Weld County School District RE-5J

Financial Statements
For the Year Ended June 30, 2021

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Weld County School District RE-5J

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Weld County School District RE-5J

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Independent Auditors' Report

Board of Education
Weld County School District RE-5J
Milliken, Colorado

Opinions

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Weld County School District RE-5J (the District), as of and for the year ended June 30, 2021, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

Other Matters

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 the pension and other post-employment benefits related schedules as listed in the table of contents to 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

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements and budgetary comparison information and Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 combining and individual major and nonmajor fund financial statements and budgetary comparison information and Auditor's Integrity Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, LLP

March 1, 2022

This section of Johnstown Milliken School District's annual financial report presents its discussion and analysis of the District's financial performance during the year ending June 30, 2021.

Financial Highlights

- The liabilities and deferred inflows of resources of Johnstown Milliken School District exceeded its assets and deferred outflows of resources at the close of the fiscal year by $14,585,857 (net position - deficit).
- The District's total net position increased by $24,488,978 primarily due to bond proceeds and changes in pension assumptions. Please refer to Note 7- Long-term Debt and Note 9 - Defined Benefit Pension Plan for additional details regarding these changes.
- General revenues Accounted for $45,454,199 or 86% of the $52,848,766 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for $7,394,567 or 14% of revenues.
- The general fund ending fund balance reached $6,746,232. The ending fund balance in the general fund increased by $2,189,791. This represents the actual financial results for the year and excludes the large impact of the 'reporting only' requirement to include PERA information in some sections of the financial statements.

Overview of Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. A comparison to the prior year's activity is provided in the document. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Statements

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The statement of activities presents information showing how the government'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 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 (e.g., uncollected taxes). In the government-wide financial statements, the School District's activities include the following:

- **Governmental activates**: The majority of the School District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, food service and pupil activities. Taxes and intergovernmental revenues principally support these activities.
- **Component unit**: The District has a separate charter school-component unit. This "unit" is important because the District is legally accountable for them.

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 fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has one kind of fund: governmental funds.

Governmental Funds

Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School District's program.

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

The School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund, Bond Redemption Fund, Building Fund, and Capital Reserve Capital Projects Fund, which are considered to be major funds. Data for the other two governmental funds are combined in a single, aggregated presentation. 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 10-12 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 may be found on pages 17-52 of this report.

Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets. Budgeted amounts may be found on pages 60-74.

Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. 52% of the School District's assets are its investment in capital assets (e.g., land, buildings and equipment). The school District uses these assets to provide instruction and related services to its students.

In fiscal year 2015, the District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This statement requires the District to recognize a liability for its proportionate share of the net pension liability of PERA's School District Trust Fund, as well as pension expense. At year end, the District reported a liability of $51,981,250 for its proportionate share of the net pension liability. For the year, the District recognized pension income of $16,589,885 Additional information on the School District's proportionate share of the NPL can be found in Note 9.

The following table provides a summary of the district's net assets (liabilities) as of June 30, 2021:

	Governmental Activities		
	2020	**2019**	**% Change**
Current and Other assets	202,732,764	19,296,750	951%
Capital assets	28,337,141	26,158,594	8%
Total assets	231,069,905	45,455,344	
Deferred outflows of resources	23,216,752	6,412,189	262%
Total assets & deferred outflows of resources	254,286,657	51,867,533	390%
Long term liabilities	243,857,335	56,686,478	330%
Other liabilities	4,227,177	5,293,866	-20%
Total liabilities	248,084,512	61,980,344	
Deferred inflows of resources	20,788,002	28,962,023	-28%
Net investment in capital assets	14,859,620	16,536,234	
Restricted	19,357,901	10,136,012	91%
Unrestricted	(48,803,378)	(65,747,080)	-26%
Total net position	(14,585,857)	(39,074,834)	
Total liabilities, deferred inflows of resources and net position	254,286,657	51,867,533	390%

The following table is a summary of the District's change in net position.

	Governmental Activities		
	2020	2019	% Change
Revenues			
Program Revenues			
Charges for services	230,586	784,031	-71%
Operating Grants & Contributions	6,647,789	4,062,048	64%
Capital Grants & Contributions	516,192	435,720	18%
General Revenues			
Property taxes	24,965,536	16,140,147	55%
State equalization	19,168,803	19,003,869	1%
Other	1,319,860	1,136,365	16%
Capital contributions	-	477,100	-100%
Total Revenue	52,848,766	42,039,280	26%
Expenses			
Instruction	9,892,175	18,817,941	-47%
Pupil & Instructional Services	1,781,631	2,545,299	-30%
Administration & Business	1,629,425	2,162,508	-25%
Maintenance & Operations	3,361,609	3,211,853	5%
Transportation	827,294	1,139,884	-27%
Other	10,867,654	7,703,127	41%
Total Expenses	28,359,788	35,580,612	-20%
Change in net position	24,488,978	6,458,668	279%
Beginning net position	(39,074,834)	(45,533,502)	-14%
Ending net position	(14,585,856)	(39,074,834)	-63%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received $7,714.71 per funded student. In fiscal year 2020-21 the funded pupil count was 3,779.3. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 65.8 percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated $13,732,667 in property taxes for fiscal year 2020-21.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the school district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of $199,164,542, an increase of $185,037,204 in comparison with the prior year. The reason for this significant increase in combined ending fund balance is due the inclusion of the district's Building Funding as a result of district voters approving a $149,000,000 general debt obligation to replace two existing schools and refurbish the remaining three school buildings. The general fund had a fund balance increase of $2,189,791.

General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund. The fund balance increased, resulting in an ending fund balance of $6,746,232 which represents a fund balance of approximately 20.3% of expenditures.

Capital Assets and Debt Administration

Capital Assets

The School Districts investment in capital assets for its governmental activities as of June 30, 2021 amounts to $28,337,141 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, construction in progress, and capital leases all with an original cost greater than $5,000. The majority of expenditures for capital assets was for increases in construction in progress.. Capital asset additions during the current fiscal year include the following:

- Construction in progress $3,088,748
- Building and improvements $41,915
- Furniture and equipment $48,946
- Licensed vehicles $237,282

The School District's total capital assets at June 30, 2021 net of accumulated depreciation were as follows:

	Governmental Activities
Land & improvements	3,305,329
Buildings & improvements	21,762,881
Furniture & equipment	945,429
Licensed vehicles	668,894
Construction in progress	3,378,706
Total Capital Assets	30,061,239

Additional information on the School District's capital assets can be found in Note 6.

Long-Term Debt

At year-end, the School District's long-term debt of $189,987,619 consisted of the following:

	Governmental Activities
Compensated absences	406,163
Capital lease obligations	4,653,110
Bonds payable	153,748,305
Bond premium	30,260,041
Certificates of participation	920,000
Total	189,987,619

Economic Factors

The Weld County School District RE-SJ, which includes Knowledge Quest Academy, has experienced enrollment growth in previous years before the COVID-19 pandemic. From 2017-18 through 2019-20, the district's student count increased from 3,640.5 to 3,847.0, a 5.7% increase. However, for the 2020-21 school year the district's student count decreased by 230.5 students. The district did recover 45.5 students for the 2021-22 school year. Looking forward to the 2022-23 school year, enrollment projections are again very difficult to make due to the general decline in students many districts in the state have seen. The Johnstown and Milliken communities continue to see residential and commercial development that should eventually lead to student count growth.

The Weld County School District RE-SJ assessed valuation has increased approximately 26% over the last three years prior to the pandemic. The total assessed valuation decreased from the 2021 collection year to the 2022 collection year by $28,869,009 or 5.7%. This decrease was caused by another year-over-year decrease in the assessed valuation of the oil and gas sector in the district. Rising energy prices should stabilized the oil and gas sector in Weld County and should begin to reverse the slide in assessed valuation over the next several years.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions or need additional information, please contact the Weld County School District RE-SJ Administration Office at 110 S Centennial Drive Suite A, Milliken CO 80543.

Separately issued financial statements for the District's component unit may obtained by contacting the Knowledge Quest Academy at 705 S. School House Drive, Milliken, Colorado 80543.

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Basic Financial Statements

Weld County School District RE-5J

Statement of Net Position

June 30, 2021

	Primary Government	
	Governmental Activities	Component Unit
Assets		
Cash	$ 24,109,023	$ 3,581,660
Cash with fiscal agent	24,329,936	-
Local government investment pools	152,493,523	-
Due from component unit	-	209
Property taxes receivable	237,189	-
Grants receivable	1,020,527	64,608
Other receivables	268,002	449
Prepaid expenses	274,564	-
Capital assets:		
Not being depreciated	4,434,117	260,000
Being depreciated, net of accumulated depreciation	23,903,024	3,830,609
Total assets	231,069,905	7,737,535
Deferred outflows of resources		
Deferred loss on refunding	610,092	36,737
Deferred ouflows of resources related to pensions	22,239,357	18,793
Deferred ouflows of resources related to Other Post Employment Benefits (OPEB)	367,303	1,504,220
Total deferred outflows of resources	23,216,752	1,559,750
Total assets and deferred outflows of resources	$ 254,286,657	$ 9,297,285
Liabilities		
Accounts payable	$ 1,432,119	$ 10,278
Accrued salaries and benefits	1,539,234	138,441
Unearned revenues	72,206	4,087
Unearned grant revenues	524,663	-
Accrued interest	658,955	58,760
Noncurrent liabilities		
Due within one year	5,358,077	195,000
Due in more than one year	184,629,542	3,790,000
Net pension liability	51,981,250	4,282,979
Net other post employment benefit liability	1,888,466	155,600
Total liabilities	248,084,512	8,635,145
Deferred inflows of resources		
Deferred inflows of resources related to pensions	20,179,864	1,662,714
Deferred inflows of resources related to OPEB	608,138	50,107
Total deferred inflows of resources	20,788,002	1,712,821
Net position		
Net investment in capital assets	14,859,620	142,346
Restricted for:		
Emergencies	1,016,895	114,394
Multi-year obligations	700,000	-
Debt service	16,178,395	590,468
Land dedication	410,951	-
Food service operations	509,704	-
Pupil activities	541,956	-
Unrestricted (deficit)	(48,803,378)	(1,897,889)
Total net position (deficit)	(14,585,857)	(1,050,681)
Total liabilities, deferred inflows of resources and net position	$ 254,286,657	$ 9,297,285

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

Weld County School District RE-5J

Statement of Activities
For the Year Ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
Instruction	$ 9,892,175	$ 135,941	$ 4,690,001	$ -
Supporting services				
Students	926,271	-	105,937	-
Instructional staff	855,360	-	295,835	-
General administration	545,638	-	-	-
School administration	869,175		-	-
Business services	214,612	-	-	-
Operations and maintenance	3,361,609	-	-	516,192
Student transportation	827,294	-	243,209	-
Central support services	1,399,366	-	-	-
Community services	43,170	-	-	-
Food service operations	1,197,135	94,645	1,312,807	-
Payments to component unit	3,538,341	-	-	-
Unallocated depreciation *	894,193	-	-	-
Interest and fiscal charges	3,795,449	-	-	-
Total governmental activities/primary government	$ 28,359,788	$ 230,586	$ 6,647,789	$ 516,192
Component unit				
Knowledge Quest Academy	$ 2,247,155	$ 2,103	$ 348,710	$ 121,025
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes and interest				
State categorical aid				
Unrestricted grants and contributions				
Earnings on investments				
Mineral leases				
Other				
Receipts from primary government				
Total general revenues				
Change in net position				
Net position (deficit) at beginning of year,				
Net position (deficit) at end of year				

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

Primary Government	
Net Governmental Activities	Component Unit
$ (5,066,233)	-
	-
(820,334)	-
(559,525)	-
(545,638)	-
(869,175)	-
(214,612)	-
(2,845,417)	-
(584,085)	-
(1,399,366)	-
(43,170)	-
210,317	-
(3,538,341)	-
(894,193)	-
(3,795,449)	-
(20,965,221)	
	$ (1,775,317)
13,732,667	-
10,336,013	-
818,463	-
78,393	-
19,168,803	-
160,471	-
41,315	-
171,540	-
946,534	61,771
-	3,538,341
45,454,199	3,600,112
24,488,978	1,824,795
(39,074,835)	(2,875,476)
$ (14,585,857)	$ (1,050,681)

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

Weld County School District RE-5J

Balance Sheet

Governmental Funds

June 30, 2021

	General Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 7,509,744	$ 14,377,676	$ 1,302,360	$ -	$ 919,243	$ 24,109,023
Cash with fiscal agent	70,947	2,543	-	24,256,446	-	24,329,936
Local government investment pools	230,067	-	-	152,263,456	-	152,493,523
Property taxes receivable	159,455	77,734	-	-	-	237,189
Grants receivable	971,589	-	-	-	48,938	1,020,527
Other receivable	43,862	-	10,402	-	213,738	268,002
Prepaid expenses	142,640	-	131,924	-	-	274,564
Total assets	$ 9,128,304	$ 14,457,953	$ 1,444,686	$ 176,519,902	$ 1,181,919	$ 202,732,764
Liabilities						
Accounts payable	$ 318,576	$ -	28,729	$ 1,026,059	$ 58,755	$ 1,432,119
Accrued salaries and benefits	1,539,234	-	-	-	-	1,539,234
Unearned revenues	-	-	-	-	72,206	72,206
Unearned grant revenues	524,262	-	401	-	-	524,663
Total liabilities	2,382,072	-	29,130	1,026,059	130,961	3,568,222
Fund balance						
Nonspendable	142,640	-	131,924	-	-	274,564
Restricted for:						
Emergencies	1,016,895	-	-	-	-	1,016,895
Multi-year obligations	700,000	-	-	-	-	700,000
Preschool program	44,133	-	-	-	-	44,133
Debt service	1,720,442	14,457,953	-	-	-	16,178,395
Land dedication	-	-	410,951	-	-	410,951
Food service operations	-	-	-	-	509,704	509,704
Capital projects	-	-	-	175,493,843		175,493,843
Pupil activities	-	-	-	-	541,956	541,956
Committed to capital projects	-		872,681	-	-	872,681
Assigned	1,918,273	-	-	-	-	1,918,273
Unassigned	1,203,849	-	-	-	(702)	1,203,147
Total fund balance	6,746,232	14,457,953	1,415,556	175,493,843	1,050,958	199,164,542
Total liabilities and fund balance	$ 9,128,304	$ 14,457,953	$ 1,444,686	$ 176,519,902	$ 1,181,919	$ 202,732,764

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

Weld County School District RE-5J

Reconciliation of the Governmental Funds Balance Sheet with the Government-wide Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance - governmental funds		$ 199,164,542
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.		
Capital assets	52,965,171	
Less: accumulated depreciation	(24,628,030)	28,337,141
The deferred loss on refunding is not available to satisfy current obligations, and therefore, is not reported as deferred outflows of resources in the fund financial statements.		610,092
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reflected in the fund financial statements.		
Deferred outflows of resources related to pension	22,239,357	
Deferred inflows of resources related to pension	(20,179,864)	
Deferred outflows of resources related to OPEB	367,303	
Deferred inflows of resources related to OPEB	(608,138)	1,818,658
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the fund financial statements.		
Bonds payable	(183,858,411)	
Bonds premium	(149,935)	
Capital leases	(4,653,110)	
Certificates of participation	(920,000)	
Accrued compensation	(406,163)	
Accrued interest payable	(658,955)	
Net pension liability	(51,981,250)	
Net OPEB liability	(1,888,466)	(244,516,290)
Net position (deficit) of the governmental activities		$ (14,585,857)

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

Weld County School District RE-5J

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the Year Ended June 30, 2021

	General Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Local sources	$ 15,274,759	$ 10,353,243	$ 180,028	$ 37,899	$ 454,363	$ 26,300,292
Intermediate sources	171,540	-	-	-	-	171,540
State sources	21,346,437	-	279,696	236,476	16,421	21,879,030
Federal sources	3,201,518	-	-	-	1,296,386	4,497,904
Total revenues	39,994,254	10,353,243	459,724	274,375	1,767,170	52,848,766
Expenditures						
Instruction	20,224,925	-	-	-	355,170	20,580,095
Supporting services	12,390,745	-	-	41,593	291	12,432,629
Food service operations	24,853	-	-	-	1,172,282	1,197,135
Capital outlay	152,472	-	773,465	3,070,342	-	3,996,279
Debt service						
Principal retirement	346,073	1,105,000	499,983	-	-	1,951,056
Interest and fiscal charges	52,054	2,251,816	143,559	-	-	2,447,429
Debt issuance costs	-	-	-	777,008	-	777,008
Total expenditures	33,191,122	3,356,816	1,417,007	3,888,943	1,527,743	43,381,631
Excess of revenues over (under) expenditures	6,803,132	6,996,427	(957,283)	(3,614,568)	239,427	9,467,135
Other financing sources (uses)						
Transfers in	-	-	1,075,000	-	-	1,075,000
Transfers out	(1,075,000)	-	-	-	-	(1,075,000)
Proceeds from bond issuance	-	-	-	179,108,411	-	179,108,411
Payments to charter school	(3,538,341)	-	-	-	-	(3,538,341)
Total other financing sources (uses)	(4,613,341)	-	1,075,000	179,108,411	-	175,570,070
Net change in fund balances	2,189,791	6,996,427	117,717	175,493,843	239,427	185,037,205
Fund balance at beginning of year	4,556,441	7,461,526	1,297,839	-	811,531	14,127,337
Fund balance at end of year	$ 6,746,232	$ 14,457,953	$ 1,415,556	$ 175,493,843	$ 1,050,958	$ 199,164,542

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

Weld County School District RE-5J

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-wide Statement of Activities June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Total net change in fund balances - governmental funds		$ 185,037,205
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. This is the amount that capital outlay exceeded depreciation expense in the current year.		
Capital outlay	$ 3,417,891	
Depreciation expense	(1,239,344)	2,178,547
Accretion of the bond premium is included in the statement of activities against interest expense, but not reflected on the statement of revenues, expenditures and changes in fund balances.		37,439
Increase in accrued compensated absences liability reflected against expense on the statement of activities and not reflected on the governmental statement of revenues, expenditures and changes in fund balances.		(5,084)
Repayments of bond principal and capital leases are recorded as expenditures in the governmental funds, but as reductions in long-term liabilities in the statement of net position and does not affect the statement of activities.		1,951,056
Proceeds from the issuance of bonds are treated as an other financing source in the governmental fund financial statements, but are an increase in long-term debt in the government wide financial statements.		(179,108,411)
Amortization of deferred loss on refunding is included in the statement of activities as interest expense, but is not reflected on the statement of revenues, expenditures and changes in fund balances.		(73,950)
Increase in accrued interest payable is reflected against interest expense on the statement of activities, but not reflected on the governmental fund statement of revenues, expenditures and changes in fund balances.		(534,501)
Changes in the District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the cost-sharing defined benefit pension plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		14,868,401
Changes in the District's net other post employment benefits liability, deferred outflows of resources, and deferred inflows of resources related to the other post employment benefit plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		138,276
Change in net position of governmental activities		$ 24,488,978

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

1. Summary of Significant Accounting Policies

This summary of the Weld County School District RE-5J's (the District) 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 (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's governing board, and either a) the ability to impose its will by the primary government or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The District meets the criteria of a primary government: its District Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

The District has examined other entities that could be included as defined above. Based on these criteria, the Knowledge Quest District (a charter school) is included in the District's basic financial statements using discrete presentation. The charter school is a public school authorized by the State of Colorado under a separate charter to provide alternatives for parents, pupils and teachers. The school has a separate governing board but is fiscally dependent on the District for the majority of funding. Separate financial statements for the charter school are available at the District administration office in Milliken, Colorado.

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:

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

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

Building Fund – The Building Fund is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings.

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

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

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

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

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 activitiesThe 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 function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid

by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

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

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

Budgets and Budgetary Accounting

The following is a summary of the original budgeted expenditures, total revisions and revised budgeted expenditures for those funds with amended budgets in fiscal year 2021:

	Original Appropriation	Final Appropriation	Change
General Fund	$ 32,226,348	$ 39,895,423	$ 7,669,075
Bond Redemption Fund	10,400,000	17,906,391	7,506,391
Capital Reserve Fund	1,144,630	2,528,828	1,384,198
Building Fund	-	15,860,000	15,860,000
Food Service Fund	1,574,000	1,484,400	(89,600)
Pupil Activity Fund	1,175,000	1,175,000	-
Total	$ 46,519,978	$ 78,850,042	$ 32,330,064

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.

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

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

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

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

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

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

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.

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.

Inventories

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

Capital Assets

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

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

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

Description	Governmental Activities
Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	5-10 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave benefits are paid to employees upon termination of employment.

All full-time employees receive up to ten days sick leave each year (5 days for employees with less than two years of service), which can be accumulated up to eighty days. At the end of each school year, accumulated sick leave days beyond eighty are reimbursed at a rate of 50% of the current rate of pay for substitutes. Employees retiring from the school district with an accumulated sick leave balance and who are eligible for PERA benefits shall be paid at the same rate. Employees with less than eighty days are entitled to no benefit whatsoever.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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.

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 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.

Fund Balance

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

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

> ***Nonspendable*** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
>
> ***Restricted*** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
>
> ***Committed*** - amounts that can be used only for specific purposes determined by a formal action of the Board of Education (the "Board"). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.
>
> ***Assigned*** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.
>
> ***Unassigned*** - all other spendable amounts.

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.

Net Position

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

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

Extraordinary and Special Items

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

Pensions

The District participates in the School Division Trust Fund ("SCHDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

Other Post-Employment Benefits

The District participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by 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.

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.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Financial Policies and Procedures

The District believes it is in compliance with applicable state requirements, which includes adherence to the accounting policies and procedures described in the Financial Policies and Procedures Handbook issued by the Colorado Department of Education.

2. Cash, Cash Equivalents 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 $23,986,612, of which $500,000 was insured and $23,486,612 was collateralized with securities held by the pledging institution's trust department or agent in the District's name. As of year-end, the Charter School had total deposits of $2,116,740, of which $526,011 was insured and $1,590,729 was collateralized with securities held by the pledging institution's trust department or agent in the Charter School's name.

Investments

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

- Obligations of the United States 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

At June 30, 2021, the District had invested $152,493,523 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUSTPLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

3. Receivables

Receivables at year-end consist of the following:

	Primary Government	
	Governmental Activities	Charter School
Property taxes receivable	$ 237,189	$ -
Grants receivable	1,020,527	64,608
Other receivables	268,002	449
	$ 1,525,718	$ 65,057

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 the last day of February and June 15th. The Counties of Weld and Larimer bill and collect property taxes for all taxing entities within the Counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

4. Interfund Transactions

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

	Transfers In	Transfers Out
Governmental funds		
General Fund	$ -	$ 1,075,000
Capital Reserve Capital Projects Fund	1,075,000	-
Total	$ 1,075,000	$ 1,075,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of $1,075,000 from the General Fund to the Capital Reserve Capital Projects Fund in order to set aside funds for capital acquisitions.

5. Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,055,411	$ -	$ -	$ 1,055,411
Construction in Progress	289,958	3,088,748	-	3,378,706
Total capital assets not being depreciated	1,345,369	3,088,748	-	4,434,117
Capital assets, being depreciated:				
Land improvements	$ 2,249,918	$ -	$ -	$ 2,249,918
Building and improvements	40,092,159	42,915	-	40,135,074
Furniture and equipment	3,010,017	48,946	-	3,058,963
Licensed Vehicles	2,849,817	237,282	-	3,087,099
Total capital assets, being depreciated	48,201,911	329,143	-	48,531,054
Land improvements	(1,642,410)	(81,688)	-	(1,724,098)
Building and improvements	(17,530,309)	(841,884)	-	(18,372,193)
Furniture and equipment	(2,002,087)	(111,447)	-	(2,113,534)
Licensed Vehicles	(2,213,880)	(204,325)	-	(2,418,205)
Total accumulated depreciation	(23,388,686)	(1,239,344)	-	(24,628,030)
Total capital assets, being depreciated, net	24,813,225	(910,201)	-	23,903,024
Capital assets, net	$ 26,158,594	$ 2,178,547	$ -	$ 28,337,141

	Balance Beginning	Additions	Deletions/ Transfers	Balance Ending
Charter School				
Capital assets, not being depreciated				
Land	260,000	-	-	260,000
Total capital assets not being depreciated	260,000	-	-	260,000
Capital assets, being depreciated:				
Buildings and improvements	5,213,821	30,975		5,244,796
Equipment	132,800	69,991		202,791
Total capital assets, being depreciated:	5,346,621	100,966	-	5,447,587
Less accumulated depreciation for:				
Buildings and improvements	(1,376,377)	(105,653)		(1,482,030)
Equipment	(130,654)	(4,294)		(134,948)
Total accumulated depreciation	(1,507,031)	(109,947)	-	(1,616,978)
Total capital assets being depreciated, net	3,839,590	(8,981)	-	3,830,609
Governmental activities capital assets, net	4,099,590	(8,981)	-	4,090,609

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

Governmental Activities:	
Instruction	$ 31,503
General administration	2,883
Operations and maintenance	52,477
Student transportation	216,586
Central support services	13,532
Food service operations	28,170
Unallocated	894,193
Total	$ 1,239,344

6. Accrued Salaries and Benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be $1,537,587 for the District and $124,701 for the Charter School. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

7.- Long-term Debt

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

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
Governmental Activities					
G.O. bonds:					
Series 2011, refunding	$ 5,190,000	$ -	$ (440,000)	$ 4,750,000	$ 460,000
Series 2013, refunding	665,000	-	(665,000)	-	-
Series 2021	-	124,445,000	-	124,445,000	3,060,000
Series 2021 Premium	-	30,110,106	-	30,110,106	-
BEST matching moneys bond	-	24,553,305	-	24,553,305	987,728
Capital lease obligations	5,434,166	-	(781,056)	4,653,110	790,349
Certificates of participation	985,000	-	(65,000)	920,000	60,000
Compensated absences	401,079	19,409	(14,325)	406,163	-
Unamortized bond premiums	187,374	-	(37,439)	149,935	-
Total long-term obligations	$ 12,862,619	$ 179,127,820	$ (2,002,820)	$ 189,987,619	$ 5,358,077

Payments on the capital lease obligations are made in the Capital Reserve Capital Projects Fund and the General Fund, while payments on the bond and certificates of participation are made in the Bond Redemption Fund and Capital Reserve Capital Projects Fund, respectively. The compensated absences and net pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Capital lease obligations

Facility renovation obligations

In February 2014, the District entered into an agreement with NBH Capital Finance, a division of NBH Bank, N.A., to finance the costs of improvements to Pioneer Ridge Elementary, which serve as collateral for the agreement, and to refinance one existing capital lease obligation. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments of $98,276 are due on July 15th and January 15th of each year, with a final payment due in fiscal year 2029. The average interest rate over the lease term is 3.36%. The District has capitalized $1,921,388 of assets under this capital lease.

In May 2015, the District entered into an agreement with NBH Capital Finance, a division of NBH Bank, N.A., to finance the costs of improvements to Roosevelt High School, which serve as collateral for the agreement. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments of $54,934 are due on November 1st and May 1st of each year, with a final payment due in fiscal year 2035. The average interest rate over the lease term is 3.30%. The District capitalized $1,507,305 of assets under this capital lease.

In May 2019, the District entered into an agreement with Zions Bancorporation, N.A., to finance the costs of acquiring four modular buildings, which serve as collateral for the agreement. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments ranging from $1,529 to $111,529 are due on January 15th and July 15th of each year, with a final payment due in fiscal year 2029. The average interest rate over the lease term is 2.780%. The District capitalized $654,903 of assets under this capital lease.

Each of the lease agreements above contain a provision that, in the event of default, the lessor may take one or any combination of the following remedial steps (a) terminate the lease term and give notice to the District to vacate and surrender possession of the leased property within ten business days of such notice (b) proceed to foreclose through the courts on or otherwise sell, trade-in, repossess or liquidate the District's interest in the leased property, however the lessor may not recover from the District any deficiency which may exist following the liquidation of the District's interest in the leased property in excess of base rentals and additional rentals for the current fiscal year and in excess of amounts payable under the agreement (c) the lessor may recover the portion of base rentals and additional rentals which would have otherwise been due and payable hereunder, during any period in which the District continues to occupy, use or possess the lease property and base rentals and additional rentals which would have otherwise been payable by the District hereunder during the remainder, after the District vacates and surrenders possession of the leased property, of the fiscal year in which such event of default occurs.

Additionally, if the lessor employs attorneys or incurs other expenses for the collection of base rentals and additional rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the District herein contained, the District agrees that it shall on demand therefor pay the lessor the fees of such attorneys and such other expenses so incurred by the lessor, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction.

Transportation vehicle lease obligations

In July 2015, the District entered into an agreement with First National Bank of Omaha to purchase a 2013 Thomas school bus, which serves as collateral for the agreement. The agreement called for a lease term of six years with annual renewal options. Annual payments of $19,974 are due on September 15th of each year, with a final payment due in fiscal year 2021. The average interest rate over the lease term is 2.75%. The District has capitalized $110,710 of assets under this capital lease.

In May 2016, the District entered into an agreement with First National Bank of Omaha to purchase two 2015 Thomas school buses, which serve as collateral for the agreement. The agreement called for a lease term of six years with annual renewal options. Annual payments of $36,625 are due on September 15th of each year, with a final payment due in fiscal year 2022. The average interest rate over the lease term is 2.788%. The District has capitalized $200,400 of assets under this capital lease.

In March 2017, the District entered into an agreement with First National Bank of Omaha to purchase two 2018 Bluebird school buses, which serve as collateral for the agreement. The agreement called for a lease term of 74 months with annual renewal options. Annual payments of $49,478 are due on June 1st of each year, with a final payment due in fiscal year 2022. The average interest rate over the lease term is 3.10%. The District has capitalized $270,936 of assets under this capital lease.

In July 2019, the District entered into an agreement with First National Bank of Omaha to purchase two 2021 Bluebird school buses, which serve as collateral for the agreement. The agreement called for a lease term of 63 months with annual renewal options. Annual payments of $39,431 are due on October 12th of each year, with a final payment due in fiscal year 2025. The average interest rate over the lease term is 4%. The District has capitalized $212,560 of assets under this capital lease.

Each of the lease agreements above contain a provision that, in the event of default, the lessor shall have the right, at its option, to take one or any combination of the following remedial steps (a) retake possession of the equipment, holding the District liable for the unpaid rental payments through the end of the current fiscal year, which rental payments the District agrees to pay immediately on demand and unless such amounts are paid in full upon such demand, such unpaid rental payments shall bear interest at a rate equal to the interest rate applicable to the lease transaction plus 4% per annum (b) collect all costs incurred by the lessor in enforcing its rights hereunder, including court costs and reasonable attorneys' fees (c) require the District to pay all out-of-pocket costs and expenses incurred by the lessor as a result (directly or indirectly) of the event of default, including, without limitation, any attorneys' fee and expenses and any costs related to the repossession, safe-keeping, storage, repair, reconditing or disposition of any equipment.

Technology lease obligation – In July 2019, the District entered into an agreement with Apple, Inc. to purchase technology equipment, which serves as collateral for the agreement. The agreement called for a lease term of five years. Annual payments of $398,128 are due on July 15th of each year, with a final payment due in fiscal year 2024. The average interest rate over the lease term is 3.59%. The District has not capitalized any assets under this capital lease as none of the assets acquired met the District's capitalization threshold.

The lease agreement above contain a provision that, in the event of default, the lessor may, at its sole discretion, do any or all of the following (a) declare due and payable any and all amounts which may then be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period (b) enter the premises and take possession of the equipment or require the District at the District's expense to promptly return any or all of such equipment (c) sell or lease the equipment or, for the account of the District, sublease such equipment, continuing to hold the District liable for the difference between the lease payment payable by the District pursuant to the terms of such lease to the end of the current fiscal period and the net proceeds of any such sale, lease or sublease. In the event the lessor sells or otherwise liquidates the equipment following an event of default and realizes net proceeds (after payment of costs) in excess of total lease payments under the related lease that would have been paid during the related scheduled lease term plus any other amounts then due under the related lease, the lessor shall immediately pay the amount of any such excess to the District.

The following is a schedule by years of future minimum lease payments under the capital leases above, together with the present value of the net minimum lease payments at year-end:

Fiscal Year Ending June 30,	Amount
2022	$ 942,184
2023	853,578
2024	856,076
2025	460,307
2026	418,096
2027-2031	1,378,652
2032-2035	439,474
Total minimum lease payments	5,348,367
Less interest:	(695,257)
Present value of minimum lease payments	$ 4,653,110

Bonds payable

General obligation bonds payable consist of the following individual issues:

$7,765,000 general obligation refunding bonds, dated October 19, 2011, due in annual installments beginning in fiscal year 2012 ranging from zero to $605,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on May 15th and November 15th.	$ 4,750,000	
$4,455,000 general obligation refunding bonds, dated September 10, 2013, due in annual installments beginning in fiscal year 2020 ranging from $80,000 to $665,000; varying annual interest rates ranging from 2.00% to 3.00%, payable semi-annually on May 15th and November 15th.		0

$124,445,000 general obligation refunding bonds, dated February 2, 2021, due in annual installments beginning in fiscal year 2022 ranging from $3,060,000 to $9,360,000; varying annual interest rates ranging from 4.00% to 5.00%, payable semi-annually on June 1st and December 31st.	124,445,000
Total general obligation bonds	$ 129,195,000

Certificates of participation

In June 2020, the District issued $985,000 Certificates of Participation. Principal payments are due in annual installments beginning in fiscal year 2021 ranging from $60,000 to $75,000; fixed interest rate of 1.95%, payable semi-annually on May 15th and November 15th.

The following schedule represents the District's debt service requirements to maturity for the outstanding bond and certificates of participation indebtedness at year-end:

	Bonds Payable		Certificates of Participation	
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest
2022	$ 4,507,728	$ 6,055,137	$ 60,000	$ 17,355
2023	3,773,122	5,881,531	60,000	16,185
2024	3,931,588	5,722,902	60,000	15,015
2025	4,090,605	5,557,190	60,000	13,845
2026	4,260,187	5,384,169	60,000	12,675
2027-2031	24,120,380	24,026,398	330,000	44,558
2032-2036	29,787,645	18,269,783	290,000	11,506
2037-2041	35,942,050	12,060,563	-	-
2042-2046	43,335,000	4,469,500	-	-
Total	$ 153,748,305	$ 87,427,173	$ 920,000	$ 131,139

Prior-year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, $8.440,000 of bonds outstanding are considered defeased.

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
2016 Charter School Refunding Revenue Bond	$ 4,175,000	$ -	$ (190,000)	$ 3,985,000	$ 195,000
Total long-term obligations	$ 4,175,000	$ -	$ (190,000)	$ 3,985,000	$ 195,000

Bonds payable

In August 2005, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $5,840,000 in Charter School Revenue Bonds, Series 2005, bearing interest at a rate of 6.50% with a final payment due May 1, 2036. The proceeds of the bonds were loaned to the KQA Building Corporation under a lease agreement to construct the Charter School's school facility. The Charter School is obligated under a lease agreement to make monthly lease payments to the KQA Building Corporation for use of the building. The KQA Building Corporation is required to make semi-annual payments to the Trustee for payment of the bonds. The CECFA issued $4,715,000 in Charter School Refunding Revenue Bonds, Series 2020, due in annual installments beginning in fiscal year 2020 ranging from $175,000 to $310,000 bearing interest at a rate of 2.990%, payable semi-annually on January 1st and July 1st. The following schedule represents the Charter School's debt service requirements to maturity for all outstanding bonded indebtedness:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	$ 195,000	$ 143,204	$ 338,204
2023	205,000	135,834	340,834
2024	210,000	128,188	338,188
2025	215,000	120,698	335,698
2026	220,000	112,343	332,343
2027-2031	1,220,000	432,068	1,652,068
2032-2036	1,410,000	190,052	1,600,052
2037	310,000	5,695	315,695
Total	$ 3,985,000	$ 1,268,082	$ 5,253,082

8. Short-term Debt

In an effort to alleviate short-term cash flow issues, the District participated in the State of Colorado's interest-free loan program, with activity for the current fiscal year as follows:

	Beginning Balance	Borrowings	Repayments	Ending Balance
Short-term debt	$ -	$ 1,583,185	$ 1,583,185	$ -

9. Defined Benefit Pension Plan

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 comprehensive annual financial report ("Annual Report") that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent 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.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, 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 an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the School Division Trust Fund (SCHDTF). The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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, 2021: Eligible employees, 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 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	**19.88%**

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

As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020 for the State‘s 2020-21 fiscal year.

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 $3,576,010 for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.
Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July

1, 2021. 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.

At June 30, 2021, the District reported a liability of $51,981,250 for its proportionate share of the net pension liability. At December 31, 2020, the District's proportion was 0.3722 percent, which was an increase of 0.0926 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension income of $16,589,885. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Charter School	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,856,111	$ -	$ 235,328	$ -
Net difference between projected and actual earnings on pension plan investments	-	11,442,256	-	942,781
Changes of assumptions or other inputs	5,000,435	8,737,608	412,009	719,933
Changes in proportionate share	12,725,280	-	680,450	-
District contributions subsequent to the measurement date	1,657,531	-	176,433	-
	$ 22,239,357	$ 20,179,864	$ 1,504,220	$ 1,662,714

The $1,657,531 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Primary Government Amortization	Charter School Amortization
2022	$ (5,914,658)	$ (622,830)
2023	4,231,676	209,034
2024	1,608,114	67,157
2025	476,830	11,712
	$ 401,962	$ (334,927)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)[1]	Financed by the Annual Increase Reserve

[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.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.40 – 11.00 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)[1]	Financed by the Annual Increase Reserve

[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.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

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

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, 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 percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 percent 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 Board's November 15, 2019, meeting, to be effective January 1, 2020. 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	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives[1]	6.00%	4.70%
Total	**100.00%**	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 rate of return assumption of 7.25 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. 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 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent 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 (dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225 million (dollars) direct distribution payable on July 1, 2020, for the State‘s 2020-21 fiscal year.

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

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 rate, and therefore, the discount rate is 7.25 percent. 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 presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	(6.25%)	Discount Rate	(8.25%)
District's proportionate share of the net pension liability	$ 70,906,682	$ 51,981,250	$ 36,210,129

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

8. Defined Benefit Other Post-Employment Benefit Plan

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the Health Care Trust Fund ("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, as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Annual Report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Enrollment in the PERACare 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 basis for 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $183,477 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $1,888,466 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total

OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.1987 percent, which was an increase of 0.0160 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of $45,201. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Charter School	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,012	$ 415,175	$ 5,012	$ 415,175
Net difference between projected and actual investment earnings	-	77,164	-	77,164
Changes of assumptions or other inputs	14,110	115,799	14,110	115,799
Changes in proportionate share	263,137	-	263,137	-
District contributions subsequent to the measurement date	85,044	-	85,044	-
	$ 367,303	$ 608,138	$ 367,303	$ 608,138

The $85,044 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Primary Government	Charter School
Year Ended June 30,	Amortization	Amortization
2022	$ (87,210)	$ (10,957)
2023	(76,415)	(10,068)
2024	(90,591)	(11,236)
2025	(86,743)	(7,900)
2026	(18,733)	(1,860)
Thereafter	33,813	1,655
	$ (325,879)	$ (40,366)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent

Health care cost trend rates:	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2020, gradually increasing to 4.50 percent in 2029

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019 valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Prescription	$588	$227	$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is $458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%[1]	N/A

[1] C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions was 7.25 percent.

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

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.
The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.

- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 percent 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 Board's November 15, 2019, meeting, to be effective January 1, 2020. 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	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives[1]	6.00%	4.70%

Total	**100.00%**	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 rate of return assumption of 7.25 percent.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$1,839,656	$1,888,466	$1,945,288

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

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

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The

discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Primary Government			
District's proportionate share of the net OPEB liability	$ 2,163,272	$ 1,888,466	$ 1,653,666

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

9. Defined Contribution Pension Plan

Plan Description

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, 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 comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program 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. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021, program members contributed $22,664 to the Voluntary Investment Program.

12. Risk Management

The District and Charter School 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 and Charter School 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 and Charter School pays an annual contribution to the Pool for its insurance coverages. The District and Charter School's contributions for the year were $379,642 and $57,310, respectively.

The District and Charter School 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.

13. – Commitments and Contingencies

Federal and state funding

The District and Charter School 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 and Charter School expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 4, 1997, 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 $1,016,895 for the emergency reserve.

The Charter School believes that the District's ballot issue extends to release the Charter School from the spending limits imposed by TABOR. The Charter School believes that it is in compliance with the requirements of TABOR. However, the Charter School has made certain interpretations of TABOR's language in order to determine its compliance. The Charter School has reserved funds in the amount of $114,394 for the emergency reserve.

14. Subsequent Events

Management of the District has evaluated subsequent events through March 1, 2022, the date these financial statements were available to be issued. No transactions or events that would require adjustment to or disclosures in the financial statements were identified.

Required Supplementary Information

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 12,626,123	$ 14,978,465	$ 15,274,759	$ 296,294
Intermediate sources	-	66,111	171,540	105,429
State sources	19,454,242	21,039,607	21,346,437	306,830
Federal sources	1,132,641	4,166,576	3,201,518	(965,058)
Total revenues	33,213,006	40,250,759	39,994,254	(256,505)
Expenditures				
Instruction	20,520,541	25,749,744	20,224,925	5,524,819
Supporting services	10,598,849	13,045,060	12,390,745	654,315
Food service operations	53,200	46,861	24,853	22,008
Debt service				
Principal retirement	398,128	398,128	346,073	52,055
Interest and fiscal charges	-	-	52,054	(52,054)
Capital outlay	-	-	152,472	(152,472)
Appropriated reserves	-	-	-	-
Total expenditures	31,570,718	39,239,793	33,191,122	6,048,671
Excess of revenues over (under) expenditures	1,642,288	1,010,966	6,803,132	5,792,166
Other financing sources (uses)				
Transfers out	(655,630)	(655,630)	(1,075,000)	(419,370)
Payments to charter school	-	-	(3,538,341)	(3,538,341)
Total other financing sources (uses)	(655,630)	(655,630)	(4,613,341)	(3,957,711)
Net change in fund balance	$ 986,658	$ 355,336	2,189,791	$ 1,834,455
Fund balance at beginning of year			4,556,441	
Fund balance at end of year			$ 6,746,232	

Weld County School District RE-5J

Schedule of the District's Proportionate Share of the Net Pension Liability[1]

PERA's School Division Trust Fund

Last Ten Years

December 31,	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.3722%	0.2796%	0.2841%	0.3143%	0.3088%	0.3132%	0.3051%	0.3012%
District's proportionate share of the net pension liability	$ 51,981,250	$ 41,770,173	$ 50,309,337	$ 101,648,058	$ 91,930,053	$ 47,894,728	$ 41,354,558	$ 38,314,291
State's proportionate share of the net pension liability	-	5,298,015	6,879,103	-	-	-	-	-
Total		$ 47,068,188	$ 57,188,440	$ 101,648,058	$ 91,930,053	$ 47,894,728	$ 41,354,558	$ 38,314,291
District's covered payroll	$ 18,376,864	$ 16,428,917	$ 15,619,613	$ 14,500,368	$ 13,857,737	$ 13,647,184	$ 12,783,103	$ 12,144,306
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.86%	254.25%	322.09%	701.00%	663.38%	350.95%	323.51%	315.49%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.84%	64.06%

* The amounts presented for each fiscal year were determined as of 12/31.

** A direction distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Weld County School District RE-5J

Schedule of District Contributions[1]

PERA's School Division Trust Fund

Last Ten Years

Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 3,576,010	$ 3,306,820	$ 3,079,605	$ 2,826,857	$ 2,580,352	$ 2,456,366	$ 2,242,104	$ 1,971,255
Contributions in relation to the contractually required contribution	(3,576,010)	(3,306,820)	(3,079,605)	(2,826,857)	(2,580,352)	(2,456,366)	(2,242,104)	(1,971,255)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,987,976	$ 17,063,941	$ 16,096,693	$ 14,965,880	$ 14,035,144	$ 13,851,915	$ 13,275,337	$ 12,318,500
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.38%	17.73%	16.89%	16.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Weld County School District RE-5J

Schedule of the District's Proportionate Share of the Net OPEB Liability[1] PERA's Health Care Trust Fund

June 30, 2020

December 31,	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1987%	0.1827%	0.1847%	0.1786%	0.1755%
District's proportionate share of the net OPEB liability	$ 1,888,466	$ 2,053,686	$ 2,512,645	$ 2,321,212	$ 2,275,460
District's covered payroll	$ 18,376,864	$ 16,428,917	$ 15,619,613	$ 14,500,368	$ 13,857,737
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of 12/31.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Weld County School District RE-5J

Schedule of District Contributions[1]

PERA's Health Care Trust Fund

June 30, 2020

Years Ended June 30,	2021	2020	2019	2018	2017
Contractually required contribution	$ 183,477	$ 174,052	$ 164,186	$ 152,652	$ 143,158
Contributions in relation to the contractually required contribution	(183,477)	(174,052)	(164,186)	(152,652)	(143,158)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 17,987,976	$ 17,063,941	$ 16,096,693	$ 14,965,880	$ 14,035,144
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

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

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

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual 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 exits which was not known at the time the budget was adopted.
8. Appropriations lapse at year-end.

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

Other Supplementary Information

Budgetary Comparison Schedule - General Fund

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

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule - Revenues

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Property taxes	$ 11,674,777	$ 13,861,339	$ 13,732,667	$ (128,672)
Specific ownership taxes	700,000	700,000	818,068	118,068
Delinquent taxes and interest		15,000	62,288	47,288
Abatements		100	-	(100)
Earnings on investments	25,000	5,000	2,566	(2,434)
Charter school revenue	-	-	117,346	117,346
Other local revenue	226,346	397,026	541,824	144,798
Total local sources	12,626,123	14,978,465	15,274,759	296,294
Intermediate sources	-	66,111	171,540	105,429
State sources				
Equalization	18,061,664	18,579,946	19,168,803	588,857
COVID-19 State Share Mitigation			452,890	452,890
Vocational education	31,335	31,335	86,035	54,700
ECEA	775,406	760,385	771,527	11,142
ELPA professional development	62,665	54,295	1,286	(53,009)
English language proficiency			640	640
CPP tax check off			-	-
Gifted and talented	64,031	65,166	42,286	(22,880)
Transportation	221,700	226,298	238,573	12,275
State grants to libraries		8,516	8,516	-
School health professional	60,381	105,937	105,937	-
Gifted education USQP		24,700	24,700	-
Small rural schools funding		548,112	186,914	(361,198)
Additional at-risk funding			12,932	12,932
Computer science education grant		51,374	50,018	(1,356)
				-
Foster care transportation			4,636	4,636
READ act	177,060	177,543	177,543	-
Connecting student grant			7,201	7,201
Other state grants through CDE	-	6,000	6,000	-
State on-behalf payment		400,000	-	(400,000)
Total state sources	19,454,242	21,039,607	21,346,437	306,830

Continued.

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule - Revenues Continued

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Federal sources				
Title I, Part A	261,946	261,946	217,883	(44,063)
IDEA part B	643,157	643,157	430,138	(213,019)
IDEA preschool		14,902	14,902	-
Title III ELA	15,180	15,180	30	(15,150)
Title II-A	72,467	72,467	72,322	(145)
Title IV-A			3,577	3,577
Title 1-A school improvement	15,891	15,891	-	(15,891)
Coronavirus relief		1,808,802	1,811,561	2,759
08 CRF At-Risk Funding		98321	98321	-
09 CRF Safe Schools Reopening		10545	10545	-
10 ESSER		193833	175701	(18,132)
11 ESSER 2		866794	124123	(742,671)
School climate grant	60,000	141,371	161,372	20,001
Services within the BOCES	12,000	23,367	20,429	(2,938)
Other federal sources	52,000	-	60,614	60,614
Total federal sources	1,132,641	4,166,576	3,201,518	(965,058)
Total revenues	$ 33,213,006	$ 40,250,759	$ 39,994,254	$ (256,505)

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Expenditures				
Instruction				
Salaries	$ 13,625,620	$ 17,089,556	$ 13,415,039	$ 3,674,517
Employee benefits	5,085,885	5,388,293	5,031,430	356,863
Purchased services	968,543	1,594,051	1,223,982	370,069
Supplies and materials	840,493	1,573,092	437,911	1,135,181
Property	-	-	105,795	(105,795)
Other	-	104,752	10,768	93,984
Total instruction	20,520,541	25,749,744	20,224,925	5,524,819
Supporting services				
Students				
Salaries	752,987	1,491,997	$ 1,357,091	134,906
Employee benefits	287,696	608,125	518,497	89,628
Purchased services	6,950	25,375	14,839	10,536
Supplies and materials	7,775	105,107	120,507	(15,400)
Other	-	-	567	(567)
Total students	1,055,408	2,230,604	2,011,501	219,103
Instructional staff				
Salaries	605,605	959,999	$ 943,743	16,256
Employee benefits	206,770	333,138	323,679	9,459
Purchased services	78,779	237,008	310,765	(73,757)
Supplies and materials	15,750	24,281	30,795	(6,514)
Property	-	-	-	-
Other		1,854	1,267	587
Total instructional staff	906,904	1,556,280	1,610,249	(53,969)
General administration				
Salaries	166,200	184,005	$ 333,955	(149,950)
Employee benefits	47,224	50,878	84,423	(33,545)
Purchased services	219,400	289,596	319,038	(29,442)
Supplies and materials	62,616	47,000	49,721	(2,721)
Property	-	-	17,882	(17,882)
Other	385,721	363,721	4,862	358,859
Total general administration	881,161	935,200	809,881	125,319

Continued.

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule - Expenditures Continued

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
School administration				
Salaries	1,266,816	1,359,031	$ 1,362,683	(3,652)
Employee benefits	502,258	503,989	504,263	(274)
Purchased services	39,500	54,579	49,362	5,217
Supplies and materials	16,000	63,551	36,480	27,071
Property	-	-	762	(762)
Other	-	5,600	5,619	(19)
Total school administration	1,824,574	1,986,750	1,959,169	27,581
Business services				
Salaries	316,266	335,117	$ 340,755	(5,638)
Employee benefits	110,133	117,383	117,097	286
Purchased services	10,500	13,850	13,038	812
Supplies and materials	1,800	3,000	7,139	(4,139)
Other	2,500	2,500	6,911	(4,411)
Total business services	441,199	471,850	484,940	(13,090)
Operations and maintenance				
Purchased services	2,553,229	2,639,091	118,456	2,520,635
Supplies and materials	462,500	625,234	856,772	(231,538)
Property	-	11,150	2,188,689	(2,177,539)
Total operations and maintenance	3,015,729	3,275,475	3,163,917	111,558
Student transportation				
Salaries	550,404	589,682	$ 492,223	97,459
Employee benefits	152,673	170,646	236,274	(65,628)
Purchased services	260,539	245,905	117,820	128,085
Supplies and materials	206,800	119,800	40,736	79,064
Property	-	-	107,885	(107,885)
Other	-	-	46,340	(46,340)
Total student transportation	1,170,416	1,126,033	1,041,278	84,755

Continued.

Weld County School District RE-5J

General Fund

Budgetary Comparison Schedule - Expenditures Continued

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Central support services				
Salaries	389,456	433,737	$ 460,682	(26,945)
Employee benefits	146,072	151,821	163,764	(11,943)
Purchased services	719,730	787,635	631,811	155,824
Supplies and materials	47,000	72,750	(13,313)	86,063
Property	-	-	50,606	(50,606)
Other	1,200	1,925	1,260	665
Total central support services	1,303,458	1,447,868	1,294,810	153,058
Community services				
Purchased services	-	15,000	15,000	-
Total community service	-	15,000	15,000	-
Total supporting services	10,598,849	13,045,060	12,390,745	654,315
Food service operations				
Salaries	-	-	$ 1,414	(1,414)
Purchased services	53,200	28,200	14,778	13,422
Supplies and materials	-	8,661	8,661	-
Other	-	10,000	-	10,000
				-
Total food service operations	53,200	46,861	24,853	22,008
Debt service				
Principal retirement	398,128	398,128	346,073	52,055
Interest and fiscal charges	-	-	52,054	(52,054)
Total debt service	398,128	398,128	398,127	1
Capital outlay	-	-	152,472	(152,472)
Appropriated reserves	-	-	-	-
Total expenditures	$ 31,570,718	$ 39,239,793	$ 33,191,122	$ 6,048,671

Budgetary Comparison Schedule - Nonmajor Governmental Funds

The District reports the following nonmajor special revenue fund:

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 record financial transactions related to the District's food service operations.

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

Weld County School Distrcit RE-5J

Nonmajor Governmental Funds

Combining Balance Sheet

For the Year Ended June 30, 2021

	Food Service Fund	Pupil Activity Fund	Totals
Assets			
Cash	$ 366,394	$ 552,849	$ 919,243
Grants receivable	48,938	-	48,938
Other receivables	211,334	2,404	213,738
Total assets	$ 626,666	$ 555,253	$ 1,181,919
Liabilities			
Accounts payable	$ 44,755	$ 14,000	$ 58,755
Accrued salaries and benefits	-	-	-
Unearned revenues	72,206	-	72,206
Total liabilities	116,961	14,000	130,961
Fund balance			
Restricted for food service operations	509,705	-	509,705
Restricted for pupil activities	-	541,253	541,253
Total fund balance	509,705	541,253	1,050,958
Total liabilities and fund balance	$ 626,666	$ 555,253	$ 1,181,919

Weld County School District RE-5J

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2021

	Food Service Fund	Pupil Activity Fund	Totals
Revenues			
Local sources	$ 94,645	$ 359,718	$ 454,363
State sources	16,421	-	16,421
Federal sources	1,296,386	-	1,296,386
Total revenues	1,407,452	359,718	1,767,170
Expenditures			
Instruction	-	355,170	355,170
Supporting services	1,172,282	291	1,172,573
Total expenditures	1,172,282	355,461	1,527,743
Net change in fund balances	235,170	4,257	239,427
Fund balance at beginning of year	274,535	536,996	811,531
Fund balance at end of year	$ 509,705	$ 541,253	$ 1,050,958

Weld County School District RE-5J

Food Service Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 723,345	$ 113,007	$ 94,645	$ (18,362)
State sources	42,980	16,421	16,421	-
Federal sources	807,675	1,354,972	1,296,386	(58,586)
Total revenues	1,574,000	1,484,400	1,407,452	(76,948)
Expenditures				
Food service operations				
Salaries	16,540	-	-	-
Employee benefits	6,600	16	-	16
Purchased services	824,420	1,113,635	1,018,715	94,920
Supplies and materials	726,440	189,859	117,087	72,772
Property	-	30,890	36,480	(5,590)
Appropriated reserves	-	150,000	-	150,000
Total expenditures	1,574,000	1,484,400	1,172,282	312,118
Net change in fund balance	$ -	$ -	235,170	$ 235,170
Fund balance at beginning of year			274,535	
Fund balance at end of year			$ 509,705	

Weld County School Distrcit RE-5J

Pupil Activity Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Fundraising and other events	$ 650,000	$ 650,000	$ 359,718	$ (290,282)
Expenditures				
Instruction				
Purchased services			125,139	(125,139)
Supplies and materials	650,000	650,000	225,101	424,899
Property	-	-	685	(685)
Other	-	-	4,245	(4,245)
Supporting services				
Students	-	-	291	(291)
Appropriated reserves	525,000	525,000	-	525,000
Total expenditures	1,175,000	1,175,000	355,461	819,539
Net change in fund balance	$ (525,000)	$ (525,000)	4,257	$ 529,257
Fund balance at beginning of year			536,996	
Fund balance at end of year			$ 541,253	

Budgetary Comparison Schedule - Debt Service Fund

The District reports the following major debt service fund:

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

- Bond Redemption Fund – This fund is 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.

Weld County School District RE-5J

Bond Redemption Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Property taxes	$ 2,900,000	$ 10,444,865	$ 10,336,013	$ (108,852)
Specific ownership tax	-	-	395	395
Delinquent taxes and interest	-	-	16,105	16,105
Interest on investments	-	-	730	730
Total revenues	2,900,000	10,444,865	10,353,243	(91,622)
Expenditures				
Debt service				
Principal	1,105,000	1,105,000	1,105,000	-
Interest and fiscal charges	191,500	2,860,358	2,251,816	608,542
Appropriated reserves	9,103,500	13,941,033	-	13,941,033
Total expenditures	10,400,000	17,906,391	3,356,816	14,549,575
Net change in fund balance	(7,500,000)	(7,461,526)	6,996,427	14,457,953
Fund balance at beginning of year			7,461,526	
Fund balance at end of year			$ 14,457,953	

Budgetary Comparison Schedule - Capital Projects Funds

The District reports the following major capital projects funds:

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

- 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.

- Building Fund – The Building Fund is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings.

Weld County School District RE-5J

Capital Reserve Capital Projects Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources				
Earnings on investments	$ -	$ 100	$ 120	$ 20
Other local revenues	-	-	19,437	19,437
Contributions	40,000	161,817	160,471	(1,346)
Total local sources	40,000	161,917	180,028	18,111
State sources				
Kindergarten capital constructior	-	154,489	154,489	-
Homeland security grant	-	125,608	125,207	(401)
Total state sources	-	280,097	279,696	(401)
Total revenues	40,000	442,014	459,724	17,710
Expenditures				
Capital outlay				
Purchased services	148,098	588,650	173,215	415,435
Supplies and materials	237,370	169,550	83,039	86,511
Property	-	325,000	517,211	(192,211)
Debt service				
Principal	432,705	410,747	499,983	(89,236)
Interest and fiscal charges	123,827	268,441	143,559	124,882
Appropriated reserves	202,630	766,440	-	766,440
Total expenditures	1,144,630	2,528,828	1,417,007	1,111,821
Excess of revenues over (under) expenditures	(1,104,630)	(2,086,814)	(957,283)	1,129,531
Other financing sources				
Transfers in	659,630	1,075,000	1,075,000	-
Total other financing sources	659,630	1,075,000	1,075,000	-
Net change in fund balance	$ (445,000)	$ (1,011,814)	117,717	$ 1,129,531
Fund balance at beginning of year			1,297,839	
Fund balance at end of year			$ 1,415,556	

Weld County School District RE-5J

Building Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Earnings on investments	$ -	$ -	$ 37,899	$ 37,899
Total local sources	-	-	37,899	37,899
State sources				
Best Lease Purchase Grant	$ -	$ -	$ 236,476	$ 236,476
Total state sources	-	-	236,476	236,476
Total revenues	-	-	274,375	274,375
Expenditures				
Supporting services				
Business services				
Salaries	-	-	3,569	(3,569)
Benefits	-	-	1,524	(1,524)
Central support services				
Purchased services	-	40,000	36,500	3,500
Capital outlay				
Purchased services	-	-	1,124,752	(1,124,752)
Property	-	9,820,000	1,945,590	7,874,410
Bond issuance costs			777,008	
Appropriated reserves		6,000,000	-	6,000,000
Total expenditures	-	15,860,000	3,888,943	12,748,065
Excess of revenues over (under) expenditures	-	(15,860,000)	(3,614,568)	13,022,440
Other financing sources				
Transfers in				-
Proceeds from bond issuance	-	154,000,000	179,108,411	25,108,411
Total other financing sources	-	154,000,000	179,108,411	25,108,411
Net change in fund balance	$ -	$ 138,140,000	175,493,843	$ 38,130,851
Fund balance at beginning of year			-	
Fund balance at end of year			$ 175,493,843	

Colorado Department of Education

Auditors Integrity Report

District: 3110 - Johnstown-Milliken RE-5J
Fiscal Year 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	4,373,520	34,428,797	32,298,049	6,504,268
18 Risk Mgmt Sub-Fund of General Fund	182,922	500,000	485,091	197,831
19 Colorado Preschool Program Fund	0	494,702	450,569	44,133
Sub- Total	**4,556,441**	**35,423,499**	**33,233,708**	**6,746,232**
11 Charter School Fund	2,311,636	3,688,692	3,178,185	2,822,143
20,26-29 Special Revenue Fund	616,104	373,860	341,693	648,272
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	274,536	1,407,450	1,172,282	509,704
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	558,467	369,113	362,625	564,955
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	7,461,527	10,353,243	3,356,816	14,457,954
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	179,382,786	3,888,942	175,493,843
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,297,839	1,534,724	1,417,007	1,415,556
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**17,076,550**	**232,533,368**	**46,951,258**	**202,658,660**
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**

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