# Weld County School District RE-2

## Fiscal Year Ending June 30th, 2026

## Financial Statements And Supplementary Information



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# INDEPENDENT AUDITOR'S REPORT

Board of Education
Weld County School District RE-2
Eaton, Colorado

## Report on the Audit of the Financial Statements

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-2 (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 and the required supplementary 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund statements and budgetary comparison schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the auditor's 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

October 16, 2026
Bailey, Colorado

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of management's discussion and analysis (MD&A) is to help the Eaton School District RE-2's stakeholders understand what the financial statements and notes in this financial report say about the Eaton School District RE-2's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Eaton School District RE-2's finances.

If you have questions about this report or require further information, contact the Eaton School District RE-2, 211 1st Street, Eaton, Colorado 80615, 970.454.3402.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial report contains basic financial statements that present the District's finances at both an overall and a detailed level. The first two—the government-wide financial statements (the statement of net position and the statement of activities)—report on the District as a whole. All of the District's government-wide activities are governmental activities; the District has no business-type activities and no discretely presented component units. (See the diagram in Figure A-1.)

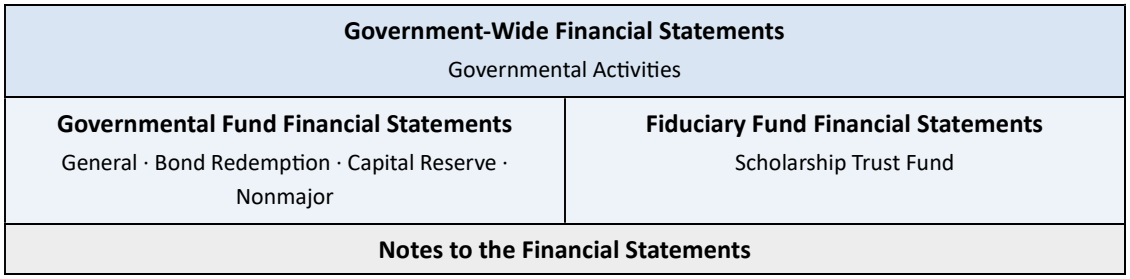
- *Governmental activities* comprise the District's primary functions, including instruction, supporting services (student and instructional staff support, general and school administration, business services, operations and maintenance, pupil transportation, and central support), and food service. Governmental activities are financed primarily through property taxes and specific ownership taxes, supplemented by state and federal grants, investment income, and charges for services.

The remaining basic financial statements—the fund financial statements—present the District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The District reports two groups of funds:

- *Governmental fund financial statements* report the same governmental activities shown in the government-wide statements, but focus on the near-term inflows and outflows of spendable resources and the balances left at year end. The District reports three major governmental funds—the General Fund (its main operating fund), the Bond Redemption Fund (a debt service fund that accounts for the repayment of the District's general obligation bonds), and the Capital Reserve Fund (a capital projects fund used for facility improvements, equipment, and other capital outlay). Its nonmajor governmental funds are the Food Service, Grants, Athletic, Mineral Lease, Student Activity, and Land Dedication Funds.

- *Fiduciary fund financial statements* report resources the District holds in a trustee capacity for the benefit of others—specifically, the Scholarship Trust Fund, a private-purpose trust fund that had net position of $519,239 at June 30, 2026. Because those resources do not belong to the District and cannot be used to support its operations, they are not included in the government-wide financial statements.

**Figure A-1. Contents of the District's Basic Financial Statements**




The next section of this financial report contains *notes to financial statements*, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is as important to understanding the District's finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

## TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of the District's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting*. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets*—resources District controls, from short-term assets like cash to long-term assets like buildings and boilers.
- *Liabilities*—amounts the District owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- *Deferred outflows of resources and deferred inflows of resources*—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses*—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing debt or selling equipment, as well as principal and interest payments on debt and spending on the construction of a building.

**Figure A-2 Types of Information Reported in the District's Financial Statements**

| | Government-Wide and Fiduciary Fund Statements | Governmental Fund Statements |
|---|---|---|
| **Measurement focus and basis of accounting** | Economic resources measurement focus and accrual basis of accounting | Current financial resources measurement focus and modified accrual basis of accounting |
| **Types of assets and liabilities** | All assets and liabilities, both financial and nonfinancial, short term and long term | Only current financial resources, such as cash, taxes receivable, and accounts payable |
| **Types of revenues and additions** | All revenues and additions that relate to the year, regardless of when cash is received | Only revenues that are measurable and available to finance expenditures of the year |
| **Types of expenses, deductions, and expenditures** | All expenses and deductions that relate to the year, regardless of when cash is paid | Only expenditures for which the related fund liability is incurred in the year |
| **Types of deferred outflows and deferred inflows of resources** | All flows of resources during the year that relate to a future year | Current financial resources that flow into and out of the funds during the year that relate to a future year |

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

## FINANCIAL SUMMARY

The District's total net position—assets and deferred outflows of resources minus liabilities and deferred inflows of resources—was $53,175,879 at June 30, 2026, an increase of $1,783,411, or 3.5 percent, from June 30, 2025 (Table A-1). By comparison, net position increased $2,810,178 in 2025. Total revenues increased $542,344, or 1.3 percent, while total expenses increased $1,569,111, or 4.1 percent (Table A-2).

**Table A-1**
**Net Position**

| | Governmental Activities | | Total Change |
|---|---|---|---|
| | 2026 | 2025 | 2026–2025 |
| **Assets** | | | |
| Current and other assets | $ 59,768,484 | $ 58,817,675 | 1.6% |
| Capital assets, net | 157,653,653 | 160,159,731 | -1.6% |
| **Total assets** | **217,422,137** | **218,977,406** | **-0.7%** |
| Deferred outflows of resources | 4,657,748 | 6,738,386 | -30.9% |
| **Liabilities** | | | |
| Current liabilities | 3,383,307 | 4,025,452 | -16.0% |
| Long-term liabilities | 161,351,328 | 168,859,745 | -4.4% |
| **Total liabilities** | **164,734,635** | **172,885,197** | **-4.7%** |
| Deferred inflows of resources | 4,169,371 | 1,438,127 | 189.9% |
| **Net position** | | | |
| Net investment in capital assets | 27,132,059 | 24,381,492 | 11.3% |
| Restricted for: | | | |
| Debt service | 11,142,587 | 10,295,852 | 8.2% |
| Mill levy override | 973,577 | 1,541,839 | -36.9% |
| Emergencies (TABOR) | 900,000 | 920,000 | -2.2% |
| Multi-year obligations | 503,241 | 534,316 | -5.8% |
| Site acquisition and development | 1,144,589 | - | n/a |
| Universal preschool program | - | 51,387 | -100.0% |
| Unrestricted | 11,379,826 | 13,667,582 | -16.7% |
| **Total net position** | **$ 53,175,879** | **$ 51,392,468** | **3.5%** |

Net investment in capital assets increased $2,750,567, or 11.3 percent, and accounts for more than all of the growth in net position. Scheduled bond principal payments of $3,470,000 and amortization of bond premium of $1,786,645 reduced capital-related debt by $5,256,645. That reduction more than offset a $2,506,078 decline in the carrying value of capital assets, which occurred because depreciation expense of $4,592,637 exceeded capital additions of $2,086,559.

Net position restricted for debt service increased $846,735 to $11,142,587, consistent with the higher property taxes receivable for debt service discussed below. Net position restricted for the mill levy override decreased $568,262 to $973,577 as the District spent mill levy override resources accumulated in prior years, and the remaining $51,387 restricted for the universal preschool program was fully used. Net position of $1,144,589 held in the Land Dedication Fund is reported as restricted for site acquisition and development; the 2025 amount is included in unrestricted net position as previously reported. Unrestricted net position decreased $2,287,756, or 16.7 percent, to $11,379,826, of which $1,144,589 reflects the site acquisition and development restriction. This decline reflects the General Fund's operating results, spending of Capital Reserve Fund resources on facility projects, and pension and OPEB expense that exceeded the District's contributions—each discussed in the Detailed Analyses that follow.

**Table A-2**

**Changes in Net Position**

| | Governmental Activities | | Total Change |
|---|---|---|---|
| | **2026** | **2025** | **2026–2025** |
| **Revenues** | | | |
| Program revenues: | | | |
| Charges for services | $ 968,644 | $ 926,055 | 4.6% |
| Operating and capital grants and contributions | 1,920,614 | 3,213,922 | -40.2% |
| General revenues: | | | |
| Property taxes | 35,209,226 | 30,695,382 | 14.7% |
| Specific ownership taxes | 1,310,402 | 1,423,618 | -8.0% |
| State equalization | (16,778) | 2,806,929 | -100.6% |
| Investment income | 1,818,278 | 2,130,162 | -14.6% |
| Gain on sale of capital assets | 525,000 | - | n/a |
| Other | 196,078 | 193,052 | 1.6% |
| **Total revenues** | **41,931,464** | **41,389,120** | **1.3%** |
| **Expenses** | | | |
| Instruction | 21,358,891 | 20,045,850 | 6.6% |
| Supporting services | 13,456,819 | 13,183,260 | 2.1% |
| Food services | 1,460,698 | 1,363,148 | 7.2% |
| Interest on long-term debt | 3,871,645 | 3,986,684 | -2.9% |
| **Total expenses** | **40,148,053** | **38,578,942** | **4.1%** |
| **Change in net position** | **1,783,411** | **2,810,178** | **-36.5%** |
| Net position, beginning, as previously reported | 51,392,468 | 50,309,506 | 2.2% |
| Change in accounting principle (GASB 101) | - | (1,727,216) | n/a |
| Net position, beginning, as restated | 51,392,468 | 48,582,290 | 5.8% |
| **Net position, ending** | **$ 53,175,879** | **$ 51,392,468** | **3.5%** |

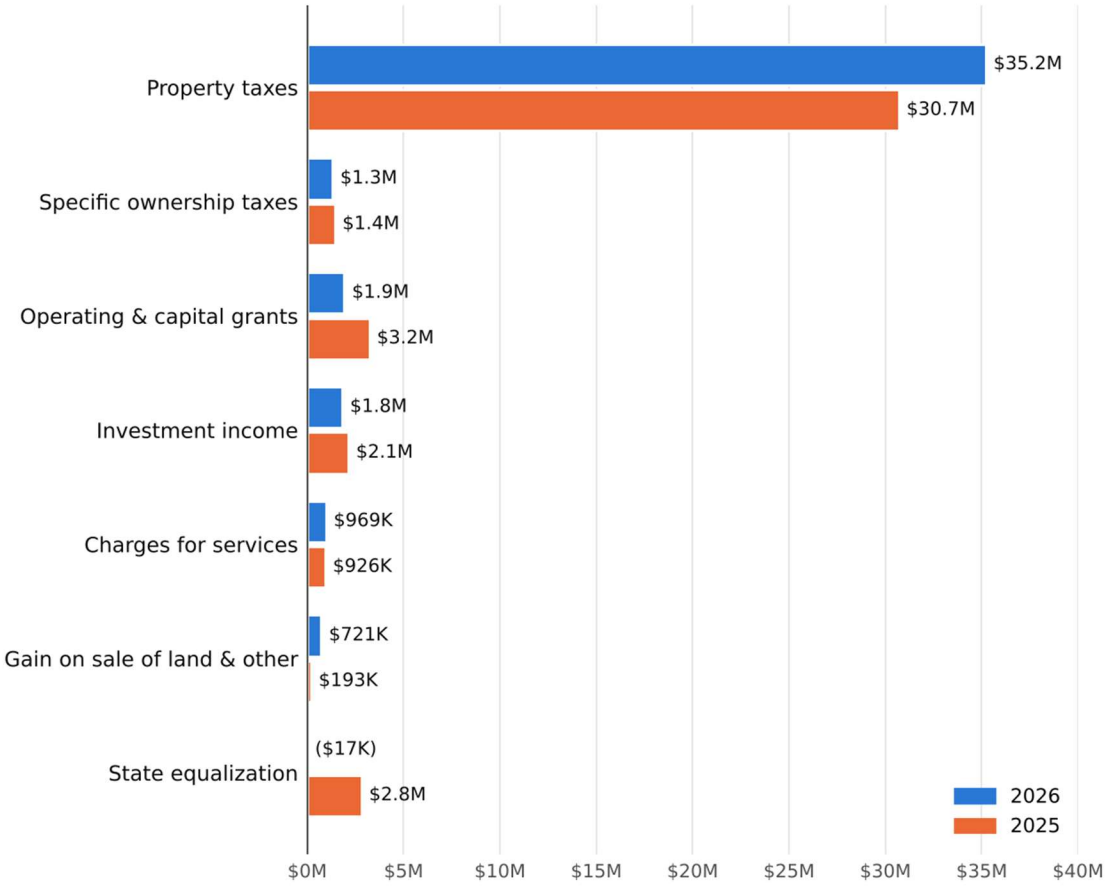
## DETAILED ANALYSES

### Governmental activities

The change in net position of $1,783,411 was $1,026,767 less than in 2025. Three factors account for most of the difference:

1) Expenses increased $1,569,111, while revenues increased only $542,344.
2) Because the District was fully locally funded under the Public School Finance Act, state equalization decreased $2,823,707, and grants and contributions decreased $1,293,308.
3) These decreases were offset by a $4,513,844 increase in property tax revenue and a $525,000 gain on the sale of land.

**Figure A-3**
**Governmental Activities – Revenues by Source**




***Property taxes***

Property taxes, which made up 84.0 percent of governmental activities revenues, increased $4,513,844, or 14.7 percent, to $35,209,226. Most of this increase reflects the timing of collections rather than additional taxes collected during the year. Property taxes recognized in the governmental funds, which include only taxes collected within the availability period, increased $507,996, or 1.7 percent. Property taxes receivable at June 30, 2026 were $7,426,175, compared with $582,442 a year earlier. The government-wide statements recognize the entire receivable as revenue, including $4,342,239 that was not collected in time to be available and is therefore reported as a deferred inflow of resources in the governmental funds. A large oil and gas company had a significant outstanding property tax liability at year end, which increased the District's taxes receivable.

***State equalization and grants***

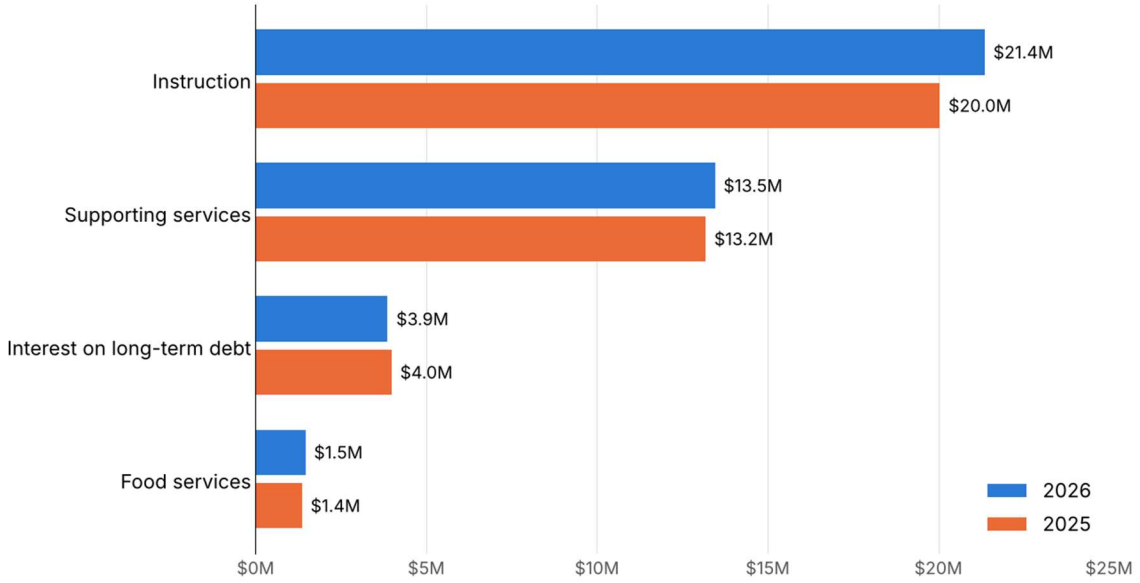
Because the District's local share of total program funding (property taxes and specific ownership taxes) exceeded its total program under the Public School Finance Act, the District received no state equalization in 2026 (a net adjustment of ($16,778)), compared with $2,806,929 in 2025. Operating and capital grants and contributions, which made up 4.6 percent of revenues, decreased $1,293,308, or

40.2 percent, to $1,920,614. Two changes drove most of the decrease. First, state categorical revenue in the General Fund decreased $772,174 to a net ($65,897). As a locally funded district, the District repaid $529,805 of Exceptional Children's Educational Act (ECEA) funding and $44,608 of career and technical education categorical funding to the State, and it received less transportation, English language proficiency, and gifted and talented funding. Second, contributions to the Capital Reserve Fund decreased $424,414 to $125,000.

***Investment income, specific ownership taxes, and other revenues***

Investment income decreased $311,884, or 14.6 percent, to $1,818,278. The decrease reflects lower interest rates on the District's pooled cash and investments and lower average balances in the Capital Reserve and Bond Redemption Funds. Specific ownership taxes decreased $113,216 to $1,310,402. Other revenues increased primarily because of the $525,000 gain on the sale of land at the former Eaton Elementary School site.

**Figure A-4**
**Governmental Activities – Expenses by Function**




***Expenses***

Total expenses increased $1,569,111, or 4.1 percent, to $40,148,053. Instruction expense increased $1,313,041 (6.6 percent) and supporting services expense increased $273,559 (2.1 percent). Spending in the governmental funds grew more slowly. General Fund instruction expenditures increased less than 1 percent. General Fund supporting services expenditures increased $561,209 (5.4 percent), led by operations and maintenance ($245,714), student transportation ($136,096), and student support services ($135,653). Total General Fund salaries and benefits increased 2.0 percent. The larger government-wide increase reflects expenses that do not require current financial resources. Pension and OPEB expense exceeded the District's contributions by $2,414,688, of which $1,581,834 was allocated to instruction, and depreciation expense of $4,592,637 was allocated primarily to instruction.

Interest on long-term debt decreased $115,039, or 2.9 percent, to $3,871,645, because scheduled principal payments reduced outstanding bonds. Interest paid on the District's bonds decreased from $5,819,625 to $5,650,250. Interest expense is lower than interest paid because of $1,786,645 of bond premium amortization. Food services expense increased $97,550 (7.2 percent), reflecting higher food service salaries and benefits and the program's share of pension expense. The General Fund transferred $108,493 to the Food Service Fund to cover its operating shortfall.

***Pensions and other postemployment benefits***

The District participates in the School Division Trust Fund and the Health Care Trust Fund administered by the Public Employees' Retirement Association of Colorado (PERA). The District reports its proportionate share of PERA's net pension and OPEB liabilities, measured as of December 31, 2025. The District's net pension liability decreased $2,170,967, or 7.2 percent, to $28,053,665, and its net OPEB liability decreased $226,227 to $310,031. Pension-related deferred outflows of resources decreased $2,083,261, and pension-related deferred inflows of resources increased $2,699,402, which together increased pension expense. The District's statutorily required pension contributions were $3,012,293, compared with $2,899,440 in 2025, an increase of 3.9 percent consistent with growth in covered payroll. Additional information is in Notes 7 and 8. Because these amounts are measured by PERA and can change significantly from year to year, Table A-1.1 shows net position excluding pension- and OPEB-related items.

**Table A-1.1**
**Net Position Excluding Pension- and OPEB-Related Items**

| | Governmental Activities | | Total Change |
|---|---|---|---|
| | **2026** | **2025** | **2026–2025** |
| Total net position | $ 53,175,879 | $ 51,392,468 | 3.5% |
| Add net pension liability | 28,053,665 | 30,224,632 | -7.2% |
| Add net OPEB liability | 310,031 | 536,258 | -42.2% |
| Add pension-related deferred inflows | 3,839,384 | 1,139,982 | 236.8% |
| Add OPEB-related deferred inflows | 329,987 | 298,145 | 10.7% |
| Less pension-related deferred outflows | (4,521,303) | (6,604,564) | -31.5% |
| Less OPEB-related deferred outflows | (136,445) | (133,822) | 2.0% |
| **Net position excluding pension and OPEB items** | **$ 81,051,198** | **$ 76,853,099** | **5.5%** |

## Governmental funds

At June 30, 2026, the District's governmental funds reported combined fund balances of $52,506,563, a decrease of $2,551,705, or 4.6 percent, from $55,058,268. The District's three major governmental funds are the General Fund, the Bond Redemption Fund, and the Capital Reserve Fund (Table A-3). Fund balance shows the financial standing of a governmental fund at year end from a short-term perspective.

**Table A-3**

**Revenues, Expenditures, and Changes in Fund Balances – Major Governmental Funds**

| | General Fund | | Bond Redemption | | Capital Reserve | |
|---|---|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** | **2026** | **2025** |
| **Revenues** | | | | | | |
| Local sources | $ 25,255,654 | $ 23,760,609 | $ 8,852,147 | $ 9,825,758 | $ 356,966 | $ 813,877 |
| County sources | 6,390 | 8,380 | - | - | - | - |
| State sources | (82,675) | 3,513,206 | - | - | - | - |
| Federal sources | 10,797 | 10,717 | - | - | - | - |
| **Total revenues** | **25,190,166** | **27,292,912** | **8,852,147** | **9,825,758** | **356,966** | **813,877** |
| **Expenditures** | | | | | | |
| Instruction | 15,099,695 | 14,967,960 | - | - | - | - |
| Supporting services | 10,883,285 | 10,322,076 | - | - | 1,912,737 | 1,597,797 |
| Capital outlay | 9,423 | 141,057 | - | - | 549,064 | 1,556,960 |
| Debt service | - | - | 9,142,748 | 9,145,658 | - | - |
| **Total expenditures** | **25,992,403** | **25,431,093** | **9,142,748** | **9,145,658** | **2,461,801** | **3,154,757** |
| Excess (deficiency) of revenues over expenditures | (802,237) | 1,861,819 | (290,601) | 680,100 | (2,104,835) | (2,340,880) |
| Other financing sources (uses), net | (108,467) | (1,198,534) | - | - | 540,000 | 6,455,033 |
| **Net change in fund balance** | **(910,704)** | **663,285** | **(290,601)** | **680,100** | **(1,564,835)** | **4,114,153** |
| Fund balance, beginning | 17,465,152 | 16,801,867 | 10,708,433 | 10,028,333 | 22,986,485 | 18,872,332 |
| **Fund balance, ending** | **$ 16,554,448** | **$ 17,465,152** | **$ 10,417,832** | **$ 10,708,433** | **$ 21,421,650** | **$ 22,986,485** |

### *General Fund*

The General Fund's fund balance decreased $910,704, or 5.2 percent, to $16,554,448, after increasing $663,285 in 2025. Revenues decreased $2,102,746, or 7.7 percent. The loss of state equalization (a decrease of $2,823,707) and lower state categorical revenue (a decrease of $772,174) more than offset a $1,407,534 (6.7 percent) increase in property taxes. Expenditures increased $561,310, or 2.2 percent, mainly because of salary and benefit increases and higher operations and maintenance and student transportation costs. Other financing sources included $525,000 of proceeds from the land sale and $15,026 of insurance proceeds, offset by transfers of $648,493 to the Capital Reserve Fund ($540,000) and the Food Service Fund ($108,493).

Unassigned fund balance was $12,329,632, or 47.4 percent of General Fund expenditures, compared with $12,569,612 at June 30, 2025. The remaining fund balance is restricted for the TABOR emergency reserve ($900,000), the mill levy override ($973,577), and multi-year obligations ($503,241); committed to building improvements ($1,500,000); and assigned to insurance premiums ($347,998). Explanations of significant variances between the General Fund's budgeted and actual results are in the notes to the required supplementary information.

### *Bond Redemption Fund*

The Bond Redemption Fund's fund balance decreased $290,601, or 2.7 percent, to $10,417,832, all of which is restricted for debt service. Property tax revenue in the fund decreased $929,325, or 9.8 percent, to $8,513,756, below the budgeted $9,477,064. Debt service property taxes receivable increased to $2,032,429 (from $144,836), of which $1,188,380 was not available at year end and was deferred. Debt service expenditures of $9,142,748 were consistent with the prior year and included

$3,470,000 of principal and $5,650,250 of interest. Ending fund balance covers about 1.1 years of current annual debt service.

***Capital Reserve Fund***

The Capital Reserve Fund's fund balance decreased $1,564,835, or 6.8 percent, to $21,421,650, after increasing $4,114,153 in 2025. Transfers from the General Fund decreased from $6,455,033 in 2025 to $540,000 in 2026. At Fiscal year-end 2024.2025 the District transferred almost $6,000,000 from Fund 7, Total Program Reserve Fund, because the fund was no longer required by the State of Colorado due to the budget stabilization factor was removed from the District's Total Program Formula in the School Finance Act. Expenditures of $2,461,801 included $1,860,075 of operations and maintenance repair and maintenance projects and $549,064 of capital outlay for equipment, transportation vehicles, technology, and furniture. Of the ending fund balance, $20,921,650 is assigned to capital projects and $500,000 is committed to building improvements.

***Nonmajor governmental funds***

Combined fund balances of the nonmajor governmental funds increased $214,435 to $4,112,633. The Mineral Lease Fund increased $108,019, the Land Dedication Fund $43,094, the Athletic Fund $32,598, and the Student Activity Fund $30,724. The Food Service Fund's fund balance was unchanged after the $108,493 transfer from the General Fund.

**SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY**

**Capital assets**

At June 30, 2026, the District had $157,653,653 invested in capital assets, net of accumulated depreciation, a decrease of $2,506,078, or 1.6 percent (Table A-4). Capital additions totaled $2,086,559, and depreciation expense was $4,592,637. During the year the District placed $1,401,408 of construction in progress into service, primarily the District Office remodel, and reclassified it to depreciable buildings and improvements. No capital assets were removed from the records for the sale of the former Eaton Elementary School land. More detailed information is in Note 4.

**Table A-4**
**Capital Assets**

| | Governmental Activities | | Total Change |
|---|---|---|---|
| | **2026** | **2025** | **2026–2025** |
| Land and construction in progress | $ 1,628,735 | $ 3,030,143 | -46.2% |
| Buildings, improvements, and equipment | 190,190,599 | 186,702,632 | 1.9% |
| Less accumulated depreciation | (34,165,681) | (29,573,044) | 15.5% |
| **Total capital assets, net** | **$ 157,653,653** | **$ 160,159,731** | **-1.6%** |

**Long-term liabilities**

Long-term liabilities decreased $7,508,417, or 4.4 percent, to $161,351,328 (Table A-5). The District did not issue any new debt in 2026. General obligation bonds payable, including unamortized premium, decreased $5,256,645 to $130,521,594 because of $3,470,000 of scheduled principal payments and $1,786,645 of premium amortization. Compensated absences increased $145,422. Net pension and OPEB liabilities decreased as discussed above. Principal amount of bonds outstanding, excluding premium, and principal due in fiscal year 2027 is $111,270,000 and $3,645,000 respectively.

**Table A-5**
**Long-Term Liabilities**

| | Governmental Activities | | Total Change |
|---|---|---|---|
| | **2026** | **2025** | **2026–2025** |
| General obligation bonds (including premium) | $ 130,521,594 | $ 135,778,239 | -3.9% |
| Compensated absences | 2,466,038 | 2,320,616 | 6.3% |
| Net pension liability | 28,053,665 | 30,224,632 | -7.2% |
| Net OPEB liability | 310,031 | 536,258 | -42.2% |
| **Total long-term liabilities** | **$ 161,351,328** | **$ 168,859,745** | **-4.4%** |

The District's general obligation bonds are rated by Moody's Investors Services, Inc., which assigned a stable credit profile and affirmed the underlying rating of A1 as of October 1, 2018. The rating outlook was a result from a history of strong financial performance evidenced by prudent financial management, the mill levy override provides additional financial stability and more cash than debt outstanding. Moody's Investors Services concern over the high-level concentration of the District's tax base being in oil and natural gas production. On May 16, 2018, Standard and Poor assigned a long-term debt rating of AA. There has been no change to the rating for the District. Colorado statutes limit the amount of general obligation debt a school district may have outstanding. At June 30, 2026, the District's legal debt limit was $221,374,419, and its outstanding general obligation debt was $111,270,000 or 50.3 percent of that limit. Additional information about long-term liabilities is in Note 5.

**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

The following facts, decisions, and conditions were known to management when these financial statements were issued and are expected to significantly affect the District's financial position or results of operations:

***School finance and local funding***

The District expects to remain fully locally funded under the Public School Finance Act in fiscal year 2027. As a result, the District does not expect to receive state equalization, and state categorical funding is expected to continue to be offset by local revenues. The adopted budget for fiscal year 2027 reflects total program funding at $27,904,609 of which $27,748,739 is local share, and budgeted funded pupil count is 2009.

***Fiscal year 2027 budget***

The Board of Education adopted the fiscal year 2027 budget on June 15, 2026. The summary of budget assumptions are as follows; General Fund Appropriations are $45,021,764, which does not include use of beginning fund balance. Salary and benefits increased by 3.95% for certified staff, and 4.95% for classified staff. Certified staff was increased at the middle school due to a large bubble class coming from the fifth-grade elementary class to sixth grade. Classified staff was increased at Galeton, and the middle school due to the increased SPED student population. Enrollment was budgeted to be flat as compared to prior year, 2009.

***Property taxes***

Based on the preliminary August certification from the Weld County Assessor, the Eaton School District's assessed valuation for 2027 tax collections stands at $1,273,719,428. This valuation is projected to reduce the General Fund mill levy by approximately 0.509 mills, while generating an estimated $5,474,490 in revenue. Conversely, the Bond Redemption Fund is anticipated to see a decrease of 1.80 mills, with revenues remaining flat.

***Pension plan***

PERA's actuarial valuation of the School Division Trust Fund as of December 31, 2025 used a discount rate of 7.25 percent, unchanged from the prior year, and made no changes to actuarial assumptions or benefit terms. The District's contribution rates are set by state statute and may change under PERA's automatic adjustment provision. The District's net pension liability for fiscal year 2027 will be measured as of December 31, 2026, and will depend on PERA's investment results for calendar year 2026.

# BASIC FINANCIAL STATEMENTS

**WELD COUNTY SCHOOL DISTRICT RE-2**
STATEMENT OF NET POSITION
June 30, 2026

| | PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES |
|---|---|
| ASSETS | |
| Cash and Investments | $ 52,208,040 |
| Accounts Receivable | 12,470 |
| Grants Receivable | 93,129 |
| Taxes Receivable | 7,426,175 |
| Inventories | 28,670 |
| Capital Assets, Not Being Depreciated | 1,628,735 |
| Capital Assets, Net of Accumulated Depreciation | 156,024,918 |
| TOTAL ASSETS | 217,422,137 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pensions, Net of Accumulated Amortization | 4,521,303 |
| OPEB, Net of Accumulated Amortization | 136,445 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 4,657,748 |
| LIABILITIES | |
| Accounts Payable | 330,018 |
| Accrued Salaries and Benefits | 2,478,084 |
| Unearned Revenue | 111,580 |
| Accrued Interest Payable | 463,625 |
| Noncurrent Liabilities | |
| Due Within One Year | 5,617,830 |
| Due in More Than One Year | 127,369,802 |
| Net Pension Liability | 28,053,665 |
| Net OPEB Liability | 310,031 |
| TOTAL LIABILITIES | 164,734,635 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pensions, Net of Accumulated Amortization | 3,839,384 |
| OPEB, Net of Accumulated Amortization | 329,987 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 4,169,371 |
| NET POSITION | |
| Net Investment in Capital Assets | 27,132,059 |
| Restricted for: | |
| Mill Levy Override | 973,577 |
| Debt Service | 11,142,587 |
| Multi-Year Obligations | 503,241 |
| Site Acquisition and Development | 1,144,589 |
| Emergencies | 900,000 |
| Unrestricted | 11,379,826 |
| TOTAL NET POSITION | $ 53,175,879 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

| FUNCTIONS / PROGRAMS | EXPENSES | PROGRAM REVENUES: CHARGES FOR SERVICES | PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS | PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES |
|---|---|---|---|---|---|
| PRIMARY GOVERNMENT | | | | | |
| **Governmental Activities** | | | | | |
| Instruction | $ 21,358,891 | $ 910,443 | $ 176,744 | $ - | $ (20,271,704) |
| Supporting Services | 13,456,819 | 8,695 | 273,561 | 246,186 | (12,928,377) |
| Food Services | 1,460,698 | 49,506 | 1,224,123 | - | (187,069) |
| Interest on Long-Term Debt | 3,871,645 | - | - | - | (3,871,645) |
| TOTAL GOVERNMENTAL ACTIVITIES | $ 40,148,053 | $ 968,644 | $ 1,674,428 | $ 246,186 | (37,258,795) |
| GENERAL REVENUES | | | | | |
| Local Property Taxes | | | | | 35,209,226 |
| Specific Ownership Taxes | | | | | 1,310,402 |
| State Equalization Adjustment | | | | | (16,778) |
| Investment Income | | | | | 1,818,278 |
| Insurance Proceeds | | | | | 15,026 |
| Gain (Loss) on Disposal of Assets | | | | | 525,000 |
| Other | | | | | 181,052 |
| TOTAL GENERAL REVENUES | | | | | 39,042,206 |
| CHANGE IN NET POSITION | | | | | 1,783,411 |
| NET POSITION, Beginning | | | | | 51,392,468 |
| NET POSITION, Ending | | | | | $ 53,175,879 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

| | GENERAL | DEBT SERVICE | CAPITAL RESERVE | NONMAJOR GOVERNMENTAL FUNDS | TOTAL |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and Investments | $ 16,995,691 | $ 9,573,783 | $ 21,421,650 | $ 4,216,916 | $ 52,208,040 |
| Accounts Receivable | 400 | - | - | 12,070 | 12,470 |
| Taxes Receivable | 5,393,746 | 2,032,429 | - | - | 7,426,175 |
| Grants Receivable | - | - | - | 93,129 | 93,129 |
| Inventories | - | - | - | 28,670 | 28,670 |
| TOTAL ASSETS | $ 22,389,837 | $ 11,606,212 | $ 21,421,650 | $ 4,350,785 | $ 59,768,484 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | $ 309,128 | $ - | $ - | $ 20,890 | $ 330,018 |
| Accrued Salaries and Benefits | 2,372,402 | - | - | 105,682 | 2,478,084 |
| Unearned Revenue | - | - | - | 111,580 | 111,580 |
| TOTAL LIABILITIES | 2,681,530 | - | - | 238,152 | 2,919,682 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | 3,153,859 | 1,188,380 | - | - | 4,342,239 |
| FUND BALANCES | | | | | |
| Nonspendable Inventories | - | - | - | 28,670 | 28,670 |
| Restricted for: | | | | | |
| Mill Levy Override | 973,577 | - | - | - | 973,577 |
| Debt Service | - | 10,417,832 | - | - | 10,417,832 |
| Multi-Year Obligations | 503,241 | - | - | - | 503,241 |
| Emergencies | 900,000 | - | - | - | 900,000 |
| Site Acquisition and Development | - | - | - | 1,144,589 | 1,144,589 |
| Committed to Building Improvements | 1,500,000 | - | 500,000 | 1,921,349 | 3,921,349 |
| Assigned to: | | | | | |
| Insurance Premiums | 347,998 | - | - | - | 347,998 |
| Capital Projects | - | - | 20,921,650 | - | 20,921,650 |
| Food Services | - | - | - | 301,906 | 301,906 |
| Student Activities | - | - | - | 544,839 | 544,839 |
| Athletic Programs | - | - | - | 171,280 | 171,280 |
| Unassigned | 12,329,632 | - | - | - | 12,329,632 |
| TOTAL FUND BALANCES | 16,554,448 | 10,417,832 | 21,421,650 | 4,112,633 | 52,506,563 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 22,389,837 | $ 11,606,212 | $ 21,421,650 | $ 4,350,785 | $ 59,768,484 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
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 Balances of Governmental Funds | $ | 52,506,563 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. | | 157,653,653 |
| Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources. | | 4,342,239 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| Accrued Interest Payable | | (463,625) |
| Bonds Payable | | (130,521,594) |
| Accrued Compensated Absences | | (2,466,038) |
| Net Pension Liability | | (28,053,665) |
| Pension-Related Deferred Outflows of Resources | | 4,521,303 |
| Pension-Related Deferred Inflows of Resources | | (3,839,384) |
| Net OPEB Liability | | (310,031) |
| OPEB-Related Deferred Outflows of Resources | | 136,445 |
| OPEB-Related Deferred Inflows of Resources | | (329,987) |
| Total Net Position of Governmental Activities | $ | 53,175,879 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2026

| | GENERAL | DEBT SERVICE | CAPITAL RESERVE | NONMAJOR GOVERNMENTAL FUNDS | TOTAL |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources | $ 25,255,654 | $ 8,852,147 | $ 356,966 | $ 1,303,127 | $ 35,767,894 |
| County Sources | 6,390 | - | - | 18,024 | 24,414 |
| State Sources | (82,675) | - | - | 531,593 | 448,918 |
| Federal Sources | 10,797 | - | - | 1,009,214 | 1,020,011 |
| TOTAL REVENUES | 25,190,166 | 8,852,147 | 356,966 | 2,861,958 | 37,261,237 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | 15,099,695 | - | - | 1,150,000 | 16,249,695 |
| Supporting Services | 10,883,285 | - | 1,912,737 | 24,614 | 12,820,636 |
| Food Services | - | - | - | 1,381,818 | 1,381,818 |
| Capital Outlay | 9,423 | - | 549,064 | 199,584 | 758,071 |
| Debt Service | | | | | |
| Principal | - | 3,470,000 | - | - | 3,470,000 |
| Interest and Fiscal Charges | - | 5,672,748 | - | - | 5,672,748 |
| TOTAL EXPENDITURES | 25,992,403 | 9,142,748 | 2,461,801 | 2,756,016 | 40,352,968 |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | (802,237) | (290,601) | (2,104,835) | 105,942 | (3,091,731) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Sale of Capital Assets | 525,000 | - | - | - | 525,000 |
| Insurance Proceeds | 15,026 | - | - | - | 15,026 |
| Transfers In | - | - | 540,000 | 108,493 | 648,493 |
| Transfers Out | (648,493) | - | - | - | (648,493) |
| TOTAL OTHER FINANCING SOURCES (USES) | (108,467) | - | 540,000 | 108,493 | 540,026 |
| CHANGES IN FUND BALANCES | (910,704) | (290,601) | (1,564,835) | 214,435 | (2,551,705) |
| FUND BALANCES, Beginning | 17,465,152 | 10,708,433 | 22,986,485 | 3,898,198 | 55,058,268 |
| FUND BALANCES, Ending | $ 16,554,448 | $ 10,417,832 | $ 21,421,650 | $ 4,112,633 | $ 52,506,563 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

| | | |
|---|---|---|
| AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE: | | |
| Net Change in Fund Balances of Governmental Funds | $ | (2,551,705) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows: | | |
| Depreciation Expense | | (4,592,637) |
| Capital Outlay | | 2,086,559 |
| Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes. | | 4,130,201 |
| The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. | | 3,470,000 |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items as follows: | | |
| Amortization of Bond Premiums | | 1,786,645 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following: | | |
| Accrued Interest Payable | | 14,458 |
| Accrued Compensated Absences | | (145,422) |
| Net Pension Liability | | 2,170,967 |
| Pension-Related Deferred Outflows of Resources | | (2,083,261) |
| Pension-Related Deferred Inflows of Resources | | (2,699,402) |
| Net OPEB Liability | | 226,227 |
| OPEB-Related Deferred Outflows of Resources | | 2,623 |
| OPEB-Related Deferred Inflows of Resources | | (31,842) |
| Change in Net Position of Governmental Activities | $ | 1,783,411 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

| | SCHOLARSHIP TRUST FUND |
|---|---|
| ASSETS | |
| Cash and Cash Equivalents | $ 519,239 |
| NET POSITION | |
| Restricted for Scholarships | $ 519,239 |

*See Notes to the Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
Year Ended June 30, 2026

| | SCHOLARSHIP TRUST FUND |
|---|---|
| ADDITIONS | |
| Contributions and Donations | $ 8,563 |
| Investment Income | 19,907 |
| Total Additions | 28,470 |
| DEDUCTIONS | |
| Scholarships and Awards | 34,550 |
| CHANGE IN NET POSITION | (6,080) |
| NET POSITION, Beginning | 525,319 |
| NET POSITION, Ending | $ 519,239 |

*See Notes to the Financial Statements.*

## NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Weld County School District RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

### Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

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

The *Capital Reserve Fund* is used to account for the resources accumulated to acquire capital assets. District has elected to present this fund as a major fund.

Additionally, the District reports the following fund type:

> Fiduciary Funds account for assets held by the District as a private purpose trust fund or custodian for individuals, private organizations, and other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary fund reported by the District is a private-purpose trust fund, the Scholarship Trust Fund.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position**

*Cash and Investments* – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

For purposes of the statement of fiduciary net position, cash equivalents include investments with original maturities of three months or less.

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position** (Continued)

*Receivables* – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

*Interfund Receivables and Payables* – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

*Inventories* – Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

*Deferred Outflows of Resources* – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then. This includes pension and OPEB related balances.

*Capital Assets* – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

| | |
|---|---|
| Land Improvements | 20 years |
| Sites and Buildings | 15 - 50 years |
| Machinery and Equipment | 5 - 15 years |

*Accrued Salaries and Benefits* – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

*Unearned Revenue* – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

*Deferred Inflows of Resources* – Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources. In addition, the deferred inflows of resources in the government-wide financial statements include pension related balances that will be resources in future periods.

*Long-Term Debt* – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position** (Continued)

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* – Classified personnel accrue up to 20 days of vacation depending on their years of experience with the District. Unused vacation benefits are paid upon termination at the per diem rate. Sick leave may be accumulated to a maximum of 90 days. After accumulating the maximum number of days, a full-time employee may be reimbursed at the current rate of substitute pay for one-half of the unused sick leave days accumulated during the current school year, not to exceed six days of reimbursement. A full-time employee who has been employed by or assigned to the district for 10 continuous years or more who resigns or retires shall be reimbursed at the current rate of substitute pay for unused sick days not to exceed 30 days. In accordance with GASB 101, the District also recognizes a liability for sick leave more likely than not to be used.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

*Pensions* – The District participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Postemployment Benefits Other Than Pensions (OPEB)* – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Net Position/Fund Balances* – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and his designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

**NOTE 2: Cash and Investments**

At June 30, 2026, the District had the following cash and investments:

| | | |
|---|---|---|
| Cash on Hand | $ | 3,300 |
| Deposits | | 1,838,170 |
| Investments | | 50,885,809 |
| Total | $ | 52,727,279 |

Cash and investments are reported in the financial statements as follows:

| | | |
|---|---|---|
| Governmental Activities | $ | 52,208,040 |
| Fiduciary Fund | | 519,239 |
| Total | $ | 52,727,279 |

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2026, the District had uninsured deposits of $1,910,434 collateralized with securities held by the financial institution's agent but not in the District's name.

**Investments**

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

*Fair Value Measurements* – At June 30, 2026, the District's investments in the local government investment pool reported at the net asset value per share.

**NOTE 2: Cash and Investments** (Continued)

**Investments** (Continued)

*Interest Rate Risk* – State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

*Concentration of Credit Risk* – State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

*Local Government Investment Pool* – At June 30, 2026, the District had $50,885,809 invested in the Colorado Local Government Liquid Asset Trust Plus (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

## NOTE 3: Interfund Transfers

During the year ended June 30, 2026, the District transferred $540,000 from the General Fund to the Capital Reserve Fund to finance future capital projects. The District also transferred $108,493 from the General Fund to the Food Service Fund to subsidize operations.

## NOTE 4: Capital Assets

Capital asset activity for the year ended June 30, 2026, is summarized below.

| | Balance 6/30/2025 | Additions | Deletions | Balance 6/30/2026 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 1,628,735 | $ - | $ - | $ 1,628,735 |
| Construction in Progress | 1,401,408 | - | 1,401,408 | - |
| Total Capital Assets, Not Being Depreciated | 3,030,143 | - | 1,401,408 | 1,628,735 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 3,792,052 | 394,993 | - | 4,187,045 |
| Sites and Buildings | 174,952,852 | 2,926,200 | - | 177,879,052 |
| Machinery and Equipment | 7,957,728 | 166,774 | - | 8,124,502 |
| Total Capital Assets, Being Depreciated | 186,702,632 | 3,487,967 | - | 190,190,599 |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (2,196,834) | (129,166) | - | (2,325,999) |
| Sites and Buildings | (22,244,607) | (4,151,036) | - | (26,395,643) |
| Machinery and Equipment | (5,131,603) | (312,435) | - | (5,444,038) |
| Total Accumulated Depreciation | (29,573,044) | (4,592,637) | - | (34,165,681) |
| Total Capital Assets, Being Depreciated, Net | 157,129,588 | (1,104,670) | - | 156,024,918 |
| Capital Assets, Governmental Activities, Net | $ 160,159,731 | $ (1,104,670) | $ 1,401,408 | $ 157,653,653 |

**NOTE 4: Capital Assets** (Continued)

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

| | |
|---|---|
| Instruction | $ 3,432,098 |
| Supporting Services | 1,144,032 |
| Food Service | 16,507 |
| Total | $ 4,592,637 |

**NOTE 5: Long-Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2026.

| | Balance 6/30/2025 | Additions | Reductions | Balance 6/30/2026 | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| G.O. Bonds, Series 2019 | $ 114,740,000 | $ - | $ 3,470,000 | $ 111,270,000 | $ 3,645,000 |
| Bond Premium, Series 2019 | 21,038,239 | - | 1,786,645 | 19,251,594 | - |
| Compensated Absences | 2,320,616 | 160,396 | 14,974 | 2,466,038 | 1,972,830 |
| Total | $ 138,098,855 | $ 160,396 | $ 5,271,619 | $ 132,987,632 | $ 5,617,830 |

Change in compensated absences were reported as a net difference.

On December 11, 2019, the District issued General Obligation Bonds, Series 2019, in the amount of $128,500,000 to upgrade the safety and security in all District schools; construct, furnish, and equip a new high school; remodel and furnish the existing high school into a middle school; remodel and furnish an existing middle school into an elementary school; and construct, furnish, and equip a new transportation facility. Principal payments are due annually on December 1, through 2044. Interest payments are due semi-annually on June 1st and December 1st, with interest accruing at rates ranging from 3% to 5% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

Bond payments to maturity are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $ 3,645,000 | $ 5,472,375 | $ 9,117,375 |
| 2028 | 3,825,000 | 5,285,625 | 9,110,625 |
| 2029 | 4,015,000 | 5,089,625 | 9,104,625 |
| 2030 | 4,220,000 | 4,883,750 | 9,103,750 |
| 2031 | 4,430,000 | 4,667,500 | 9,097,500 |
| 2032-2036 | 25,690,000 | 19,697,750 | 45,387,750 |
| 2037-2041 | 32,795,000 | 12,421,875 | 45,216,875 |
| 2042-2045 | 32,650,000 | 3,364,500 | 36,014,500 |
| Total | $ 111,270,000 | $ 60,883,000 | $ 172,153,000 |

**NOTE 6: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier. The District did not incur any settlements that exceeded coverage in the last three years.

**NOTE 6: Risk Management** (Continued)

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

**NOTE 7: Defined Benefit Pension Plan**

**General Information**

*Plan Description* – The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

*Benefits Provided as of December 31, 2025 (Measurement Year)* – The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. 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 a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

**NOTE 7: Defined Benefit Pension Plan** (Continued)

**General Information** (Continued)

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, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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 SDTF. 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 meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula(s) described previously, considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) in place, and the qualified survivor(s) receiving the benefits.

*Contributions provisions as of June 30, 2026* – The District, State, and eligible employees are required to contribute to the SDTF at rates established by C.R.S. § 24-51-401, et seq. and § 24-51-413. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2025, through June 30, 2026. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. The District's contributions to the SDTF for the year ended June 30, 2026, were $3,012,293, equal to the required contributions at a contribution rate of 20.38%.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State of Colorado 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 SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF. 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 was measured at 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 SDTF for the calendar year ended December 31, 2025, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

**NOTE 7: Defined Benefit Pension Plan** (Continued)

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

At December 31, 2025, the District's proportion was 0.1798781738%, which was an increase of 0.0047126608% from its proportion measured at December 31, 2024.

At June 30, 2026, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, 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 | $ | 28,053,665 |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | | 2,636,399 |
| Total | $ | 30,690,064 |

For the year ended June 30, 2026, the District recognized pension expense of $5,623,988 and revenue of ($385,552) for support from the State as a nonemployer contributing entity. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 1,688,399 | $ - |
| Changes of assumptions and other inputs | 137,717 | - |
| Net difference between projected and actual earnings on plan investments | - | 3,365,390 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 1,180,001 | 473,994 |
| Contributions subsequent to the measurement date | 1,515,186 | - |
| Total | $ 4,521,303 | $ 3,839,384 |

District contributions subsequent to the measurement date of $1,515,186 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | |
|---|---|
| 2027 | $ 2,256,223 |
| 2028 | (1,238,267) |
| 2029 | (1,001,149) |
| 2030 | (850,074) |
| Total | $ (833,267) |

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2024, determined the total pension liability using the following actuarial assumptions and other inputs.

**NOTE 7: Defined Benefit Pension Plan** (Continued)

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

| | |
|---|---|
| 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 plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| Hired prior to 1/1/07 thereafter, compounded annually | 1.00% |
| Hired after 12/31/06 | Financed by the AIR |

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

All mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories in the mortality tables are generationally projected using scale MP-2021.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of 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 of Directors at their January 17, 2025, meeting.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

**NOTE 7: Defined Benefit Pension Plan** (Continued)

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, PERA's Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director's 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%.

*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 to the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, reflecting the prior increases as required by Senate Bill (SB) 18-200 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and 2018 and 2020 AAP assessments. District contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**NOTE 7: Defined Benefit Pension Plan** (Continued)

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

- 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 PERA Division Trust Funds, including SDTF, based upon the covered payroll. 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 PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until they are transferred out of the annual increase reserve to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the annual increase reserve 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.

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net pension liability | $ 39,687,991 | $ 28,053,665 | $ 18,311,370 |

*Pension Plan Fiduciary Net Position* - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

## NOTE 8: Postemployment Healthcare Benefits

### General Information

*Plan Description* – Eligible employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. C.R.S. provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

*Benefits Provided* – The HCTF provides a healthcare 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 benefit recipients or retirees are 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 retirees and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and 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, and $115 per month for benefit recipients who are over 65 years of age 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. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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 State 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 on behalf of recipients not covered by Medicare Part A.

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

**General Information** (Continued)

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF 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* – As established by Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allowed to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, SDTF, Local Government, and Judicial Divisions. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2026, was $150,762 equal to the required amount.

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

At June 30, 2026, the District reported a net OPEB liability of $310,031, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at 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 ended December 31, 2025, relative to the contributions of all participating employers.

At December 31, 2025, the District's proportion was 0.1150598947%, which was an increase of 0.0029111206% from its proportion measured at December 31, 2024.

For the year ended June 30, 2026, the District recognized OPEB expense of ($46,246). At June 30, 2026, 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 |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 125,448 |
| Changes of assumptions and other inputs | 3,401 | 150,488 |
| Net difference between projected and actual earnings on plan investments | - | 49,512 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 57,210 | 4,539 |
| Contributions subsequent to the measurement date | 75,834 | - |
| Total | $ 136,445 | $ 329,987 |

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

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

District contributions subsequent to the measurement date of $75,834 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ended June 30, | |
|---|---|
| 2027 | $ (63,781) |
| 2028 | (79,048) |
| 2029 | (53,032) |
| 2030 | (42,758) |
| 2031 | (22,257) |
| 2032 | (8,500) |
| Total | $ (269,376) |

*Actuarial Assumptions* – The actuarial valuation as of December 31, 2024, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

| | |
|---|---|
| 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: | |
| Service-based premium subsidy | 0.0% |
| PERACare Medicare plans | |
| 8% in 2025, gradually decreasing to 4.5% in 2035 | |
| Medicare Part A premiums: | |
| 3.5% in 2025, gradually increasing to 4.5% in 2033 | |

Each year the per capita health care costs are developed by plan option. As of 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.

| 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 |

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

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

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 and 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 table below:

| Measurement 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% |

Mortality assumptions used in the December 31, 2024, valuation for the SDTF and other PERA divisions 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, SDTF, Local Government, and Judicial Divisions participate in the HCTF.

All categories of the mortality tables are generationally projected using scale MP-2021.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

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

- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates age 85 and older.
- Post retirement (beneficiary) non-disabled mortality assumptions for the SDTF were based upon the Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates of all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree table using 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.

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 weighing 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 PERA Board of Director's meetings on 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:

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

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

| 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 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:

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---|---|---|---|
| Initial PERACare Medicare trend rate** | 6.65% | 7.65% | 8.65% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate** | 2.75% | 3.75% | 4.75% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | $ 297,143 | $ 310,031 | $ 324,620 |

** 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 fiduciary net position 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%.

**NOTE 8: Postemployment Healthcare Benefits** (Continued)

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

- 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%, 1.02% to 0.52% of member salaries for the State, SDTF, 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.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB 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 OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net OPEB liability | $ 426,850 | $ 310,031 | $ 209,277 |

*OPEB Plan Fiduciary Net Position* - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at https://copera.org/forms-resources/financial-reports-and-studies.

**NOTE 9: Commitments and Contingencies**

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2026, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

**NOTE 9: Commitments and Contingencies** (Continued)

**Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2026, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $900,000.

**Litigation**

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

**NOTE 10: Jointly Governed Organization**

The District, in conjunction with other surrounding districts, participates in the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2026, the District contributed $78,724 to the BOCES. Separate financial statements for the BOCES are available at 2020 Clubhouse Drive, Greeley, Colorado 80634, or online at www.cboces.org.

BOCES includes the District in a consolidated federal grant application for certain grants awarded to the BOCES passed through from the Colorado Department of Education. Total federal dollars passed through from BOCES to the District was $951,672 for the year ended June 30, 2026, which are not reported on the District's schedule of expenditures of federal awards.

**NOTE 11: Subsequent Event**

On September 21, 2026, the District received a significant amount of $3,811,715 in delinquent property taxes levied for the fiscal year ended June 30, 2026, consisting of $3,716,716 in property taxes and $94,999 in delinquent interest. Of this amount, $2,803,633 was received in the District's General Fund and $1,006,969 in the Debt Service Fund. This revenue was not considered available at June 30, 2026, and reported as deferred inflows of resources in the governmental fund financial statements, because these taxes were not collected within 60 days after year end. Based on GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, property taxes collected 60 days after year-end are not considered current revenue on a modified accrual basis of accounting. However, at June 30, 2026, these revenues are recognized on the government-wide financial statements. On a modified accrual basis, these taxes will be recognized as revenue in the governmental funds in the fiscal year ending June 30, 2027.

# REQUIRED SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | $ 21,420,736 | $ 21,420,736 | $ - | $ 25,255,654 | $ 3,834,918 |
| County Sources | - | - | - | 6,390 | 6,390 |
| State Grants | 5,478,030 | 5,478,030 | - | (82,675) | (5,560,705) |
| Federal Grants | 7,007 | 7,007 | - | 10,797 | 3,790 |
| TOTAL REVENUES | 26,905,773 | 26,905,773 | - | 25,190,166 | (1,715,607) |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | 15,782,024 | 15,782,024 | - | 15,099,695 | 682,329 |
| Supporting Services | | | | | |
| Students | 1,188,623 | 1,188,623 | - | 1,220,409 | (31,786) |
| Instructional Staff | 731,053 | 731,053 | - | 625,533 | 105,520 |
| General Administration | 476,834 | 476,834 | - | 557,831 | (80,997) |
| School Administration | 1,829,474 | 1,829,474 | - | 1,789,853 | 39,621 |
| Business Services | 672,642 | 672,642 | - | 694,042 | (21,400) |
| Operations and Maintenance | 3,948,534 | 3,913,534 | 35,000 | 4,169,472 | (255,938) |
| Student Transportation | 788,973 | 788,973 | - | 936,740 | (147,767) |
| Central Support | 947,755 | 947,755 | - | 889,405 | 58,350 |
| Total Supporting Services | 10,583,888 | 10,548,888 | 35,000 | 10,883,285 | (334,397) |
| Capital Outlay | 773,500 | 773,500 | - | 9,423 | 764,077 |
| Contingency | 16,743,227 | 17,406,514 | (663,287) | - | 17,406,514 |
| TOTAL EXPENDITURES | 43,882,639 | 44,510,926 | (628,287) | 25,992,403 | 18,518,523 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (16,976,866) | (17,605,153) | (628,287) | (802,237) | 16,802,916 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Insurance Proceeds | 750,000 | 750,000 | - | 15,026 | (734,974) |
| Proceeds from Sale of Capital Assets | - | - | - | 525,000 | 525,000 |
| Transfers Out | (575,000) | (610,000) | (35,000) | (648,493) | (38,493) |
| TOTAL OTHER FINANCING SOURCES (USES) | 175,000 | 140,000 | (35,000) | (108,467) | (248,467) |
| CHANGE IN FUND BALANCE | (16,801,866) | (17,465,153) | (663,287) | (910,704) | 16,554,449 |
| FUND BALANCE, Beginning | 16,801,866 | 17,465,153 | 663,287 | 17,465,152 | (1) |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 16,554,448 | $ 16,554,448 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2026

| **MEASUREMENT DATE** | 12/31/25 | 12/31/24 | 12/31/23 | 12/31/22 |
|---|---|---|---|---|
| PROPORTIONATE SHARE OF THE NET PENSION LIABILITY | | | | |
| District's Proportion of the Net Pension Liability | 0.1798781738% | 0.1751655130% | 0.1824054121% | 0.1394161867% |
| District's Proportionate Share of the Net Pension Liability | $ 28,053,665 | 30,224,632 | $ 32,255,519 | $ 25,386,942 |
| State's Proportionate Share of the Net Pension Liability Associated with the District | 2,636,399 | 2,714,590 | 707,268 | 7,398,010 |
| Total Proportionate Share of the Net Pension Liability | 30,690,064 | 32,939,222 | 32,962,787 | 32,784,952 |
| District's Covered Payroll | $ 14,581,342 | 13,535,542 | $ 12,058,641 | $ 10,753,163 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 192% | 223% | 267% | 236% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 73% | 67% | 65% | 62% |

| **FISCAL YEAR-END** | 6/30/26 | 6/30/25 | 6/30/24 | 6/30/23 |
|---|---|---|---|---|
| DISTRICT CONTRIBUTIONS | | | | |
| Statutorily Required Contribution | $ 3,012,293 | 2,899,440 | $ 2,607,943 | $ 2,288,735 |
| Contributions in Relation to the Statutorily Required Contribution | (3,012,293) | (2,899,440) | (2,607,943) | (2,288,735) |
| Contribution Deficiency (Excess) | $ - | - | $ - | $ - |
| District's Covered Payroll | $ 14,780,618 | 14,226,878 | $ 12,796,550 | $ 11,230,289 |
| Contributions as a Percentage of Covered Payroll | 20.38% | 20.38% | 20.38% | 20.38% |

| 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 |
|---|---|---|---|---|---|
| 0.1615273426% | 0.1856143040% | 0.1622686193% | 0.1637583107% | 0.1894383296% | 0.1931803868% |
| $ 18,797,528 | $ 28,061,139 | $ 24,242,580 | $ 28,996,773 | $ 61,257,623 | $ 57,517,271 |
| 2,154,897 | - | 3,074,863 | 3,964,906 | - | - |
| 20,952,425 | 28,061,139 | 27,317,443 | 32,961,679 | 61,257,623 | 57,517,271 |
| $ 10,094,948 | $ 9,715,893 | $ 9,540,034 | $ 9,002,671 | $ 8,738,561 | $ 8,670,729 |
| 186% | 289% | 254% | 322% | 701% | 663% |
| 75% | 67% | 65% | 57% | 44% | 43% |
| 6/30/22 | 6/30/21 | 06/30/20 | 06/30/19 | 06/30/18 | 06/30/17 |
| $ 2,056,655 | $ 1,978,695 | $ 1,916,842 | $ 1,762,642 | $ 1,669,355 | $ 1,593,000 |
| (2,056,655) | (1,978,695) | (1,916,842) | (1,762,642) | (1,669,355) | (1,593,000) |
| $ - | $ - | $ - | $ - | $ - | $ - |
| $ 10,345,336 | $ 9,953,181 | $ 9,890,816 | $ 9,214,019 | $ 8,840,134 | $ 8,665,583 |
| 19.88% | 19.88% | 19.38% | 19.13% | 18.88% | 18.38% |

**WELD COUNTY SCHOOL DISTRICT RE-2**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2026

| **MEASUREMENT DATE** | 12/31/25 | 12/31/24 | 12/31/23 | 12/31/22 |
|---|---|---|---|---|
| PROPORTIONATE SHARE OF THE NET OPEB LIABILITY | | | | |
| District's Proportion of the Net OPEB Liability | 0.1150598947% | 0.1121487741% | 0.1091232725% | 0.1059670185% |
| District's Proportionate Share of the Net OPEB Liability | $ 310,031 | 536,258 | $ 778,841 | $ 865,198 |
| District's Covered Payroll | $ 14,581,342 | 13,535,542 | $ 12,058,641 | $ 10,753,163 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 2% | 4% | 6% | 8% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 76% | 60% | 46% | 39% |
| **FISCAL YEAR-END** | 6/30/26 | 6/30/25 | 6/30/24 | 6/30/23 |
| DISTRICT CONTRIBUTIONS | | | | |
| Statutorily Required Contribution | $ 150,762 | 145,114 | $ 130,525 | $ 114,549 |
| Contributions in Relation to the Statutorily Required Contribution | (150,762) | (145,114) | (130,525) | (114,549) |
| Contribution Deficiency (Excess) | $ - | - | $ - | $ - |
| District's Covered Payroll | $ 14,780,618 | 14,226,878 | $ 12,796,550 | $ 11,230,289 |
| Contributions as a Percentage of Covered Payroll | 1.02% | 1.02% | 1.02% | 1.02% |

| 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 |
|---|---|---|---|---|
| 0.1054651055% | 0.1073722115% | 0.1060440062% | 0.1064437577% | 0.1076380693% |
| $ 909,431 | $ 1,020,278 | $ 1,191,933 | $ 1,448,212 | $ 1,398,864 |
| $ 10,094,948 | $ 9,715,893 | $ 9,540,034 | $ 9,002,671 | $ 8,738,561 |
| 9% | 11% | 12% | 16% | 16% |
| 39% | 33% | 24% | 17% | 18% |

| 6/30/22 | 6/30/21 | 6/30/20 | 6/30/19 | 6/30/18 |
|---|---|---|---|---|
| $ 105,522 | $ 101,522 | $ 100,886 | $ 94,035 | $ 90,169 |
| (105,522) | (101,522) | (100,886) | (94,035) | (90,169) |
| $ - | $ - | $ - | $ - | $ - |
| $ 10,345,336 | $ 9,953,181 | $ 9,890,816 | $ 9,214,019 | $ 8,840,134 |
| 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

## NOTE 1: Stewardship, Compliance, and Accountability

### Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

### Compliance

During the fiscal year ended June 30, 2026, the Grants Fund actual expenditures exceeded budgeted expenditures in the amount of $38,509. This may be a violation of state statutes.

### Variances

*Budgetary Revenues – General Fund*

Differences – original budget to final budget:

- The General Fund revenue budget was not amended.

Differences – final budget to actual:

- Local sources exceeded the final budget by $3,834,918 and state sources were $5,560,705 under the final budget, primarily because state equalization and categorical funding were returned to the State after a Colorado Department of Education audit determined the District was self-funded through local property taxes.
- Insurance proceeds were $734,974 under the final budget, and proceeds from the sale of capital assets of $525,000 were not budgeted.

*Budgetary Expenditures – General Fund*

Differences – original budget to final budget:

- Appropriations were increased by $628,287, reflecting a $663,287 increase in contingency for the higher budgeted beginning fund balance, offset by $35,000 moved from operations and maintenance to transfers out.

Differences – final budget to actual:

- Expenditures were $18,518,523 under the final budget, primarily due to unspent contingency ($17,406,514), capital outlay ($764,077), and instruction ($682,329). Operations and maintenance ($255,938), student transportation ($147,767), and general administration ($80,997) exceeded their final budgeted amounts; expenditures did not exceed appropriations at the fund level.

## NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

*SDTF Plan* – Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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 annual 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 State, SDTF, Local Government, and Judicial Divisions.

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

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

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: https://copera.org/forms-resources/financial-reports-and-studies.

## NOTE 3: Changes in Assumptions and Other Inputs

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

**NOTE 3: Changes in Assumptions and Other Inputs** (Continued)

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

*HCTF Plan* – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups. Participation rates were reduced. MAPD premium costs are no longer age graded.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: https://copera.org/forms-resources/financial-reports-and-studies.

# SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-2**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2026

| | FOOD SERVICE | GRANTS | ATHLETIC | MINERAL LEASE |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and Investments | $ 351,873 | $ 76,957 | $ 179,550 | $ 1,909,279 |
| Accounts Receivable | - | - | - | 12,070 |
| Grants Receivable | - | 93,129 | - | - |
| Inventories | 28,670 | - | - | - |
| | | - | | |
| TOTAL ASSETS | $ 380,543 | $ 170,086 | $ 179,550 | $ 1,921,349 |
| LIABLITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | $ 406 | $ 2,385 | $ 8,270 | $ - |
| Accrued Salaries and Benefits | 49,561 | 56,121 | - | - |
| Unearned Revenues | - | 111,580 | - | - |
| TOTAL LIABILITIES | 49,967 | 170,086 | 8,270 | - |
| FUND BALANCES | | | | |
| Nonspendable Inventories | 28,670 | - | - | - |
| Restricted for: | | | | |
| Site Acquisition and Development | - | - | - | - |
| Committed to Building Improvemen | - | - | - | 1,921,349 |
| Assigned to: | | | | |
| Food Services | 301,906 | - | - | - |
| Student Activities | - | - | - | - |
| Athletic Programs | - | - | 171,280 | - |
| TOTAL FUND BALANCES | 330,576 | - | 171,280 | 1,921,349 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 380,543 | $ 170,086 | $ 179,550 | $ 1,921,349 |

| STUDENT ACTIVITY | LAND DEDICATION | TOTAL |
|---|---|---|
| $ 554,668 | $ 1,144,589 | $ 4,216,916 |
| - | - | 12,070 |
| - | - | 93,129 |
| - | - | 28,670 |
| $ 554,668 | $ 1,144,589 | $ 4,350,785 |
| | | |
| $ 9,829 | $ - | $ 20,890 |
| - | - | 105,682 |
| - | - | 111,580 |
| 9,829 | - | 238,152 |
| | | |
| - | - | 28,670 |
| | | |
| - | 1,144,589 | 1,144,589 |
| - | - | 1,921,349 |
| | | |
| - | - | 301,906 |
| 544,839 | - | 544,839 |
| - | - | 171,280 |
| 544,839 | 1,144,589 | 4,112,633 |
| | | |
| $ 554,668 | $ 1,144,589 | $ 4,350,785 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2026

| | FOOD SERVICE | GRANTS | ATHLETIC | MINERAL LEASE |
|---|---|---|---|---|
| REVENUES | | | | |
| Local Sources | $ 49,506 | $ 57,331 | $ 207,131 | $ 307,299 |
| County Sources | - | - | - | - |
| State Sources | 501,974 | 29,619 | - | - |
| Federal Sources | 722,149 | 287,065 | - | - |
| TOTAL REVENUES | 1,273,629 | 374,015 | 207,131 | 307,299 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | - | 349,401 | 174,533 | - |
| Supporting Services | - | 24,614 | - | - |
| Food Services | 1,381,818 | - | - | - |
| Capital Outlay | 304 | - | - | 199,280 |
| TOTAL EXPENDITURES | 1,382,122 | 374,015 | 174,533 | 199,280 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (108,493) | - | 32,598 | 108,019 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 108,493 | - | - | - |
| CHANGE IN FUND BALANCES | - | - | 32,598 | 108,019 |
| FUND BALANCES, Beginning | 330,576 | - | 138,682 | 1,813,330 |
| FUND BALANCES, Ending | $ 330,576 | $ - | $ 171,280 | $ 1,921,349 |

| STUDENT ACTIVITY | LAND DEDICATION | TOTAL |
|---|---|---|
| $ 656,790 | $ 25,070 | $ 1,303,127 |
| - | 18,024 | 18,024 |
| - | - | 531,593 |
| - | - | 1,009,214 |
| 656,790 | 43,094 | 2,861,958 |
| 626,066 | - | 1,150,000 |
| - | - | 24,614 |
| - | - | 1,381,818 |
| - | - | 199,584 |
| 626,066 | - | 2,756,016 |
| 30,724 | 43,094 | 105,942 |
| - | - | 108,493 |
| 30,724 | 43,094 | 214,435 |
| 514,115 | 1,101,495 | 3,898,198 |
| $ 544,839 | $ 1,144,589 | $ 4,112,633 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Fees | $ 50,050 | $ 50,050 | $ - | $ 49,098 | $ (952) |
| Miscellaneous | - | - | - | 408 | 408 |
| State Grants | 572,694 | 572,694 | - | 501,974 | (70,720) |
| Federal Grants | 739,342 | 739,342 | - | 722,149 | (17,193) |
| TOTAL REVENUES | 1,362,086 | 1,362,086 | - | 1,273,629 | (88,457) |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Salaries | 476,603 | 476,603 | - | 514,709 | (38,106) |
| Benefits | 156,977 | 156,977 | - | 168,042 | (11,065) |
| Purchased Services | 12,055 | 12,055 | - | 12,261 | (206) |
| Supplies and Materials | 746,071 | 746,071 | - | 685,841 | 60,230 |
| Other | 2,480 | 2,480 | - | 965 | 1,515 |
| Capital Outlay | 2,900 | 2,900 | - | 304 | 2,596 |
| Contingency | 277,663 | 365,576 | (87,913) | - | 365,576 |
| TOTAL EXPENDITURES | 1,674,749 | 1,762,662 | (87,913) | 1,382,122 | 380,540 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (312,663) | (400,576) | (87,913) | (108,493) | 292,083 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 35,000 | 70,000 | 35,000 | 108,493 | 38,493 |
| CHANGE IN FUND BALANCE | (277,663) | (330,576) | (52,913) | - | 330,576 |
| FUND BALANCE, Beginning | 277,663 | 330,576 | 52,913 | 330,576 | - |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 330,576 | $ 330,576 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2026

| | ORIGINAL AND FINAL BUDGET | ACTUAL | BUDGET TO ACTUAL VARIANCE Positive (Negative) |
|---|---|---|---|
| REVENUES | | | |
| Local Grants | $ - | $ 57,331 | $ 57,331 |
| State Grants | 5,000 | 29,619 | 24,619 |
| Federal Grants | 330,506 | 287,065 | (43,441) |
| TOTAL REVENUES | 335,506 | 374,015 | 38,509 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 319,482 | 349,401 | (29,919) |
| Supporting Services | | | |
| Salaries | 7,720 | 6,636 | 1,084 |
| Benefits | 3,304 | 1,863 | 1,441 |
| Purchased Services | - | 10,607 | (10,607) |
| Supplies and Materials | 5,000 | 5,508 | (508) |
| TOTAL EXPENDITURES | 335,506 | 374,015 | (38,509) |
| CHANGE IN FUND BALANCE | - | - | - |
| FUND BALANCE, Beginning | - | - | - |
| FUND BALANCE, Ending | $ - | $ - | $ - |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
ATHLETIC FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Athletic Activity Fees | $ 159,055 | $ 159,055 | $ - | $ 200,137 | $ 41,082 |
| Investment Income | 500 | 500 | - | 794 | 294 |
| Other | - | - | - | 6,200 | 6,200 |
| TOTAL REVENUES | 159,555 | 159,555 | - | 207,131 | 47,576 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | 164,085 | 164,085 | - | 174,533 | (10,448) |
| Contingency | 25,305 | 134,151 | (108,846) | - | 134,151 |
| TOTAL EXPENDITURES | 189,390 | 298,236 | (108,846) | 174,533 | 123,703 |
| CHANGE IN FUND BALANCE | (29,835) | (138,681) | (108,846) | 32,598 | 171,279 |
| FUND BALANCE, Beginning | 29,835 | 138,681 | 108,846 | 138,682 | 1 |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 171,280 | $ 171,280 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
MINERAL LEASE FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Oil and Gas | $ 174,410 | $ 174,410 | $ - | $ 228,162 | $ 53,752 |
| Instruction Material Fees for Technolog | 40,155 | 40,155 | - | 46,351 | 6,196 |
| Investment Income | 39,900 | 39,900 | - | 32,786 | (7,114) |
| TOTAL REVENUES | 254,465 | 254,465 | - | 307,299 | 52,834 |
| EXPENDITURES | | | | | |
| Capital Outlay | 254,465 | 254,465 | - | 199,280 | 55,185 |
| Contingency | 995,730 | 1,813,330 | (817,600) | - | 1,813,330 |
| TOTAL EXPENDITURES | 1,250,195 | 2,067,795 | (817,600) | 199,280 | 1,868,515 |
| CHANGE IN FUND BALANCE | (995,730) | (1,813,330) | (817,600) | 108,019 | 1,921,349 |
| FUND BALANCE, Beginning | 995,730 | 1,813,330 | 817,600 | 1,813,330 | - |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 1,921,349 | $ 1,921,349 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Student Activity Fees | $ 543,559 | $ 543,559 | $ - | $ 656,755 | $ 113,196 |
| Investment Income | - | - | - | 35 | 35 |
| TOTAL REVENUES | 543,559 | 543,559 | - | 656,790 | 113,231 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | 543,559 | 543,559 | - | 626,066 | (82,507) |
| Contingency | 435,691 | 514,114 | (78,423) | - | 514,114 |
| TOTAL EXPENDITURES | 979,250 | 1,057,673 | (78,423) | 626,066 | 431,607 |
| CHANGE IN FUND BALANCE | (435,691) | (514,114) | (78,423) | 30,724 | 544,838 |
| FUND BALANCE, Beginning | 435,691 | 514,114 | 78,423 | 514,115 | 1 |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 544,839 | $ 544,839 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
LAND DEDICATION FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Investment Income | $ 25,145 | $ 25,145 | $ - | $ 25,070 | $ (75) |
| County Sources | | | | | |
| Cash-In-Lieu | 9,012 | 9,012 | - | 18,024 | 9,012 |
| TOTAL REVENUES | 34,157 | 34,157 | - | 43,094 | 8,937 |
| EXPENDITURES | | | | | |
| Capital Outlay | 750,000 | 750,000 | - | - | 750,000 |
| Contingency | 331,675 | 385,652 | (53,977) | - | 385,652 |
| TOTAL EXPENDITURES | 1,081,675 | 1,135,652 | (53,977) | - | 1,135,652 |
| CHANGE IN FUND BALANCE | (1,047,518) | (1,101,495) | (53,977) | 43,094 | 1,144,589 |
| FUND BALANCE, Beginning | 1,047,518 | 1,101,495 | 53,977 | 1,101,495 | - |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 1,144,589 | $ 1,144,589 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | $ 9,477,064 | $ 9,477,064 | $ - | $ 8,513,756 | $ (963,308) |
| Investment Income | 240,400 | 240,400 | - | 338,391 | 97,991 |
| TOTAL REVENUES | 9,717,464 | 9,717,464 | - | 8,852,147 | (865,317) |
| EXPENDITURES | | | | | |
| Debt Service | | | | | |
| Principal | 3,470,000 | 3,470,000 | - | 3,470,000 | - |
| Interest | 6,228,217 | 6,228,217 | - | 5,650,250 | 577,967 |
| Fees and Charges | 19,247 | 19,247 | - | 22,498 | (3,251) |
| Contingency | 10,306,942 | 10,708,432 | (401,490) | - | 10,708,432 |
| TOTAL EXPENDITURES | 20,024,406 | 20,425,896 | (401,490) | 9,142,748 | 11,283,148 |
| CHANGE IN FUND BALANCE | (10,306,942) | (10,708,432) | (401,490) | (290,601) | 10,417,831 |
| FUND BALANCE, Beginning | 10,306,942 | 10,708,432 | 401,490 | 10,708,433 | 1 |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 10,417,832 | $ 10,417,832 |

**WELD COUNTY SCHOOL DISTRICT RE-2**
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
Year Ended June 30, 2026

| | BUDGET | | BUDGET VARIANCE | | BUDGET TO ACTUAL VARIANCE |
|---|---|---|---|---|---|
| | ORIGINAL | FINAL | Positive (Negative) | ACTUAL | Positive (Negative) |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Investment Income | $ 286,400 | $ 286,400 | $ - | $ 231,966 | $ (54,434) |
| Contributions and Donations | - | - | - | 125,000 | 125,000 |
| TOTAL REVENUES | 286,400 | 286,400 | - | 356,966 | 70,566 |
| EXPENDITURES | | | | | |
| Supporting Services | | | | | |
| Purchased Services | 160,000 | 160,000 | - | 1,912,737 | (1,752,737) |
| Capital Outlay | 3,515,000 | 3,515,000 | - | 549,064 | 2,965,936 |
| Contingency | 15,206,176 | 20,137,886 | (4,931,710) | - | 20,137,886 |
| TOTAL EXPENDITURES | 18,881,176 | 23,812,886 | (4,931,710) | 2,461,801 | 21,351,085 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (18,594,776) | (23,526,486) | (4,931,710) | (2,104,835) | 21,421,651 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 540,000 | 540,000 | - | 540,000 | - |
| CHANGE IN FUND BALANCE | (18,054,776) | (22,986,486) | (4,931,710) | (1,564,835) | 21,421,651 |
| FUND BALANCE, Beginning | 18,054,776 | 22,986,486 | 4,931,710 | 22,986,485 | (1) |
| FUND BALANCE, Ending | $ - | $ - | $ - | $ 21,421,650 | $ 21,421,650 |

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**WELD COUNTY SCHOOL DISTRICT RE-2**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2026

| Federal Grantor/Pass-Through Grantor/Program Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Expenditures |
|---|---|---|---|
| **U.S. DEPARTMENT OF EDUCATION** | | | |
| Passed Through State Department of Education | | | |
| Title I | 84.010 | 4010,5010,6010 | $ 217,398 |
| English Language Acquisition | 84.365 | 4365 | 8,818 |
| Supporting Effective Instruction | 84.367 | 4367 | 42,237 |
| Student Support and Academic Enrichment Program | 84.424 | 4424 | 18,612 |
| Passed Through State Community Colleges System | | | |
| Career and Technical Education | 84.048 | 4048 | 10,797 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 297,862 |
| **U.S. DEPARTMENT OF AGRICULTURE** | | | |
| Passed Through State Department of Education | | | |
| *Child Nutrition Cluster* | | | |
| School Breakfast Program (SBP) | 10.553 | 5553 | 83,956 |
| National School Lunch Program (NSLP) | 10.555 | 5555 | 529,235 |
| Passed through State Department of Human Services | | | |
| National School Lunch Program (Donated Commodities) | 10.555 | 4555 | 108,958 |
| *Child Nutrition Cluster Subtotal* | | | 722,149 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 722,149 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | $ 1,020,011 |

*See the accompanying Notes to the Schedule of Expenditures of Federal Awards.*

**WELD COUNTY SCHOOL DISTRICT RE-2**
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2026

**NOTE 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The District does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

**NOTE 2: Summary of Significant Accounting Policies**

Governmental fund types account for the majority of the District's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified accrual basis of accounting. Subrecipient expenditures are recorded on a cash basis, if any. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the schedule.

**NOTE 3: Indirect Cost Rate**

The District has not elected to use the 15% de minimis cost rate.

**NOTE 4: Subrecipients**

The District has not passed grant to subrecipients.

# COMPLIANCE SECTION

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

Board of Education
Weld County School District RE-2
Eaton, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-2 (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District and have issued our report thereon dated October 16, 2026.

## Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

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

**Purpose of this Report**

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

DMC Auditing and Consulting, LLC

October 16, 2026
Bailey, Colorado

# STATE COMPLIANCE

# Colorado Department of Education

**Auditors Integrity Report**

District: 3085 - Eaton RE-2

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 | 17,117,155 | 24,027,186 | 24,937,893 | 16,206,449 |
| 18 Risk Mgmt Sub-Fund of General Fund | 347,998 | 1,054,513 | 1,054,512 | 347,999 |
| 19 Colorado Preschool Program Fund | 0 | 0 | 0 | 0 |
| **Sub- Total** | **17,465,154** | **25,081,699** | **25,992,405** | **16,554,447** |
| 11 Charter School Fund | 0 | 0 | 0 | 0 |
| 20,26-29 Special Revenue Fund | 2,327,445 | 964,088 | 825,346 | 2,466,188 |
| 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 | 330,576 | 1,382,123 | 1,382,123 | 330,576 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 374,014 | 374,014 | 0 |
| 23 Pupil Activity Special Revenue Fund | 138,681 | 207,132 | 174,533 | 171,280 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 10,708,432 | 8,852,146 | 9,142,748 | 10,417,831 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 Building Fund | 1,101,495 | 43,094 | 0 | 1,144,589 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 22,986,485 | 896,967 | 2,461,802 | 21,421,651 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| **Totals** | **55,058,269** | **37,801,264** | **40,352,970** | **52,506,563** |
| **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 | 525,319 | 28,471 | 34,550 | 519,240 |
| 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** | **525,319** | **28,471** | **34,550** | **519,240** |

FINAL

# EMMA CONTINUING DISCLOSURE SECTION

## FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION

### FISCAL YEAR JUNE 30, 2026

Name of Issuer: Weld County School District No RE-2 (Eaton, Colorado)

Name of Issues: $11,475,000 General Obligation Refunding and Building Bonds, Series 2002
$6,240,000 General Obligation Refunding Bonds, Series 2009
$128,500,000 General Obligation Bonds, Series 2019

CUSIP: 949255

**TABLE II**
**History of District's Mill Levy**

| Levy / Collection Year | General Fund | Bond Redemption | Overrides | Abatements | Total Mill Levy |
|---|---|---|---|---|---|
| 2021.2022 | 20.438 | 17.819 | 4.987 | 0.110 | 43.354 |
| 2022.2023 | 21.438 | 10.500 | 2.860 | 0.159 | 34.957 |
| 2023.2024 | 22.208 | 8.597 | 2.295 | 0.000 | 33.100 |
| 2024.2025 | 22.208 | 11.378 | 3.242 | 0.004 | 36.832 |
| 2025.2026 | 22.208 | 9.362 | 2.626 | 0.010 | 34.206 |

Source: Weld County Assessor's Office

**TABLE III**
**History of District's Assessed and "Actual" Valuation**

| Levy / Collection Year | Assessed Valuation | Percent Change | Actual Valuation | Percent Change |
|---|---|---|---|---|
| 2021.2022 | 541,412,710 | (16.70) | 2,381,733,313 | (1.39) |
| 2022.2023 | 944,244,100 | 32.81 | 2,902,661,890 | 21.87 |
| 2023.2024 | 1,177,966,320 | 65.68 | 3,466,744,879 | 19.43 |
| 2024.2025 | 832,928,770 | 53.84 | 3,092,855,490 | (10.79) |
| 2025.2026 | 1,028,479,280 | 23.48 | 3,689,573,654 | 19.29 |

Source: Weld County Assessor's Office

**TABLE IV**
**2025 Assessed and "Actual" Valuation of Classes of Property in the District**

| Class | Assessed Valuation | Percent Of Assessed Valuation | "Actual" Valuation | Percent of "Actual" Valuation |
|---|---|---|---|---|
| Vacant Land | $ 3,268,030 | 0.32% | $ 12,103,838 | 0.33% |
| Residential | 146,584,940 | 14.25% | 2,079,195,408 | 56.35% |
| Commercial | 51,003,290 | 4.96% | 188,900,451 | 5.12% |
| Industrial | 33,014,130 | 3.21% | 122,274,475 | 3.31% |
| Agricultural | 35,162,200 | 3.42% | 130,210,343 | 3.53% |
| Minerals | 107,740 | 0.01% | 399,011 | 0.01% |
| Oil & Gas | 736,005,360 | 71.56% | 1,070,069,379 | 29.00% |
| State Assessed | 23,333,590 | 2.27% | 86,420,749 | 2.34% |
| Total | $ 1,028,479,280 | 100% | $ 3,689,573,654 | 100.00% |

Source: Weld County Assessor's Office

**TABLE V**
**Historical Property Tax Collections**

| Levy / Collection Year | Total Taxes Levied | Current Tax Collections | Percent of Levy Collected |
|---|---|---|---|
| 2020.2021 | 26,179,482 | 25,937,049 | 99.07 |
| 2021.2022 | 23,412,851 | 23,484,768 | 100.31 |
| 2022.2023 | 33,007,941 | 33,301,930 | 100.89 |
| 2023.2024 | 38,990,685 | 39,262,601 | 100.70 |
| 2024.2025 | 30,678,438 | 30,772,917 | 100.31 |
| 2025.2026 | 35,165,966 | 29,446,345 | 83.74 |

Source: Weld County Treasurer's Office

**TABLE VI**

**2025 Largest Taxpayers Within the District (Fiscal Year 2026)**

| Name | Assessed Valuation | Percent of Assessed Valuation |
|---|---|---|
| PDC Energy Inc | $ 299,668,520 | 29.14% |
| Bayswater Exploration and Production LLC | $ 276,147,540 | 26.85 |
| Noble Energy Inc | $ 70,434,990 | 6.85 |
| Prairie Operating Co LLC | $ 30,886,080 | 3.00 |
| DCP Operating Company LP | $ 14,568,610 | 1.42 |
| DCP Lucerne 2 Plant LLC | $ 13,632,580 | 1.33 |
| CEA Dairy RNG Colorado LLC | $ 12,803,250 | 1.24 |
| Public Service Company of CO (XCEL) | $ 11,786,980 | 1.15 |
| Agfinity Inc | $ 8,189,820 | 0.80 |
| Laramie River Devco | $ 6,158,590 | 0.60 |
| **Total** | **$ 744,276,960** | **72.37%** |

Source: Weld County Assessor's Office

**TABLE VIII**

**District Enrollment**

| School Year | Enrollment |
|---|---|
| 2021.2022 | 1,994 |
| 2023.2024 | 2,017 |
| 2022.2023 | 1,988 |
| 2024.2025 | 2,009 |
| 2025.2026 | 2,009 |

Source: The District

**TABLE IX**

**District School Buildings and Capacity in Use**

| School | 2025.2026 Enrollment | Recommended Capacity | Capacity Used In 2025.2026 | Year Constructed (major renovations) |
|---|---|---|---|---|
| Benjamin Eaton Elementary | 363 | 600 | 60.50% | 2003 / 2024 |
| Eaton Elementary | 466 | 600 | 77.67% | 1978 (2003, 2006, 2024) |
| Galeton Elementary | 103 | 150 | 68.67% | 1911 (1922, 1968, 2000, 2024) |
| Eaton Middle | 499 | 850 | 58.71% | 1928 (1963, 1988, 2003, 2024) |
| Eaton High | 578 | 970 | 59.59% | 2024 |
| Total | 2,009 | | | |

Source: The District

**TABLE X**

**Summary of General Fund Revenues, Expenditures and Changes in Fund Balances**

| Fiscal Year | 2021.2022 | 2022.2023 | 2023.2024 | 2024.2025 | 2025.2026 |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources | $ 15,173,399 | $ 24,809,152 | $ 26,387,665 | $ 23,760,609 | $ 25,255,654 |
| County Sources | 8,709 | 10,903 | 10,509 | 8,380 | 6,390 |
| State Sources | 6,364,449 | 605,810 | 226,093 | 3,513,206 | (82,675) |
| Federal Sources | 4,398 | 4,415 | 9,104 | 10,717 | 10,797 |
| Total Revenues | 21,550,955 | 25,430,280 | 26,633,371 | 27,292,912 | 25,190,166 |
| EXPENDITURES | | | | | |
| Instruction | 11,338,209 | 11,968,908 | 12,787,593 | 14,967,960 | 15,099,695 |
| Supporting Services | 7,041,457 | 8,517,695 | 9,342,664 | 10,322,076 | 10,883,285 |
| Capital Outlay | 16,811 | 168,464 | 112,931 | 141,057 | 9,423 |
| Total Expenditures | 18,396,477 | 20,655,067 | 22,243,188 | 25,431,093 | 25,992,403 |
| Excess of Revenues Over Expenditures | 3,154,478 | 4,775,213 | 4,390,183 | 1,861,819 | (802,237) |
| Other Financing Sources (Uses) | | | | | |
| Insurance Proceeds | - | - | - | - | 15,026 |
| Proceeds from Sale of Capital Assets | - | - | - | 115,972 | 525,000 |
| Transfers In | - | - | - | 5,140,527 | - |
| Transfers Out | (540,000) | (4,287,865) | (3,555,181) | (6,455,033) | (648,493) |
| Total Other Financing Sources (Uses) | (540,000) | (4,287,865) | (3,555,181) | (1,198,534) | (108,467) |
| Change in Fund Balances | 2,614,478 | 487,348 | 835,002 | 663,285 | (910,704) |
| Beginning Fund Balance | 12,865,039 | 15,479,517 | 15,966,865 | 16,801,867 | 17,465,152 |
| Ending Fund Balance | $ 15,479,517 | $ 15,966,865 | $ 16,801,867 | $ 17,465,152 | $ 16,554,448 |

Source: District audited financial statements for the fiscal years ended June 30, 2022-2026

# FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION
## FISCAL YEAR JUNE 30, 2026

**TABLE XI**

**General Fund Adopted Budget Summary & Comparison**

| | 2021.2022 Budget | 2022.2023 Budget | 2023.2024 Budget | 2024.2025 Budget | 2025.2026 Budget | 2025.2026 Actual |
|---|---|---|---|---|---|---|
| BEGINNING FUND BALANCE | $ 8,526,560 | $ 13,297,851 | $ 14,951,913 | $ 15,966,866 | $ 16,801,866 | $ 17,465,152 |
| REVENUES | | | | | | |
| Local Sources | 18,922,969 | 18,138,339 | 23,314,152 | 25,115,986 | 21,420,736 | 25,255,654 |
| County Sources | - | 8,500 | - | - | - | 6,390 |
| State Sources | 1,980,481 | 4,832,815 | 995,504 | 2,282,496 | 5,478,030 | (82,675) |
| Federal Sources | 10,450 | 10,450 | 3,047 | 3,040 | 7,007 | 10,797 |
| Total Revenues | 20,913,900 | 22,990,104 | 24,312,703 | 27,401,522 | 26,905,773 | 25,190,166 |
| Total Available Balance | $ 29,440,460 | $ 36,287,955 | $ 39,264,616 | $ 43,368,388 | $ 43,707,639 | $ 42,655,318 |
| EXPENDITURES | | | | | | |
| Instruction | 11,776,019 | 13,042,742 | 14,666,055 | 15,512,809 | 15,782,024 | 15,099,695 |
| Supporting Services | 8,654,543 | 9,441,773 | 9,071,648 | 11,308,713 | 10,583,888 | 10,883,285 |
| Capital Outlay | - | - | - | - | 773,500 | 9,423 |
| Total Expenditures | 20,430,562 | 22,484,515 | 23,737,703 | 26,821,522 | 27,139,412 | 25,992,403 |
| Other Financing Sources (Uses) | 555,000 | 577,589 | 575,000 | 580,000 | 175,000 | (108,467) |
| ENDING FUND BALANCE | $ 8,454,898 | $ 13,225,851 | $ 14,951,913 | $ 15,966,866 | $ 16,393,227 | $ 16,554,448 |

Source: District 2025.2026 Budget Documents and the District