Platte Valley School District RE-7

Kersey, Colorado

Financial Statements

For the Year Ended June 30, 2026

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LAUER, SZABO & ASSOCIATES, PC
Certified Public Accountants
205 Main St. • P.O. Box 1886 • Sterling, CO 80751-7886
Phone 970-522-2218 • FAX 970-522-2220

Independent Auditors' Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Valley School District RE-7 (the District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 9, 2026

The purpose of management's discussion and analysis is to help District families and other readers understand what the financial statements and notes in this financial report say about the District's health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by management's knowledge of the District's finances. If you have questions about this report or require further information, contact Platte Valley School District RE-7, PO Box 485, 131 9th Street, Kersey, Colorado 80644.

Overview of Financial Statements

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

Government-wide Statements

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

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

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

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

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

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

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District reports only governmental activities and does not have any business-type activities. The government-wide financial statements can be found on pages 16-19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to maintain accountability over resources that are restricted or designated for specific purposes. The District reports only governmental funds.

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for the General, Total Program Reserve, Bond Redemption, Building and the Capital Reserve Capital Projects Funds, all of which are considered to be major funds. Data for the other three nonmajor governmental funds are combined into a single, aggregated presentation identified as "Other Governmental Funds". Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 20-26 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-61.

Required and other supplementary information

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

Financial Summary

Financial Analysis of the School District as a Whole

The District's net position was $59,367,714 at June 30, 2026, an increase of $2,893,758, or 5.12%, from the prior year. The largest portion of the net position, $17,496,629 or 29%, reflects the District's investment in capital assets (i.e. land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the net position ($24,308,316) represents resources that are subject to external restrictions on how they may be used. The analyses in Table 1 and Table 2 below focus on the summary of net position and summary of changes in net position for the District's governmental activities.

Table 1 – Net Position

	June 30, 2026	June 30, 2025	Change
Current assets	$ 95,696,875	$ 150,819,300	$(55,122,425)
Capital assets	119,883,273	62,712,038	57,171,235
Total assets	215,580,148	213,531,338	2,048,810
Deferred outflows of resources	3,335,213	5,023,634	(1,688,421)
Current liabilities	11,118,095	6,211,019	4,907,076
Long-term liabilities	144,414,230	154,024,888	(9,610,658)
Total liabilities	155,532,325	160,235,907	(4,703,582)
Deferred inflows of resources	4,015,322	1,845,109	2,170,213
Net position			
Net investment in capital assets	17,496,629	15,614,259	1,882,370
Restricted	24,308,316	23,922,931	385,385
Unrestricted	17,562,769	16,936,766	626,003
Total net position	$ 59,367,714	$ 56,473,956	$ 2,893,758

Current assets decreased $55,122,425, or 36.56%, compared to the prior year, primarily due to the timing of the District's new middle school construction project. At June 30, 2025, the District had significant cash and investments related to the unspent bond proceeds issued in December 2024 to fund the project. As the construction project neared completion during the current fiscal year, these funds were utilized for construction-related expenditures.

Capital assets, net increased $57,171,235, or 91.16% compared to the prior year, primarily due to the construction of the new central office building and middle school. See comments below under "Capital Assets" for more detailed analysis.

Current liabilities increased $4,907,076, or 79.01%, compared to the prior year, primarily due to the timing of the construction project. Because the project was not completed at June 30, 2026, the District had significantly higher construction retainage payable at year-end compared to the prior year.

Long-term liabilities decreased $9,610,658, or 6.24%, compared to the prior year due to the scheduled principal payment on the District's bonds payable and reductions in the District's net pension and OPEB liabilities.

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

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

Table 2 – Changes in Net Position

	June 30, 2026	June 30, 2025	Change
Revenues			
Program revenues			
Charges for services	$ 277,270	$ 273,045	$ 4,225
Operating grants and contributions	1,677,914	1,510,292	167,622
Capital grants and contributions	-	-	-
General revenues			
Property taxes for general purposes	17,268,482	16,096,168	1,172,314
Property taxes for total program reserve	1,331,372	4,425,077	(3,093,705)
Property taxes for debt service	11,028,740	11,901,871	(873,131)
Specific ownership taxes	1,244,781	1,268,542	(23,761)
Delinquent taxes and interest	3,022	2,119	903
Earnings on investments	4,547,580	4,255,045	292,535
Other	1,063,003	1,151,969	(88,966)
Total revenues	38,442,164	40,884,128	(2,441,964)

Expenses			
Instruction	13,973,739	12,822,890	1,150,849
Students	734,024	562,841	171,183
Instructional staff	486,281	388,563	97,718
General administration	590,018	537,758	52,260
School administration	1,624,462	1,462,406	162,056
Business services	615,712	1,201,443	(585,731)
Operations and maintenance	2,683,037	2,408,811	274,226
Student transportation	1,199,910	1,037,677	162,233
Central support services	1,247,121	901,807	345,314
Food service operations	849,546	767,011	82,535
Facilities acquisition	312,153	189,428	122,725
Unallocated depreciation	1,797,743	1,720,393	77,350
Interest on long-term obligations	3,998,015	2,927,269	1,070,746
Total expenses	30,111,761	26,928,297	3,183,464
Excess before unusual or infrequent items	8,330,403	13,955,831	(5,625,428)
Unusual or infrequent items	(5,436,645)	-	(5,436,645)
Net position at beginning of year	56,473,956	42,518,125	13,955,831
Net position at end of year	$ 59,367,714	$ 56,473,956	$ 2,893,758

As reported in the Statement of Activities, the cost of all of the governmental activities this year was $30,111,761. Charges for services and operating grants and contributions covered a portion of the cost of governmental activities, with the remaining costs financed primarily through property and specific ownership taxes, earnings on investments and other revenues. Unlike many Colorado school districts, the District does not receive state equalization under the School Finance Act because its local share of funding, generated primarily through property and specific ownership taxes, is sufficient to fund its total program requirement. Under the SFA the District received $12,247.87 per funded student, an increase in $429 per pupil over the prior year. In fiscal year 2026 the funded pupil count was 1,125.60 compared to 1,113.2 in the prior year.

Total revenues decreased $2,441,964, or 5.97%, compared to the prior year. The most significant change was a $3,093,705 decrease in property taxes levied for the total program reserve, which decreased from $4,425,077 in the prior year to $1,331,372 in the current year. Property taxes for general purposes increased $1,172,314, while property taxes for debt service decreased $873,131. The changes in property tax collections and mills for the District are influenced by the oil and gas industry, which can be highly volatile. The District's assessed valuation decreased 14.1% year-over-year, down from $3.13 billion to $2.69 billion. This change in assessed valuation impacts the mills set through the state's school finance formula. While property tax revenue increased for the general fund, the decrease in assessed valuation led to a decrease for the total program reserve. Property tax revenue for debt service decreased $873,131 to make the minimum payment needed for debt service collection. Earnings on investments increased $292,535, despite lower cash and investment balances during the current year as bond proceeds were utilized for construction-related expenditures.

Total expenses increased $3,183,464, or 11.82%, compared to the prior year. Instruction and several of the supporting programs experienced increases in expenses, which was primarily attributable to higher pension and OEPB expense allocated to the respective functions as discussed below. Interest on long-term obligations increased $1,070,746 as the District made two interest payments on its new bond in the current year, compared to only one payment in the prior year. Business services decreased $585,731 compared to the prior year, primarily due to expenditures associated with arbitrage rebate totaling $734,131.64 in the 2025 fiscal year.

The pension and OPEB expense recognized under GASB Statements No. 68 and 75 is not solely reflective of the District's current year contributions or cash payments. Rather, the expense incorporates changes in the District's proportionate share of the plans' net liabilities, actuarial assumptions, investment performance, and other factors. As a result, pension and OPEB expense can fluctuate significantly from year-to-year and can have a substantial impact on reported changes in net position even when the District's underlying operations and cash flows have not changed to the same extent. The District recognized pension and OPEB expense of $4,247,924 in the current fiscal year compared to $2,382,013 in the prior year. The increase in pension and OPEB expense contributed significantly to the increases in expenses reported across several governmental functions.

The District's governmental activities resulted in an increase in net position of $2,893,758 in the current year, compared to an increase of $13,955,831 in the prior year. The change between years was primarily attributable to the decrease in property taxes levied for the total program reserve, the increase in expenses, including an increase of $1,865,911 in pension and OPEB expense, and the $5,436,645 loss recognized as an unusual or infrequent item in the current year. These factors were partially offset by increases in property taxes for general purposes, earnings on investments, and other revenues. as well as higher pension and OPEB expense.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's five major governmental funds are shown in Tables 3 through 7 and are discussed in more detail below.

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

	June 30, 2026	June 30, 2025
Total revenues	$ 19,686,315	$ 18,393,740
Total expenditures	19,807,732	18,987,695
Excess of revenues over (under) expenditures	(121,417)	(593,955)
Transfers in	388,634	522,506
Net change in fund balance	267,217	(71,449)
Fund balance at beginning of year	10,772,872	10,844,321
Fund balance at end of year	$ 11,040,089	$ 10,772,872

The fund balance of the District's General Fund increased by $267,217, or 2.5%, during the current fiscal year. Total revenues increased $1,292,575, or 7.0%, compared to the prior year, while total expenditures increased $820,037, or 4.3%. The increase in revenues exceeded the increase in expenditures, resulting in a $472,538 improvement in the General Fund's operating results compared to the prior year. In addition, the General Fund received $388,634 in transfers, resulting in the $267,217 net increase in fund balance. The changes in revenues, expenditures, and the one-time transfer were all related to unplanned one-time funds received through the total program reserve. The $388,634 in transfers to the General Fund were used to fund a one-time 3% payment of their contracted position to all staff.

The General Fund had a total fund balance of $11,040,089 at June 30, 2026, the majority of which is available for future operations and is not subject to significant restrictions, commitments, or assignments. This represents approximately six months of General Fund expenditures.

Table 4 – Revenues, Expenditures and Changes in Fund Balance – Total Program Reserve Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 1,463,700	$ 4,763,013
Total expenditures	3,343	11,076
Excess of revenues over (under) expenditures	1,460,357	4,751,937
Transfers out	(388,634)	(4,976,003)
Net change in fund balance	1,071,723	(224,066)
Fund balance at beginning of year	48,052	272,118
Fund balance at end of year	$ 1,119,755	$ 48,052

The fund balance of the District's Total Program Reserve Fund increased by $1,071,723 during the current fiscal year. The increase was primarily attributable to revenues exceeding transfers out during the year. In FY26, The District transferred $388,634 from the fund to support District operations. In comparison, the District transferred $4,976,003 from the fund in the prior fiscal year, including $4,453,497 transferred to the Capital Reserve Capital Projects Fund to help fund the construction of the new central office building. The District's assessed valuation decreased 14.1% year-over-year, down from $3.13 billion to $2.69 billion. This change in assessed valuation impacts the mills set through the state's school finance formula. While property tax revenue increased for the General Fund, the decrease in assessed valuation led to a decrease for the Total Program Reserve Fund.

Table 5 – Revenues, Expenditures and Changes in Fund Balance – Bond Redemption Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 11,740,000	$ 12,580,014
Total expenditures	10,919,675	5,840,750
Net change in fund balance	820,325	6,739,264
Fund balance at beginning of year	21,887,501	15,148,237
Fund balance at end of year	$ 22,707,826	$ 21,887,501

Fund balance in the District's Bond Redemption Fund increased by $820,325, or 3.7%. This increase in fund balance is attributable to property and related taxes and earnings on investments at amounts higher than the related principal, interest and fiscal charges. The current fund balance is restricted to debt service and provides sufficient resources to carry forward into the ensuing fiscal year to meet the District's long-term debt principal and interest payment commitments.

Table 6 – Revenues, Expenditures and Changes in Fund Balance – Building Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 3,000,773	$ 2,484,442
Total expenditures	60,561,017	13,543,887
Excess of revenues over (under) expenditures	(57,560,244)	(11,056,445)
Bond proceeds and premium	-	102,420,577
Net change in fund balance	(57,560,244)	91,361,132
Fund balance at beginning of year	94,209,900	2,848,768
Fund balance at end of year	$ 36,649,656	$ 94,209,900

The fund balance of the District's Building Fund decreased by $57,560,244, or 61.1%, during the current fiscal year. The decrease was attributable to the spend-down of bond proceeds received in the prior year, as well as earnings on investments, used to fund construction costs associated with the District's new middle school and other facility upgrades.

Table 7 – Revenues, Expenditures and Changes in Fund Balance – Capital Reserve Capital Projects Fund

	June 30, 2026	June 30, 2025
Total revenues	$ 561,174	$ 743,319
Total expenditures	5,211,429	4,156,830
Excess of revenues over (under) expenditures	(4,650,255)	(3,413,511)
Transfers in	-	4,453,497
Net change in fund balance	(4,650,255)	1,039,986
Fund balance at beginning of year	17,241,013	16,201,027
Fund balance at end of year	$ 12,590,758	$ 17,241,013

Fund balance in the District's Capital Reserve Capital Projects Fund decreased by $4,650,255, or 27.0%, during the current fiscal year. The decrease was primarily attributable to the use of funds transferred from the General Fund in fiscal year 2025 to fund capital projects, including the construction of the new central office building, which was completed during the current fiscal year.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

The District's total capital assets, net of accumulated depreciation are shown in Table 8 and discussed in more detail below:

Table 8 – Capital Assets, Net of Accumulated Depreciation

	June 30, 2026	June 30, 2025	Change
Land	$ 48,100	$ 48,100	$ -
Water rights	259,622	259,622	-
Construction in progress	69,767,472	14,912,468	54,855,004
Land improvements	3,028,733	2,086,789	941,944
Buildings and improvements	44,640,542	43,999,211	641,331
Furniture and equipment	1,406,479	818,024	588,455
Licensed vehicles	732,325	587,824	144,501
Totals	$ 119,883,273	$ 62,712,038	$ 57,171,235

At June 30, 2026, the District had $119,883,273 (net of accumulated depreciation) invested in a broad range of capital assets including land and improvements, water rights, buildings and improvements, furniture and equipment and licensed vehicles, subject to the District's capitalization policy. This amount represents a net increase (including additions, deletions, and depreciation) of $57,171,235 from last year.

In May 2024, the District began planning various future capital improvements and construction projects. Voters approved an $89.5 million bond initiative in November 2024, used to build a new middle school, improve safety and security district-wide, and address building improvements at both the elementary and high schools. Additionally, the District utilized its own funds to replace the central office building. Construction was completed on the new $7.5 million central office building, which was placed in service in January 2026. The middle school was nearing completion at year-end, with an additional $57.5 million added to construction in progress. The District vacated both the central office and middle school buildings in preparation for demolition in May 2026. The buildings and all related assets and accumulated depreciation were removed from the books at that time, with a resulting loss of $5,436,465.

Other capital spending during the current year included the purchase of two 2027 IC CE school buses, installation of synthetic turf on the softball field, and technology and security upgrades. Improvements at the practice field continued, although they were not yet completed at year-end. Two buses were also disposed of. The District reported $2,146,106 in depreciation expense in the current fiscal year, an increase of $143,019 from the prior year. See Note E of the Notes to the Financial Statements for more information on capital assets.

Long-Term Financing Activity

The District's total long-term financing obligations are shown in Table 9 and discussed in more detail below:

Table 9 – Long-Term Liabilities

	June 30, 2026	June 30, 2025	Change
Compensated absences	$ 454,054	$ 463,421	$ (9,367)
Bonds payable	108,110,000	113,885,000	(5,775,000)
Bond premium	12,986,109	14,111,365	(1,125,256)
Totals	$ 121,550,163	$ 128,459,786	$ (6,909,623)

As shown in the table above, at the end of this year, the District had $121,550,163 in long-term liabilities outstanding compared to $128,459,786 last year, a decrease of $6,909,623 or 5.38%. The decrease primarily resulted from principal payments on the bond and the recurring amortization of the bond premium. See Note G of the Notes to the Financial Statements for more information on long-term liabilities.

Currently Known Facts, Decisions, or Conditions

For the 2026 fiscal year, the General Fund balance increased $267,217 resulting in a total General Fund balance of $11,040,089. The unassigned fund balance is enough to cover approximately six months of operating costs. The District's mill levy override is due to expire in 2030, which currently contributes $3,472,932 in revenue to support student services and programs.

The District's assessed value is projected to decline by approximately 10%, to $2,421,069,804 due to decreased oil and gas production in the district. The decline in assessed value may lead to the District no longer being 100% locally funded through the state finance formula and eliminate funding through the total program reserve. Regardless, the District will continue to be heavily influenced by the oil and gas industry.

Student enrollment in future years may begin to decline as lower enrollment is a current trend in earlier grade levels. This is a statewide trend due to fewer children. Additionally, changes to the state's school finance formula and going from 5-year student averaging to 3-year student averaging have the potential to negatively impact student enrollment, and ultimately total program funding through the school finance formula.

Colorado's state budget is projected to worsen during the 2026-2027 and 2027-2028 fiscal years due to increased demands on the state's general fund and expenditure overruns with Medicare and Medicaid programs. These overruns have the potential to negatively impact the District's revenue stream.

The District has budgeted to spend down general fund balance by $368,433 for fiscal year 2027. This decrease is based on conservative budgeting practices that included lower funded pupil count and higher projected expenditures. Building fund balance is also expected to be spent down by $17,059,043 during the fiscal year as the District completes extensive capital construction projects.

Salaries were allocated according to the salary agreement with PVEA. The salary agreement with PVEA is developed through a collaborative process with members of the association Superintendent of Schools, CFO/COO, and members of the Board of Education. A stated goal for the extension and increase in for the mill-levy override is to maintain competitive salaries in an effort to recruit and retain high-quality staff to the District.

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Basic Financial Statements

The basic financial statements of the District include the following:

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash	$ 24,329,195
Cash with fiscal agent	18,732
Investments	70,866,233
Receivables	426,729
Inventory	55,986
Capital assets, net of depreciation	119,883,273
Total assets	215,580,148
Deferred outflows of resources	
Pension deferrals	3,250,926
Other post-employment benefit deferrals	84,287
Total deferred outflows of resources	3,335,213
Total assets and deferred outflows of resources	$ 218,915,361

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

	Governmental Activities
Liabilities	
Accounts payable	$ 89,192
Contracts payable	8,437,525
Accrued salaries and benefits	2,112,956
Payroll deductions and withholdings	13,357
Unearned revenue	12,393
Unearned grant revenue	34,726
Accrued interest	417,946
Noncurrent liabilities	
Due within one year	6,113,383
Due in more than one year	115,436,780
Net pension liability	22,614,150
Net OPEB liability	249,917
Total liabilities	155,532,325
Deferred inflows of resources	
Pension deferrals	3,741,414
Other post-employment benefit deferrals	273,908
Total deferred inflows of resources	4,015,322
Net position	
Net investment in capital assets	17,496,629
Restricted for:	
Emergencies	670,000
Multi-year obligations	642,384
Land dedication	47,746
Debt service	22,707,826
Food service	240,360
Unrestricted	17,562,769
Total net position	59,367,714
Total liabilities, deferred inflows of resources and net position	$ 218,915,361

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
Instruction	$ 13,973,739	$ 242,678	$ 901,931	
Supporting services				
Students	734,024		4,529	
Instructional staff	486,281		39,255	
General administration	590,018			
School administration	1,624,462			
Business services	615,712			
Operations and maintenance	2,683,037			
Student transportation	1,199,910			
Central support services	1,247,121			
Food service operations	849,546	34,592	732,199	
Facilities acquisition	312,153			
Unallocated depreciation *	1,797,743			
Interest and fiscal charges	3,998,015			
Total governmental activities	$ 30,111,761	$ 277,270	$ 1,677,914	$ -
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for total program reserves				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes, interest and abatements				
Earnings on investments				
Other				
Unusual or infrequent item - loss on disposal of capital assets				
Total general revenues and unusual or infrequent item				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

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

Net (Expenses) Revenues and Changes in Net Position
Total Governmental Activities
$ (12,829,130)
(729,495)
(447,026)
(590,018)
(1,624,462)
(615,712)
(2,683,037)
(1,199,910)
(1,247,121)
(82,755)
(312,153)
(1,797,743)
(3,998,015)
(28,156,577)
17,268,482
1,331,372
11,028,740
1,244,781
3,022
4,547,580
1,063,003
(5,436,645)
31,050,335
2,893,758
56,473,956
$ 59,367,714

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Balance Sheet
Governmental Funds
June 30, 2026

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Assets				
Cash	$ 652,233	$ 40,561	$ 22,692,093	$ 324,708
Cash with fiscal agent	10,907	841	6,984	
Investments	13,177,282	1,076,679		44,647,820
Accrued interest receivable				127,787
Property taxes receivable	28,956	2,344	19,423	
Due from other funds	164,445			
Grants receivable	34,398			
Other receivables	22,111			
Inventory	16,201			
Total assets	$ 14,106,533	$ 1,120,425	$ 22,718,500	$ 45,100,315
Liabilities				
Due to other funds	$ 888,064			$ 13,134
Accounts payable	89,192			
Contracts payable				8,437,525
Accrued salaries and benefits	2,038,951			
Payroll deductions and withholdings	13,357			
Unearned revenue				
Unearned grant revenue	20,925			
Total liabilities	3,050,489	$ -	$ -	8,450,659
Deferred inflows of resources				
Deferred property tax revenues	15,955	650	10,674	
Fund balance				
Nonspendable inventory	16,201			
Restricted for emergencies	670,000			
Restricted for multi-year obligation	642,384			
Restricted for land dedication	47,746			
Restricted for capital projects				36,649,656
Restricted for debt service			22,707,826	
Restricted to food service				
Committed for total program reserve		1,119,775		
Assigned for employee benefits	45,444			
Assigned for sale of building	37,138			
Assigned to youth help				
Assigned to pupil activities				
Assigned to capital projects				
Unassigned	9,581,176			
Total fund balance	11,040,089	1,119,775	22,707,826	36,649,656
Total liabilities, deferred inflows of resources and fund balance	$ 14,106,533	$ 1,120,425	$ 22,718,500	$ 45,100,315

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

Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	$ 619,600	$ 24,329,195
		18,732
$ 11,964,452		70,866,233
		127,787
		50,723
626,306	261,759	1,052,510
	191,708	226,106
	2	22,113
	39,785	55,986
$ 12,590,758	$ 1,112,854	$ 96,749,385
	$ 151,312	$ 1,052,510
		89,192
		8,437,525
	74,005	2,112,956
		13,357
	12,393	12,393
	13,801	34,726
$ -	251,511	11,752,659
		27,279
	39,785	55,986
		670,000
		642,384
		47,746
		36,649,656
		22,707,826
	200,575	200,575
		1,119,775
		45,444
		37,138
	1,463	1,463
	619,520	619,520
12,590,758		12,590,758
		9,581,176
12,590,758	861,343	84,969,447
$ 12,590,758	$ 1,112,854	$ 96,749,385

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2026

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 84,969,447
Capital assets, net of accumulated depreciation used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds.	119,883,273
Property taxes will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the governmental funds.	27,279
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(417,946)
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	3,335,213
Long-term liabilities, including bonds payable, net pension and OPEB liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(144,414,230)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	(4,015,322)
Net position of the governmental activities	$ 59,367,714

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

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PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Revenues				
Local sources	$ 19,238,372	$ 1,463,700	$ 11,740,000	$ 3,000,773
Intermediate sources	4,729			
State sources	443,214			
Federal sources				
Total revenues	19,686,315	1,463,700	11,740,000	3,000,773
Expenditures				
Instruction	12,105,183			
Supporting services	7,702,549	3,343		
Capital outlay				60,561,017
Debt service				
Principal retirement			5,775,000	
Interest and fiscal charges			5,144,675	
Total expenditures	19,807,732	3,343	10,919,675	60,561,017
Excess of revenues over (under) expenditures	(121,417)	1,460,357	820,325	(57,560,244)
Other financing sources (uses)				
Transfers in	388,634			
Transfers out		(388,634)		
Total other financing sources (uses)	388,634	(388,634)	-	-
Net change in fund balances	267,217	1,071,723	820,325	(57,560,244)
Fund balance at beginning of year	10,772,872	48,052	21,887,501	94,209,900
Fund balance at end of year	$ 11,040,089	$ 1,119,775	$ 22,707,826	$ 36,649,656

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

Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 561,174	$ 743,758	$ 36,747,777
		4,729
	249,430	692,644
	674,476	674,476
561,174	1,667,664	38,119,626
	848,437	12,953,620
	830,642	8,536,534
5,211,429		65,772,446
		5,775,000
		5,144,675
5,211,429	1,679,079	98,182,275
(4,650,255)	(11,415)	(60,062,649)
		388,634
		(388,634)
-	-	-
(4,650,255)	(11,415)	(60,062,649)
17,241,013	872,758	145,032,096
$ 12,590,758	$ 861,343	$ 84,969,447

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - governmental funds	$ (60,062,649)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	62,607,881
In the statement of activities, the net loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(5,436,646)
Because some receivables will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred inflows of resources. They are, however, recorded as revenues in the statement of activities.	11,744
In the statement of activities, certain operating expenses - compensated absences, interest, and amortization - are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	1,156,027
Pension and OPEB expense at the fund level represents cash contributions to the defined the defined benefit plans. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	(1,157,599)
Repayment of principal on general obligation bonds are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	5,775,000
Change in net position of governmental activities	$ 2,893,758

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

Note A – Summary of significant accounting policies

This summary of the Platte Valley School District RE-7's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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

A.1 – Reporting entity

The Platte Valley School District RE-7 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

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

A.2 – Fund accounting

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

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

The following are the District's nonmajor governmental funds:

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

Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

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

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

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

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

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

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

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

Note A – Summary of significant accounting policies (Continued)

A.4 – Basis of accounting

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

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

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

A.5 – Encumbrances

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

A.6 – Short-term interfund receivables/payables

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

A.7 – Inventories

General Fund – Inventories consist of general classroom and janitorial supply items and are stated at cost as determined by the first-in, first-out method.

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

Note A – Summary of significant accounting policies (Continued)

A.8 – Capital assets

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

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

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

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

Description	Governmental Activities
Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years
Licensed vehicles	5-10 years

A.9 – Compensated absences

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

Note A – Summary of significant accounting policies (Continued)

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

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

A.10 – Accrued liabilities and long-term obligations

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

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

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

A.11 – Fund balance

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

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

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

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

A.12 – Net Position

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

Note A – Summary of significant accounting policies (Continued)

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

A.13 – Interfund transactions

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

A.14 – Unusual or infrequent items

Unusual or infrequent items are transactions and other events that are unusual in nature or infrequent in occurrence. The District reported one unusual or infrequent item in the current period (See Note P).

Note B – Cash and investments

Cash and deposits

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of $2,049,595, of which $250,000 was insured and $1,799,595 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Note B – Cash and investments (Continued)

Investments

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

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

During the year, the District invested in ColoTrust (the Trust) and the Colorado Statewide Investment Program (CSIP), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the pools, which operate as an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. A designated custodial bank serves as custodian for the pool's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the pools investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

CSIP also operates two portfolios, CSIP Liquid and CSIP Term. The CSIP Liquid Portfolio is a fully liquid, variable interest rate option while the CSIP Term Portfolio is a fixed-rate, fixed-term investment and investment principal and interest are paid at maturity.

Note B – Cash and investments (Continued)

The investments in ColoTrust are maintained in the General, Total Program Reserve, Building and Capital Reserve Capital Projects funds, while the investment in CSIP is maintained in the Building Fund.

Custodial credit risk – investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At year-end, none of the District's investments are subject to custodial credit risk.

Credit risk – State law limits investments in securities to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District's investment policy follows state law. At year-end, the District's investments were rated as follows:

Investment type	Value	Rating	Rating Agency
Fair Value – Level 2:			
U.S. Treasury notes	$ 22,431,648	AA+/Aa1	S&P/Moody's
NAV:			
ColoTrust Plus+	29,776,299	AAAm	S&P
CSIP	18,658,286	AAAm	S&P
Total	$ 70,866,233		

Interest rate risk – As a means of limiting exposure to fair value losses from interest rates, Colorado Revised Statutes limit maturities to five years or less, unless the Board of Directors authorizes longer maturities. The District's investment policy follows Colorado Revised Statutes for its investments. At year end, the District's investments had the following maturities:

		Investment maturities (in years)		
Investment type	Fair value	Less than 1	1-5	6-10
U.S. Treasury notes	$ 22,431,648	$ -	$22,431,648	$ -
ColoTrust Plus+	29,776,299	29,776,299	-	-
CSIP	18,658,286	18,658,286	-	-
Total	$ 70,866,233	$48,434,585	$22,431,648	$ -

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities
Property taxes receivable	$ 50,723
Accrued interest receivable	127,787
Grants receivable	226,106
Other receivables	22,113
Total	$ 426,729

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

Note D – Interfund transactions

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

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	$ 164,445	$ 888,064
Total program reserve fund	-	-
Building fund	-	13,134
Capital reserve capital projects fund	626,306	-
Other governmental funds	261,759	151,312
Total	$ 1,052,510	$ 1,052,510

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

	Transfers In	Transfers Out
Governmental funds		
General fund	$ 388,634	$ -
Total program reserve fund	-	388,634
Total	$ 388,634	$ 388,634

Note D – Interfund transactions (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred $388,634 from the Total Program Reserve Fund to the General Fund in accordance with C.R.S. Section 22-45-103(k).

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions/ Adjustments	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 48,100	$ -	$ -	$ 48,100
Water rights	259,622	-	-	259,622
Construction in progress	14,912,468	63,175,468	(8,320,464)	69,767,472
Total capital assets, not being depreciated	15,220,190	63,175,468	(8,320,464)	70,075,194
Capital assets, being depreciated:				
Land improvements	-	3,306,540	385,773	3,692,313
Buildings and improvements	68,142,743	29,645	(4,065,393)	64,106,995
Furniture and equipment	2,610,941	556,668	(158,238)	3,009,371
Licensed vehicles	2,165,862	296,993	(131,357)	2,331,498
Total capital assets, being depreciated	72,919,546	4,189,846	(3,969,215)	73,140,177
Total capital assets	88,139,736	67,365,314	(12,289,679)	143,215,371
Less accumulated depreciation for:				
Land improvements	-	(663,580)	-	(663,580)
Buildings and improvements	(22,056,743)	(1,669,678)	4,259,968	(19,466,453)
Furniture and equipment	(1,792,917)	(184,891)	374,916	(1,602,892)
Licensed vehicles	(1,578,038)	(152,495)	131,360	(1,599,173)
Total accumulated depreciation	(25,427,698)	(2,670,644)	4,766,244	(23,332,098)
Governmental activities capital assets, net	$ 62,712,038	$ 64,694,670	$ (7,523,435)	$119,883,273

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	$ 49,013
Operations and maintenance	56,743
Student transportation	153,219
Central support	69,109
Food services	20,280
Unallocated	1,797,742
Total depreciation expense	$ 2,146,106

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be $2,112,956. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

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

	Beginning Balances	Additions/ Adjustments	Reductions/ Adjustments	Ending Balances	Due within one year
Governmental activities					
Compensated absences	$ 463,421	$ -	$ (9,367)*	$ 454,054	$ 303,383
Bonds payable	113,885,000	-	(5,775,000)	108,110,000	5,810,000
Bond premium	14,111,365	-	(1,125,256)	12,986,109	-
Total	$128,459,786	$ -	$ (6,909,623)	$121,550,163	$ 6,113,383

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

Payments on the bonds payable are made in the Bond Redemption Fund.

Note G – Long-term debt (Continued)

Bonds payable

General obligation bonds payable consists of the following individual issues:

$26,575,000 general obligation bonds, dated December 30, 2019, due in annual installments beginning in fiscal year 2022 ranging from $460,000 to $3,830,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1st and December 1st. The bonds maturing on or before December 1, 2029 are not subject to redemption prior to their stated maturity dates. The bonds maturing on or after December 1, 2030 are subject to redemption prior to maturity at the option of the District, in whole or in part.	$ 21,195,000
$89,500,000 general obligation bonds, dated December 19, 2024, due in annual installments beginning in fiscal year 2026 ranging from $2,495,000 to $10,305,000; fixed interest rate of 5.00%, payable semi-annually on June 1st and December 1st. The bonds maturing on or before December 1, 2034 are not subject to redemption prior to their respective maturity dates. The bonds maturing on or after December 1, 2035 are subject to redemption prior to maturity at the option of the District, in whole or in part.	86,915,000
Total general obligation bonds	$ 108,110,000

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

Year ended June 30,	Principal	Interest
2027	$ 5,810,000	$ 4,919,825
2028	6,000,000	4,725,000
2029	6,195,000	4,510,225
2030	6,430,000	4,251,700
2031	6,715,000	3,959,175
2032-2036	38,585,000	14,581,725
2037-2040	38,375,000	3,954,125
Totals	$ 108,110,000	$ 40,901,775

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2025. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

	July 1, 2025 Through June 30, 2026
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $2,432,658 for the year ended June 30, 2026.

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

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

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

Note H – Defined benefit pension plan (Continued)

At year end, the District reported a liability of $22,614,150 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 22,614,150
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	2,125,209
Total	$ 24,739,359

At December 31, 2025, the District's proportion was 0.1450%, which was a decrease of 0.0006% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the District recognized pension expense of $4,286,297 and revenue of $225,120 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,372,922	$ -
Changes of assumptions or other inputs	111,456	607,323
Net difference between projected and actual earnings on pension plan investments	-	3,134,091
Changes in proportion and differences between contributions recognized and proportionate share of contributions	511,152	-
Contributions subsequent to the measurement date	1,255,396	-
Total	$ 3,250,926	$ 3,741,414

$1,255,396 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note H – Defined benefit pension plan (Continued)

Year Ended June 30,	Amount
2027	$ 1,118,587
2028	(1,280,749)
2029	(898,475)
2030	(685,247)
Totals	$ (1,745,884)

Actuarial assumptions. The December 31, 2024, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	4.00%–13.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

- Employer contributions were assumed to be made at the current fixed statutory rates specified in law for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employer contributions also include current and future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

- The AIR balance was excluded from the initial FNP because, per statute, AIR amounts cannot be used to pay benefits until they are transferred out of the AIR to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the AIR and the related benefit payments were included in the projections.

Note H – Defined benefit pension plan (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 31,992,617	$ 22,614,150	$ 14,760,854

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

Note I – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Note I – Defined contribution pension plan (Continued)

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not provide matching contributions to the 401(k) plan. Instead, employees may elect to use certain unused fringe benefits as an employer contribution, subject to the terms of the plan. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2026, program members contributed $229,588 and the District recognized pension expense of $358,272 for the PERAPlus 401(k) Plan.

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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

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

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

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

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $121,752 for the year ended June 30, 2026.

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

At year-end, the District reported a liability of $249,917 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2025. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

At December 31, 2025, the District's proportion was 0.0927%, which was a decrease of 0.0005% from its proportion measured as of December 31, 2024.

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

For the year ended June 30, 2026, the District recognized OPEB expense of $(38,373). At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 100,885
Changes of assumptions or other inputs	2,760	121,286
Net difference between projected and actual earnings on OPEB plan investments	-	40,220
Changes in proportion and differences between contributions recognized and proportionate share of contributions	18,696	11,517
Contributions subsequent to the measurement date	62,831	-
Total	$ 84,287	$ 273,908

$62,831 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2027	$ (54,764)
2028	(74,020)
2029	(51,393)
2030	(40,667)
2031	(21,988)
2032	(9,620)
Total	$ (252,452)

Actuarial assumptions. The December 31, 2024, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	4.00%-13.40%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.00% in 2025, gradually decreasing to 4.50% in 2035
Medicare Part A premiums	3.50% in 2025, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Each year the per capita health care costs are developed by plan option. As of the December 31, 2024, actuarial valuation, costs are based on 2025 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. MAPD premium costs are not age graded, an allowed exception under Section 3.7.7 (c) of Actuarial Standard of Practice No. 6.

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

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

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A.

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

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

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 scale. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

Note J – Defined benefit other post-employment benefit (OPEB) plan (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 table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	6.65%	7.65%	8.65%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 239,528	$ 249,917	$ 261,676

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

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2024, and the financial status of the HCTF as of the current measurement date (December 31, 2025). In addition, the following methods and assumptions were used in the projection of cash flows:

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2025, measurement date.

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. The current employer contribution rate for the HCTF is 1.02% of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

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

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 344,085	$ 249,917	$ 168,698

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

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was $377,401. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

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

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves

Note L – Commitments and contingencies (Continued)

(balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of $670,000 for the emergency reserve.

Note M – Joint venture

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

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

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

For the year, the District's financial contribution to the BOCES was $81,846.

Note N – Termination Benefits

The District has entered into early retirement agreements under the District's Voluntary Early Retirement of Employees policy. These agreements call for payments in the total amount of $75,610 to be paid out in fiscal year 2026.

Note O – Construction commitments

The District began various projects to construct a new middle school, repair and restore other facilities and upgrade safety and security systems during the 2024-25 school year at an estimated cost of $89,500,000, funded fully with local bond funds. At year-end, the District had approximately $20,173,275 in uncompleted construction contracts, which will be paid from the remaining local bond funds.

Note P – Unusual or infrequent item

During fiscal year 2026, the District retired the former administrative building and middle school in connection with the construction of the new buildings. The District reported a loss of $5,436,645 on the retirement of the buildings, representing the remaining net book value of the assets at the time of the retirement. The retirement of the buildings was unusual in nature and infrequent in occurrence and was within the control of management.

Note Q – Adoption of new accounting pronouncements

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

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Required Supplementary Information

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources	$ 17,780,394	$ 18,780,328	$ 999,934	$ 19,238,372	$ 458,044
Intermediate sources	5,000	4,729	(271)	4,729	-
State sources	565,000	82,802	(482,198)	443,214	360,412
Total revenues	18,350,394	18,867,859	517,465	19,686,315	818,456
Expenditures					
Instruction	11,493,590	11,892,194	398,604	12,105,183	212,989
Supporting services	6,899,820	7,164,729	264,909	7,702,549	537,820
Reserve for contingency	10,817,404	10,973,805	156,401		(10,973,805)
Total expenditures	29,210,814	30,030,728	819,914	19,807,732	(10,222,996)
Excess of revenues over (under) expenditures	(10,860,420)	(11,162,869)	(302,449)	(121,417)	11,041,452
Other financing sources					
Transfers in		389,997	389,997	388,634	(1,363)
Net change in fund balance	$ (10,860,420)	$ (10,772,872)	$ 87,548	267,217	$ 11,040,089
Fund balance at beginning of year				10,772,872	
Fund balance at end of year				$ 11,040,089	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Total Program Reserve Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Property taxes	$ 3,811,175	$ 1,315,489	$ (2,495,686)	$ 1,333,297	$ 17,808
Specific ownership taxes		134,822	134,822	123,234	(11,588)
Delinquent taxes and interest			-	447	447
Earnings on investments		20	20	6,722	6,702
Total revenues	3,811,175	1,450,331	(2,360,844)	1,463,700	13,369
Expenditures					
Supporting services					
Purchased services	32,000	27,000	(5,000)	3,343	(23,657)
Total expenditures	32,000	27,000	(5,000)	3,343	(23,657)
Excess of revenues over (under) expenditures	3,779,175	1,423,331	(2,355,844)	1,460,357	37,026
Other financing uses					
Transfers out	(3,779,175)	(1,471,383)	2,307,792	(388,634)	1,082,749
Net change in fund balance	$ -	$ (48,052)	$ (48,052)	1,071,723	$ 1,119,775
Fund balance at beginning of year				48,052	
Fund balance at end of year				$ 1,119,775	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net Pension Liability
PERA's School Division Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
District's proportion of the net pension liability	0.1450%	0.1456%	0.1539%	0.1201%
District's proportionate share of the net pension liability	$ 22,614,150	$ 25,119,412	$ 27,208,401	$ 21,866,238
State's proportionate share of the net pension liability	2,125,209	2,256,122	596,600	6,372,042
Total	$ 24,739,359	$ 27,375,534	$ 27,805,001	$ 28,238,280
District's covered payroll	$ 11,754,068	$ 11,249,519	$ 9,260,349	$ 9,260,349
District's proportionate share of the net pension liability as a percentage of its covered payroll	192.39%	223.29%	293.82%	236.13%
Plan fiduciary net position as a percentage of the total pension liability	71.71%	67.17%	64.74%	61.79%

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

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
0.1430%	0.1566%	0.1361%	0.1431%	0.1592%	0.1616%
$ 16,639,529	$ 23,674,305	$ 20,329,418	$ 25,341,173	$ 51,477,544	$ 48,110,414
1,907,510	-	2,578,528	3,465,053	-	-
$ 18,547,039	$ 23,674,305	$ 22,907,946	$ 28,806,226	$ 51,477,544	$ 48,110,414
$ 8,936,028	$ 8,372,955	$ 7,996,252	$ 7,867,715	$ 7,343,091	$ 7,252,209
186.21%	282.75%	254.24%	322.09%	701.03%	663.39%
74.86%	66.99%	64.52%	57.01%	43.96%	43.10%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions
PERA's School Division Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Contractually required contribution	$ 2,432,658	$ 2,333,338	$ 2,239,668	$ 1,976,737
Contributions in relation to the contractually required contribution	(2,432,658)	(2,333,338)	(2,239,668)	(1,976,737)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,936,485	$ 11,449,143	$ 10,989,519	$ 9,699,405
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	20.38%

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 1,780,969	$ 1,745,112	$ 1,579,689	$ 1,406,609	$ 1,414,928	$ 1,329,171
(1,780,969)	(1,745,112)	(1,579,689)	(1,406,609)	(1,414,928)	(1,329,171)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,958,590	$ 8,778,394	$ 8,152,659	$ 7,352,896	$ 7,493,256	$ 7,231,054
19.88%	19.88%	19.38%	19.13%	18.88%	18.38%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net OPEB Liability
PERA's Health Care Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
District's proportion of the net OPEB liability	0.0927%	0.0932%	0.0920%	0.0913%
District's proportionate share of the net OPEB liability	$ 249,917	$ 445,690	$ 656,975	$ 745,087
District's covered payroll	$ 11,754,068	$ 11,249,519	$ 9,260,349	$ 9,260,349
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.13%	3.96%	7.09%	8.05%
Plan fiduciary net position as a percentage of the total OPEB liability	76.07%	59.83%	46.16%	38.57%

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

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
0.0934%	0.0905%	0.0889%	0.0930%	0.0904%	0.0918%
$ 805,026	$ 860,365	$ 999,576	$ 1,265,638	$ 1,175,478	$ 1,190,823
$ 8,936,028	$ 8,372,955	$ 7,996,252	$ 7,867,715	$ 7,343,091	$ 7,252,209
9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions
PERA's Health Care Trust Fund
June 30, 2026

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023
Contractually required contribution	$ 121,752	$ 116,781	$ 112,093	$ 98,934
Contributions in relation to the contractually required contribution	(121,752)	(116,781)	(112,093)	(98,934)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,936,485	$ 11,449,143	$ 10,989,519	$ 9,699,405
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
$ 91,378	$ 89,540	$ 83,157	$ 75,000	$ 76,431	$ 73,757
(91,378)	(89,540)	(83,157)	(75,000)	(76,431)	(73,757)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,958,590	$ 8,778,394	$ 8,152,659	$ 7,352,896	$ 7,493,256	$ 7,231,054
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note A – Budgetary data

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

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

Note B – Original budget compared to final budget

During the year, the District amended its budget in June, 2026. This amendment increased overall General Fund revenues by $517,465. Local sources increased $999,934 due to property taxes, specific ownership taxes and other local revenues attributed to higher interest earnings, one-time dollars received from oil and gas mineral rights, and unplanned grant revenue. State sources decreased $482,198, largely due to the final determination of categorical buyout amounts being settled in May 2026.

This amendment also increased General Fund expenditures by $819,914, with instruction costs increased by $398,604 and supporting services expenditures increased by $264,909. Increased expenditures in these areas were primarily related to an unplanned one-time payment to staff that impacted salary and employee benefit expenses.

Note B – Original budget compared to final budget (Continued)

The budget amendment also decreased revenues and transfers out in the total program reserve fund by $2,360,844 and $2,307,792, respectively. This is due to a larger decrease in assessed value that reduced anticipated revenue for the total program reserve fund. The original planned transfer out of the total program reserve into capital reserve did not take place prior to the end of the fiscal year.

Note C – Final budget compared to actual results

The most significant differences between the General Fund's final budgeted revenues and actual revenues were in local sources and state sources. Revenue from local sources came in higher than budgeted by $458,044, due primarily to attributed to higher interest earnings and one-time dollars received from oil and gas mineral rights. Revenue from state sources also came in higher than budgeted by $360,412, due primarily to unrecognized state contribution revenue associated with the state's PERA on-behalf contribution payment.

The most significant differences between the General Fund's final budgeted expenditures and actual expenditures were in instruction, supporting services and contingency reserves. Expenditures for instruction came in over budget by $212,989 and supporting services came in over budget by $537,820. The overage in expenditures for instruction was primarily associated with unrecognized expenses associated with the PERA on-behalf contribution payment, while the increased expenditures for supporting services was primarily associated with the PERA on-behalf contribution in addition to increased work hours associated with hourly employees. There were no actual expenditures reported against the contingency reserve.

In the Total Program Reserve Fund, the most significant difference between the final budget and actual amounts were transfers out, which was $1,082,749 under the budgeted amount. This took place because a budgeted transfer from the total program reserve to capital reserves did not take place prior to the end of the fiscal year.

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

2025 Changes in plan provisions since 2024

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500,000 on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an automatic

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

adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.

Subsequent events

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

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

2025 Changes in assumptions or other inputs since 2024

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

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

2025 Changes in plan provisions since 2024

There were no changes made to plan provisions.

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

2025 Changes in assumptions or other inputs since 2024

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

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

Other Supplementary Information

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

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General Fund

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Property taxes	$ 16,600,894	$ 16,961,118	$ 360,224	$ 17,257,873	$ 296,755
Specific ownership taxes	750,000	1,124,340	374,340	1,121,547	(2,793)
Delinquent taxes and interest			-	1,514	1,514
Earnings on investments	150,000	200,000	50,000	268,457	68,457
Pupil activities	49,500	63,473	13,973	65,656	2,183
Other local revenue	230,000	431,397	201,397	523,325	91,928
Total local sources	17,780,394	18,780,328	999,934	19,238,372	458,044
Intermediate sources	5,000	4,729	(271)	4,729	-
State sources					
Vocational education		(50,381)	(50,381)		50,381
Special education		(456,467)	(456,467)	(456,468)	(1)
Gifted and talented	(18,271)	(15,845)	2,426	(19,794)	(3,949)
State grants to libraries		5,000	5,000	4,715	(285)
Career success pilot program		15,372	15,372	15,372	-
READ Act	30,000	39,695	9,695	39,695	-
Summer EBT			-	1,575	1,575
PWR start-up fund			-	8,758	8,758
Revenues from other agencies	535,000	530,966	(4,034)	609,779	78,813
On-behalf payment			-	225,120	225,120
Services within the BOCES	18,271	14,462	(3,809)	14,462	-
Total state sources	565,000	82,802	(482,198)	443,214	360,412
Total revenues	$ 18,350,394	$ 18,867,859	$ 517,465	$ 19,686,315	$ 818,456

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PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Expenditures					
Instruction					
Salaries	$ 7,935,600	$ 8,253,647	$ 318,047	$ 8,103,270	$ (150,377)
Employee benefits	3,015,130	3,020,187	5,057	3,353,779	333,592
Purchased services	262,060	307,354	45,294	367,522	60,168
Supplies and materials	272,500	306,993	34,493	268,162	(38,831)
Property	8,300	4,013	(4,287)	12,450	8,437
Total instruction	11,493,590	11,892,194	398,604	12,105,183	212,989
Supporting services					
Students					
Salaries	324,147	395,106	70,959	410,407	15,301
Employee benefits	127,193	145,709	18,516	161,401	15,692
Purchased services	59,365	100,758	41,393	104,929	4,171
Supplies and materials	5,895	3,026	(2,869)	3,365	339
Total students	516,600	644,599	127,999	680,102	35,503
Instructional staff					
Salaries	203,679	206,506	2,827	204,818	(1,688)
Employee benefits	105,396	83,783	(21,613)	90,062	6,279
Purchased services	47,320	67,179	19,859	115,022	47,843
Supplies and materials	16,600	12,488	(4,112)	13,292	804
Property	1,100		(1,100)		-
Total instructional staff	374,095	369,956	(4,139)	423,194	53,238
General administration					
Salaries	270,778	267,395	(3,383)	278,044	10,649
Employee benefits	77,073	126,497	49,424	135,595	9,098
Purchased services	98,950	118,699	19,749	124,542	5,843
Supplies and materials	3,500	2,691	(809)	2,804	113
Other		2,402	2,402	12,529	10,127
Total general administration	450,301	517,684	67,383	553,514	35,830
School administration					
Salaries	1,149,351	1,049,111	(100,240)	1,087,039	37,928
Employee benefits	202,121	357,775	155,654	392,694	34,919
Purchased services	11,500	14,829	3,329	15,082	253
Total school administration	1,362,972	1,421,715	58,743	1,494,815	73,100
Business services					
Salaries	248,780	266,670	17,890	288,038	21,368
Employee benefits	62,848	81,701	18,853	91,968	10,267
Purchased services	57,700	103,127	45,427	104,230	1,103
Supplies and materials	8,000	8,462	462	9,034	572
Property			-	753	753
Total business services	377,328	459,960	82,632	494,023	34,063

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Operations and maintenance					
Salaries	576,249	538,589	(37,660)	576,520	37,931
Employee benefits	209,288	201,051	(8,237)	223,315	22,264
Purchased services	871,558	959,713	88,155	1,011,886	52,173
Supplies and materials	551,800	535,226	(16,574)	573,204	37,978
Property	1,220	750	(470)	2,015	1,265
Total operations and maintenance	2,210,115	2,235,329	25,214	2,386,940	151,611
Student transportation					
Salaries	600,115	495,204	(104,911)	552,118	56,914
Employee benefits	192,137	139,097	(53,040)	192,257	53,160
Purchased services	49,800	55,009	5,209	57,308	2,299
Supplies and materials	135,350	122,765	(12,585)	138,374	15,609
Property		3,716	3,716	5,339	1,623
Other		438	438	605	167
Total student transportation	977,402	816,229	(161,173)	946,001	129,772
Central support services					
Salaries	360,968	357,075	(3,893)	373,307	16,232
Employee benefits	94,428	129,464	35,036	141,264	11,800
Purchased services	153,911	181,737	27,826	176,724	(5,013)
Supplies and materials	21,700	20,136	(1,564)	20,325	189
Property		6,663	6,663	6,663	-
Other		587	587	1,671	1,084
Total central support services	631,007	695,662	64,655	719,954	24,292
Food service operations					
Employee benefits		3,595	3,595	4,006	411
Total food service operations	-	3,595	3,595	4,006	411
Total supporting services	6,899,820	7,164,729	264,909	7,702,549	537,820
Reserve for contingency	10,817,404	10,973,805	156,401		(10,973,805)
Total expenditures	$ 29,210,814	$ 30,030,728	$ 819,914	$ 19,807,732	$ (10,222,996)

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Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds

The District reports the following nonmajor governmental funds:

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

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

- Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2026

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Assets				
Cash	$ 80		$ 619,520	$ 619,600
Due from other funds	261,759			261,759
Grants receivable		$ 191,708		191,708
Other receivables	2			2
Inventory	39,785			39,785
Total assets	$ 301,626	$ 191,708	$ 619,520	$ 1,112,854
Liabilities				
Due to other funds		$ 151,312		$ 151,312
Accrued salaries and benefits	$ 47,410	26,595		74,005
Unearned revenue	12,393			12,393
Unearned grant revenue		13,801		13,801
Total liabilities	59,803	191,708	$ -	251,511
Fund balance				
Nonspendable for inventory	39,785			39,785
Restricted to food service	200,575			200,575
Assigned to youth help	1,463			1,463
Assigned to pupil activities			619,520	619,520
Total fund balance	241,823	-	619,520	861,343
Total liabilities and fund balance	$ 301,626	$ 191,708	$ 619,520	$ 1,112,854

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2026

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Revenues				
Local sources	$ 50,057		$ 693,701	$ 743,758
State sources	249,430			249,430
Federal sources	482,769	$ 191,707		674,476
Total revenues	782,256	191,707	693,701	1,667,664
Expenditures				
Instruction		152,638	695,799	848,437
Supporting services	791,573	39,069		830,642
Total expenditures	791,573	191,707	695,799	1,679,079
Net change in fund balances	(9,317)	-	(2,098)	(11,415)
Fund balance at beginning of year	251,140	-	621,618	872,758
Fund balance at end of year	$ 241,823	$ -	$ 619,520	$ 861,343

PLATTE VALLEY SCHOOL DISTRICT RE-7
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local revenues	$ 44,185	$ 43,866	$ (319)	$ 50,057	$ 6,191
State sources	268,500	280,449	11,949	249,430	(31,019)
Federal sources	357,000	390,009	33,009	482,769	92,760
Total revenues	669,685	714,324	44,639	782,256	67,932
Expenditures					
Supporting services					
Salaries	292,644	262,721	(29,923)	282,450	19,729
Employee benefits	154,974	135,845	(19,129)	146,674	10,829
Purchased services	4,800	10,061	5,261	9,400	(661)
Supplies and materials	215,917	300,039	84,122	353,049	53,010
Property	1,350		(1,350)		-
Appropriated reserves	277,684	256,799	(20,885)		(256,799)
Total expenditures	947,369	965,465	18,096	791,573	(173,892)
Net change in fund balance	$ (277,684)	$ (251,141)	$ 26,543	(9,317)	$ 241,824
Fund balance at beginning of year				251,140	
Fund balance at end of year				$ 241,823	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Governmental Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Federal sources					
Services within the BOCES	$ 152,573	$ 201,223	$ 48,650	$ 191,707	$ (9,516)
Expenditures					
Instruction					
Salaries	81,386	142,416	61,030	117,575	(24,841)
Supplies and materials	14,789	5,596	(9,193)	35,063	29,467
Total instruction	96,175	148,012	51,837	152,638	4,626
Supporting services					
Salaries	49,719	53,211	3,492	38,271	(14,940)
Employee benefits			-	798	798
Supplies and materials	6,679		(6,679)		-
Total supporting services	56,398	53,211	(3,187)	39,069	(14,142)
Total expenditures	152,573	201,223	48,650	191,707	(9,516)
Net change in fund balance	$ -	$ -	$ -	-	$ -
Fund balance at beginning of year				-	
Fund balance at end of year				$ -	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Pupil activities	$ 655,000	$ 617,670	$ (37,330)	$ 693,701	$ 76,031
Expenditures					
Pupil activity expenditures					
Purchased services			-	13,159	13,159
Supplies and materials	655,000	636,365	(18,635)	682,640	46,275
Appropriated reserves	632,309	602,923	(29,386)		(602,923)
Total expenditures	1,287,309	1,239,288	(48,021)	695,799	(543,489)
Net change in fund balance	$ (632,309)	$ (621,618)	$ 10,691	(2,098)	$ 619,520
Fund balance at beginning of year				621,618	
Fund balance at end of year				$ 619,520	

Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Property taxes	$ 10,931,122	$ 10,836,445	$ (94,677)	$ 11,025,680	$ 189,235
Delinquent taxes and interest			-	1,061	1,061
Interest on investments	2,500	620,013	617,513	713,259	93,246
Total revenues	10,933,622	11,456,458	522,836	11,740,000	283,542
Expenditures					
Debt service					
Principal retirement	5,775,000	5,775,000	-	5,775,000	-
Interest and fiscal charges	5,143,775	5,183,947	40,172	5,144,675	(39,272)
Appropriated reserves	21,637,405	22,385,012	747,607		(22,385,012)
Total expenditures	32,556,180	33,343,959	787,779	10,919,675	(22,424,284)
Net change in fund balance	$ (21,622,558)	$ (21,887,501)	$ (264,943)	820,325	$ 22,707,826
Fund balance at beginning of year				21,887,501	
Fund balance at end of year				$ 22,707,826	

Budgetary Comparison Schedules – Capital Projects Funds

The District reports the following major capital projects funds:

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Earnings on investments	$ 200,000	$ 3,580,931	$ 3,380,931	$ 2,997,524	$ (583,407)
Other local revenue		3,248	3,248	3,249	1
Total revenues	200,000	3,584,179	3,384,179	3,000,773	(583,406)
Expenditures					
Capital outlay					
Purchased services			-	87,336	87,336
Property	54,652,000	56,070,436	1,418,436	60,473,681	4,403,245
Appropriated reserves	42,750,085	41,723,643	(1,026,442)		(41,723,643)
Total expenditures	97,402,085	97,794,079	391,994	60,561,017	(37,233,062)
Net change in fund balance	$ (97,202,085)	$ (94,209,900)	$ 2,992,185	(57,560,244)	$ 36,649,656
Fund balance at beginning of year				94,209,900	
Fund balance at end of year				$ 36,649,656	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
	Original	Final			
Revenues					
Local sources					
Earnings on investments	$ 2,000	$ 486,525	$ 484,525	$ 561,174	$ 74,649
Expenditures					
Capital outlay					
Property	7,171,588	5,324,692	(1,846,896)	5,211,429	(113,263)
Appropriated reserves	15,109,484	13,436,180	(1,673,304)		(13,436,180)
Total expenditures	22,281,072	18,760,872	(3,520,200)	5,211,429	(13,549,443)
Excess of revenues over (under) expenditures	(22,279,072)	(18,274,347)	4,004,725	(4,650,255)	13,624,092
Other financing sources					
Transfers in	3,779,175	1,033,334	(2,745,841)		(1,033,334)
Net change in fund balance	$ (18,499,897)	$ (17,241,013)	$ 1,258,884	(4,650,255)	$ 12,590,758
Fund balance at beginning of year				17,241,013	
Fund balance at end of year				$ 12,590,758	

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Colorado Department of Education
Supplementary Schedule

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

Colorado Department of Education

Auditors Integrity Report

District: 3130 - Platte Valley RE-7
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	10,772,872	20,074,949	19,807,732	11,040,089
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**10,772,872**	**20,074,949**	**19,807,732**	**11,040,089**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	48,052	1,075,066	3,343	1,119,775
21 Food Service Spec Revenue Fund	251,140	782,256	791,573	241,823
22 Govt Designated-Purpose Grants Fund	0	191,708	191,708	0
23 Pupil Activity Special Revenue Fund	621,618	693,701	695,799	619,520
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	21,887,501	11,740,000	10,919,675	22,707,826
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	94,209,900	3,000,773	60,561,018	36,649,656
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	17,241,013	561,174	5,211,429	12,590,758
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**145,032,096**	**38,119,628**	**98,182,277**	**84,969,446**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**0**	**0**	**0**	**0**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**0**	**0**	**0**	**0**

FINAL

Debt Compliance Schedules

PLATTE VALLEY SCHOOL DISTRICT RE-7
History of District Mill Levies

	Mill Levies				
Levy/Collection Year	General Fund	Bond Fund	Override	Abatements	Total
2021/2022	5.624	2.752	2.072	0.008	10.456
2022/2023	5.624	2.752	1.177	0.000	9.553
2023/2024	5.624	0.924	0.695	0.006	7.249
2024/2025	5.624	3.800	0.928	0.000	10.352
2025/2026	5.624	4.100	1.290	0.000	11.014

Source: Colorado Department of Education and the District.

PLATTE VALLEY SCHOOL DISTRICT RE-7
History of District's Assessed Valuation and "Actual" Valuation

Levy/Collection Year	Assessed Valuation	Percent Change	"Actual" Valuation	Percent Change
2021/2022	1,401,914,110		2,989,683,453	
2022/2023	2,467,322,390	76.00%	4,271,494,397	42.87%
2023/2024	4,176,082,130	69.26%	6,421,933,382	50.34%
2024/2025	3,132,126,660	-25.00%	5,222,916,693	-18.67%
2025/2026	2,690,077,560	-14.11%	4,845,459,092	-7.23%

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
2025 Largest Taxpayers within the District

Name	Assessed Valuation	Percent of Assessed Valuation[1]
Noble Energy Inc	1,416,340,620	52.65%
PDC Energy Inc	552,534,920	20.54%
Civitas Resources Inc	201,775,610	7.50%
DCP Lucerne 2 Plant LLC	100,923,870	3.75%
Highpoint Operating Corporation	89,181,250	3.32%
Confluence DJ LLC	52,113,920	1.94%
Bayswater Exploration and Production LLC	47,830,510	1.78%
DCP Operating Company LP	38,838,020	1.44%
Black Diamond Rockies Midstream LLC	8,712,300	0.32%
Kerr-McGee Gathering LLC	8,706,500	0.32%
Total		93.56%

Source: Weld County Assessor's Office.

(1) The total 2025 assessed valuation figure of the District used in computing the above was $2,690,077,560.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Historical Property Tax Collections

Levy/Collection Year	Total Taxes Levied	Total Tax Collections[1]	Collection Rate
2021/2022	14,647,199	14,632,425	99.90%
2022/2023	23,570,331	23,546,621	99.90%
2023/2024	30,247,363	30,238,119	99.97%
2024/2025	32,423,775	32,408,240	99.95%
2025/2026	29,628,514	29,601,234	99.91%

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

(1) Property tax collections through August 31st of each year.

PLATTE VALLEY SCHOOL DISTRICT RE-7
District Enrollment

School Year	Enrollment	Percent Change
2021/2022	1,078	
2022/2023	1,094	1.48%
2023/2024	1,179	7.77%
2024/2025	1,195	1.36%
2025/2026	1,220	2.09%

Source: Colorado Department of Education.