941,861	$ 5,115,167
District's covered payroll	$ 1,962,486	$ 1,907,899	$ 1,807,861	$ 1,677,625
District's proportionate share of the net pension liability as a percentage of its covered payroll	192.39%	223.29%	267.49%	236.10%
Plan fiduciary net position as a percentage of the total pension liability	71.71%	67.17%	64.74%	61.79%

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

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
0.0253%	0.0283%	0.0270%	0.0269%	0.0305%	0.0313%
$ 2,945,356	$ 4,283,976	$ 4,039,644	$ 4,759,427	$ 9,857,555	$ 9,319,475
337,647	-	454,704	650,786	-	-
$ 3,283,003	$ 4,283,976	$ 4,494,348	$ 5,410,213	$ 9,857,555	$ 9,319,475
$ 1,581,762	$ 1,500,887	$ 1,578,762	$ 1,491,877	$ 1,406,207	$ 1,404,838
186.21%	285.43%	255.87%	319.02%	701.00%	663.38%
74.86%	66.99%	64.52%	57.01%	43.96%	43.10%

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of District Contributions
PERA's School Division Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Contractually required contribution	$ 418,307	$ 400,329	$ 385,149	$ 352,081
Contributions in relation to the contractually required contribution	(418,307)	(400,329)	(385,149)	(352,081)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,052,536	$ 1,964,321	$ 1,889,839	$ 1,727,577
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	20.38%

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 321,179	$ 311,376	$ 305,964	$ 285,396	$ 261,976	$ 254,697
(321,179)	(311,376)	(305,964)	(285,396)	(261,976)	(254,697)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,615,588	$ 1,566,274	$ 1,578,762	$ 1,491,877	$ 1,406,207	$ 1,404,838
19.88%	19.88%	19.38%	19.13%	18.63%	18.13%

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of the District's Proportionate Share of the Net OPEB Liability
PERA's Health Care Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
District's proportion of the net OPEB liability	0.0155%	0.0158%	0.0164%	0.0165%
District's proportionate share of the net OPEB liability	$ 41,727	$ 75,588	$ 116,766	$ 134,982
District's covered payroll	$ 1,962,486	$ 1,907,899	$ 1,807,861	$ 1,677,625
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.13%	3.96%	6.46%	8.05%
Plan fiduciary net position as a percentage of the total OPEB liability	76.07%	59.83%	46.16%	38.57%

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

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
0.0165%	0.0162%	0.0177%	0.0175%	0.0173%	0.0178%
$ 142,497	$ 154,224	$ 198,610	$ 237,704	$ 225,105	$ 230,676
$ 1,581,762	$ 1,500,887	$ 1,588,824	$ 1,537,745	$ 1,406,208	$ 1,404,837
9.01%	10.28%	12.50%	15.46%	16.01%	16.42%
39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of District Contributions
PERA's Health Care Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Contractually required contribution	$ 20,936	$ 20,036	$ 19,276	$ 17,621
Contributions in relation to the contractually required contribution	(20,936)	(20,036)	(19,276)	(17,621)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,052,536	$ 1,964,321	$ 1,889,839	$ 1,727,577
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 16,479	$ 15,976	$ 16,206	$ 15,685	$ 14,343	$ 14,329
(16,479)	(15,976)	(16,206)	(15,685)	(14,343)	(14,329)
$ -	$ -	$ -	$ -	$ -	$ -
$ 1,615,588	$ 1,566,274	$ 1,588,824	$ 1,537,745	$ 1,406,208	$ 1,404,837
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note A – Budgetary data

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

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

Note B – Original budget compared to final budget

During the year, the District amended its budget in January, 2026. This amendment decreased overall General Fund revenues by $155,582, with the majority of that decrease coming from state revenues ($135,582). This decrease in state sources was the result of a decrease to UPK funding, as well as a decrease in additional at-risk funding and other state revenue. The decrease in UPK funding was primarily due to lower-than-anticipated enrollment of 4-year-olds who received the UPK funding. The decrease in at-risk and other state revenue was due to adjustments of the amounts received by the district.

This amendment also increased General Fund expenditures by $2,060,465, primarily due to an increase in appropriated reserves of $2,285,047 to correct the beginning fund balance amount. Instruction costs were reduced by $143,535 due to lower student count and student needs related to instructional costs. Operations and maintenance and transportation both saw decreases in budget amounts due to lower than anticipated operating costs, including transportation supplies, services, and other transportation expenses.

Note C – Final budget compared to actual results

The most significant differences between the General Fund's final budgeted revenues and actual revenues were in local sources and state sources. Revenue from local sources came in higher than budgeted by $263,800, due primarily to property tax, specific ownership taxes, and delinquent tax collections. Revenue from state sources came in lower than budgeted by $81,509, due primarily to lower equalization revenues.

The most significant differences between the General Fund's final budgeted expenditures and actual expenditures were in instruction, supporting services and appropriated reserves. Expenditures for instruction came in lower than budgeted by $723,100, due primarily to lower student count and curriculum purchasing schedules for instructional supplies and services. Expenditures for supporting services came in lower than budgeted by $300,192, due primarily to lower than anticipated purchased services needs, supplies and other operating costs. There were no actual expenditures reported against the appropriated reserves.

Note D – Significant changes in plan provisions affecting trends in actuarial information (Defined Benefit Pension Plan)

2025 Changes in plan provisions since 2024

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500,000 on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado 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 automatic adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.

Subsequent events

HB 26-1400, enacted June 1, 2026, and effective July 1, 2026, modifies the allocation of the direct distribution. Beginning with the direct distribution on July 1, 2026, and annually thereafter, PERA is required to allocate the direct distribution to the Division Trust Funds on an actuarial basis. HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government and Judicial Divisions.

Note E – Significant changes in assumptions or other inputs affecting trends in actuarial information (Defined Benefit Pension Plan)

2025 Changes in assumptions or other inputs since 2024

There were no changes made to the actuarial methods or assumptions.

Note F – Significant changes in plan provisions affecting trends in actuarial information (Defined Benefit OPEB Plan)

2025 Changes in plan provisions since 2024

There were no changes made to plan provisions.

Note G – Significant changes in assumptions or other inputs affecting trends in actuarial information (Defined Benefit OPEB Plan)

2025 Changes in assumptions or other inputs since 2024

There were no significant changes made to the actuarial methods or assumptions.

Information about significant changes in plan provisions as well as significant changes in assumptions or other inputs affecting trends in actuarial information related to prior periods for both the Defined Benefit Pension Plan and the Defined Benefit OPEB Plan is available in PERA's annual comprehensive financial report, which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Other Supplementary Information

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

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Budgetary Comparison Schedules – General Fund

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Property taxes	$ 850,000	$ 850,000	$ -	$ 973,089	$ 123,089
Specific ownership taxes	65,000	65,000	-	103,638	38,638
Delinquent taxes and interest	3,000	3,000	-	54,754	51,754
Tuition	24,000	24,000	-	35,109	11,109
Earnings on investments	40,500	40,500	-	84,856	44,356
Pupil activities	25,000	25,000	-	26,044	1,044
Other local revenue	64,200	64,200	-	68,010	3,810
Services within the BOCES	10,000	10,000	-		(10,000)
Total local sources	1,081,700	1,081,700	-	1,345,500	263,800
Intermediate sources	718	718	-	541	(177)
State sources					
Equalization	2,950,000	2,950,000	-	2,885,356	(64,644)
Transportation	42,000	42,000	-	37,217	(4,783)
State grants to libraries	4,500	4,500	-	4,500	-
Bullying prevention grant			-	400	400
Additional at-risk funding	25,000		(25,000)		-
READ Act	3,500	3,500	-	5,075	1,575
Summer EBT			-	650	650
Revenue from other agencies	255,582	145,000	(110,582)	98,142	(46,858)
On-behalf payment			-	37,587	37,587
Services within the BOCES	8,000	8,000	-	2,564	(5,436)
Total state sources	3,288,582	3,153,000	(135,582)	3,071,491	(81,509)
Federal sources					
Race to the top funds	6,000	6,000	-		(6,000)
REAP	25,000	25,000	-		(25,000)
Services within the BOCES	78,000	58,000	(20,000)	63,166	5,166
Total federal sources	109,000	89,000	- (20,000)	63,166	(25,834)
Total revenues	$ 4,480,000	$ 4,324,418	- $ (155,582)	$ 4,480,698	$ 156,280

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WELDON VALLEY SCHOOL DISTRICT RE-20J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Expenditures					
Instruction					
Salaries	$ 1,728,000	$ 1,659,000	$ (69,000)	$ 1,449,248	$ (209,752)
Employee benefits	556,100	531,100	(25,000)	442,615	(88,485)
Purchased services	647,050	598,900	(48,150)	263,732	(335,168)
Supplies and materials	141,500	144,000	2,500	109,341	(34,659)
Property	49,550	48,665	(885)	76,830	28,165
Other	113,500	110,500	(3,000)	27,299	(83,201)
Total instruction	3,235,700	3,092,165	(143,535)	2,369,065	(723,100)
Supporting services					
Students					
Salaries	89,500	95,500	6,000	87,732	(7,768)
Employee benefits	27,300	27,300	-	27,445	145
Purchased services	1,650	1,650	-	60	(1,590)
Supplies and materials	1,000	1,000	-	1,198	198
Property	500	500	-		(500)
Other	7,000	5,000	(2,000)		(5,000)
Total students	126,950	130,950	4,000	116,435	(14,515)
Instructional staff					
Salaries	32,500	32,500	-	29,707	(2,793)
Employee benefits	15,000	15,000	-	13,616	(1,384)
Purchased services	5,000	5,000	-	5,283	283
Supplies and materials	5,750	5,750	-	4,738	(1,012)
Other	250	2,250	2,000		(2,250)
Total instructional staff	58,500	60,500	2,000	53,344	(7,156)
General administration					
Salaries	110,500	125,500	15,000	137,693	12,193
Employee benefits	51,000	51,000	-	49,782	(1,218)
Purchased services	51,650	51,650	-	22,299	(29,351)
Supplies and materials	500	500	-	48	(452)
Property	1,800	1,800	-		(1,800)
Other	4,000	3,000	(1,000)	550	(2,450)
Total general administration	219,450	233,450	14,000	210,372	(23,078)

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
School administration					
Salaries	137,000	136,000	(1,000)	141,751	5,751
Employee benefits	43,900	43,900	-	39,486	(4,414)
Purchased services	43,450	43,450	-	6,385	(37,065)
Supplies and materials	2,000	2,000	-	4,981	2,981
Property	2,500	2,500	-	130	(2,370)
Other	14,800	14,800	-	10,722	(4,078)
Total school administration	243,650	242,650	(1,000)	203,455	(39,195)
Business services					
Salaries	65,000	65,000	-	69,596	4,596
Employee benefits	38,000	38,000	-	24,489	(13,511)
Purchased services	6,800	28,800	22,000	25,461	(3,339)
Supplies and materials	34,500	37,453	2,953	10,001	(27,452)
Property	250	250	-	1,651	1,401
Other	500	500	-		(500)
Total business services	145,050	170,003	24,953	131,198	(38,805)
Operations and maintenance					
Salaries	143,000	143,000	-	129,206	(13,794)
Employee benefits	53,800	50,800	(3,000)	41,178	(9,622)
Purchased services	352,300	302,300	(50,000)	243,285	(59,015)
Supplies and materials	137,500	129,500	(8,000)	115,745	(13,755)
Property	8,000	8,000	-	1,770	(6,230)
Other	5,000	5,000	-		(5,000)
Total operations and maintenance	699,600	638,600	(61,000)	531,184	(107,416)
Student transportation					
Salaries	135,000	117,000	(18,000)	105,416	(11,584)
Employee benefits	69,250	47,250	(22,000)	31,565	(15,685)
Purchased services	70,000	47,000	(23,000)	25,673	(21,327)
Supplies and materials	50,000	49,000	(1,000)	30,642	(18,358)
Property	1,200	1,200	-	23	(1,177)
Other	2,000	2,000	-	3,976	1,976
Total student transportation	327,450	263,450	(64,000)	197,295	(66,155)

(continued)

WELDON VALLEY SCHOOL DISTRICT RE-20J
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2026

(continued)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
Central support services					
Purchased services	4,750	4,750	-	2,778	(1,972)
Total central support services	4,750	4,750	-	2,778	(1,972)
Community services					
Employee benefits	1,900	1,900	-		(1,900)
Total other support services	1,900	1,900	-	-	(1,900)
Total supporting services	1,827,300	1,746,253	(81,047)	1,446,061	(300,192)
Debt service					
Principal retirement	17,000	17,000	-	23,370	6,370
Total debt service	17,000	17,000	-	23,370	6,370
Appropriated reserves	1,820,000	4,105,047	2,285,047		(4,105,047)
Total expenditures	$ 6,900,000	$ 8,960,465	$ 2,060,465	$ 3,838,496	$(5,121,969)

Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds

The District reports the following nonmajor governmental funds:

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

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

- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.

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

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

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2026

	Food Service Fund	Pupil Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Totals
Assets					
Cash	$ 11,947	$ 134,834		$ 626,134	$ 772,915
Cash with fiscal agent			$ 348,925		348,925
Property taxes receivable			10,656		10,656
Grants receivable	8,615				8,615
Inventories	5,012				5,012
Total assets	$ 25,574	$ 134,834	$ 359,581	$ 626,134	$ 1,146,123
Liabilities					
Accounts payable		$ 1,683		$ 11,875	$ 13,558
Accrued salaries and benefits	$ 5,682				5,682
Unearned revenues	433				433
Unearned grant revenues	1,248				1,248
Total liabilities	7,363	1,683	$ -	11,875	20,921
Deferred inflows of resources					
Deferred property tax revenues			3,292		3,292
Total deferred inflows of resources	-	-	3,292	-	3,292
Fund balance					
Nonspendable inventories	5,012				5,012
Restricted for:					
Food service operations	13,199				13,199
Debt service			356,289		356,289
Committed to pupil activities		133,151			133,151
Assigned to capital outlay				614,259	614,259
Total fund balance	18,211	133,151	356,289	614,259	1,121,910
Total liabilities, deferred inflows of resources and fund balance	$ 25,574	$ 134,834	$ 359,581	$ 626,134	$ 1,146,123

WELDON VALLEY SCHOOL DISTRICT RE-20J
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2026

	Food Service Fund	Pupil Activity Fund	Bond Redemption Fund	(Formerly Major Fund) Capital Reserve Capital Projects Fund	Totals
Revenues					
Local sources	$ 7,542	$ 236,637	$ 432,952		$ 677,131
Intermediate sources			260		260
State sources	64,111				64,111
Federal sources	59,823				59,823
Total revenues	131,476	236,637	433,212	$ -	801,325
Expenditures					
Instruction		226,003			226,003
Supporting services	152,421				152,421
Capital outlay				171,305	171,305
Debt service					
Principal retirement			105,000		105,000
Interest and fiscal charges			279,413		279,413
Total expenditures	152,421	226,003	384,413	171,305	934,142
Excess of revenues over (under) expenditures	(20,945)	10,634	48,799	(171,305)	(132,817)
Other financing sources					
Transfers in	12,000				12,000
Net change in fund balances	(8,945)	10,634	48,799	(171,305)	(120,817)
Fund balance at beginning of year, as previously reported	27,156	122,517	307,490		457,163
Adjustment - changes between major and nonmajor funds	-	-	-	785,564	785,564
Fund balance at beginning of year, as adjusted	27,156	122,517	307,490	785,564	1,242,727
Fund balance at end of year	$ 18,211	$ 133,151	$ 356,289	$ 614,259	$ 1,121,910

WELDON VALLEY SCHOOL DISTRICT RE-20J
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 9,300	$ 9,300	$ -	$ 7,542	$ (1,758)
State sources	21,500	21,500	-	64,111	42,611
Federal sources	59,200	59,200	-	59,823	623
Total revenues	90,000	90,000	-	131,476	41,476
Expenditures					
Food service operations					
Salaries	67,500	67,500	-	52,234	(15,266)
Employee benefits	24,400	24,400	-	18,053	(6,347)
Purchased services	5,050	5,050	-	128	(4,922)
Supplies and materials	70,500	70,500	-	81,576	11,076
Property	2,000	2,000	-	430	(1,570)
Other	550	550	-		(550)
Appropriated reserves	20,000	27,156	7,156		(27,156)
Total expenditures	190,000	197,156	7,156	152,421	(44,735)
Excess of revenues (under) expenditures	(100,000)	(107,156)	(7,156)	(20,945)	86,211
Other financing sources					
Transfers in	80,000	80,000	-	12,000	(68,000)
Net change in fund balance	$ (20,000)	$ (27,156)	$ (7,156)	(8,945)	$ 18,211
Fund balance at beginning of year				27,156	
Fund balance at end of year				$ 18,211	

WELDON VALLEY SCHOOL DISTRICT RE-20J
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 220,000	$ 222,517	$ 2,517	$ 236,637	$ 14,120
Expenditures					
Instruction					
Purchased services			-	46,992	46,992
Supplies and materials	100,000	100,000	-	90,399	(9,601)
Property			-	13,023	13,023
Other			-	75,589	75,589
Appropriated reserves	120,000	122,517	2,517		(122,517)
Total expenditures	220,000	222,517	2,517	226,003	3,486
Net change in fund balance	$ -	$ -	$ -	10,634	$ 10,634
Fund balance at beginning of year				122,517	
Fund balance at end of year				$ 133,151	

WELDON VALLEY SCHOOL DISTRICT RE-20J
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Property taxes	$ 430,000	$ 395,044	$ (34,956)	$ 395,584	$ 540
Delinquent taxes and interest			-	21,332	21,332
Earnings on investments			-	8,056	8,056
Other local revenue			-	7,980	7,980
Total local sources	430,000	395,044	(34,956)	432,952	37,908
Intermediate sources			-	260	260
Total revenues	430,000	395,044	(34,956)	433,212	38,168
Expenditures					
Debt service					
Principal retirement		110,000	110,000	105,000	(5,000)
Interest and fiscal charges	400,000	274,787	(125,213)	279,413	4,626
Appropriated reserves	300,000	89,734	(210,266)		(89,734)
Total expenditures	700,000	474,521	(225,479)	384,413	(90,108)
Net change in fund balance	$ (270,000)	$ (79,477)	$ 190,523	48,799	$ 128,276
Fund balance at beginning of year				307,490	
Fund balance at end of year				$ 356,289	

WELDON VALLEY SCHOOL DISTRICT RE-20J
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Other local revenues	$ -	$ -	$ -		$ -
Total revenues	-	-	-	$ -	-
Expenditures					
Capital outlay					
Property	178,750	182,764	4,014	171,305	(11,459)
Appropriated reserves	671,250	602,800	(68,450)		(602,800)
Total expenditures	850,000	785,564	(64,436)	171,305	(614,259)
Net change in fund balance	$ (850,000)	$ (785,564)	$ 64,436	(171,305)	$ 614,259
Fund balance at beginning of year				785,564	
Fund balance at end of year				$ 614,259	

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Budgetary Comparison Schedule – Capital Projects Fund

The District reports the following major capital projects funds:

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

- Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

WELDON VALLEY SCHOOL DISTRICT RE-20J
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 7,527,881		$(7,527,881)	$ 54,138	$ 54,138
State sources			-	1,092,221	1,092,221
Total revenues	7,527,881	$ -	(7,527,881)	1,146,359	1,146,359
Expenditures					
Capital outlay					
Property	9,987,959	584,566	(9,403,393)	1,584,774	1,000,208
Total expenditures	9,987,959	584,566	(9,403,393)	1,584,774	1,000,208
Excess of revenues over (under) expenditures	(2,460,078)	(584,566)	1,875,512	(438,415)	146,151
Other financing sources					
Proceeds from bond issuance	2,000,000		(2,000,000)		-
Premium on bond issuance	460,078		(460,078)		-
Total other financing sources	2,460,078	-	(2,460,078)	-	-
Net change in fund balance	$ -	$ (584,566)	$ (584,566)	(438,415)	$ 146,151
Fund balance at beginning of year				584,566	
Fund balance at end of year				$ 146,151	

Colorado Department of Education
Supplementary Schedule

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

Colorado Department of Education

Auditors Integrity Report

District: 2505 - Weldon Valley RE-20(J)
Fiscal Year 2025-26
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	4,758,155	4,543,948	3,838,496	5,463,607
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**4,758,155**	**4,543,948**	**3,838,496**	**5,463,607**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	27,156	143,476	152,421	18,211
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	122,517	236,637	226,003	133,151
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	307,490	433,212	384,412	356,289
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	584,566	1,146,359	1,584,774	146,151
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	785,564	0	171,305	614,259
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**6,585,448**	**6,503,631**	**6,357,411**	**6,731,668**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**0**	**0**	**0**	**0**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**0**	**0**	**0**	**0**

FINAL