



# **Weld County School District RE-8**

## **Financial Statements and Supplementary Information**

For the Year Ended June 30, 2021

# Weld County School District RE-8

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## **Independent Auditor's Report**

Board of Education  
Weld County School District RE-8  
Eaton, Colorado

### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (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, 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information from the general fund and government designated purpose grants fund, and the pension and other post-employment benefits related schedules 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual major and nonmajor fund financial statements and budgetary comparison information and Auditor's Integrity Report are presented for purposes of additional analysis and are 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*

February 28, 2022

## **WELD RE-8 SCHOOL DISTRICT**

### **Management's Discussion and Analysis For the Year Ended June 30, 2021**

As management of the Weld Re-8 School District (the District) we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

#### **Financial Highlights**

The liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$(14,638,084) (net position), a change of \$11,360,848 from the previous fiscal year of \$(25,998,932). In 2017, the District issued \$48,600,000 of General Obligation Bonds for acquiring, constructing, repairing and improving District capital assets.

The General Fund operations of the District are funded primarily by the tax revenue received under the State School Finance Act (the Act) in the amount of \$18,203,004. Total General Fund revenue for the year was \$24,209,763.

#### **Overview of the Financial Statements**

This management's discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### **Government-Wide Financial Statements**

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

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

During the year ended June 30, 2015, the District implemented GASB 68 which revised and established financial reporting requirements for most governments that provide their employees with pension benefits. The District provides its employees with a pension administered by PERA. GASB 68 requires the District to record our proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District's portion for 2021 increased from \$41,128,009 to \$45,983,758.

The governmental activities of the District include instruction and support services.

## **WELD RE-8 SCHOOL DISTRICT**

### **Management's Discussion and Analysis For the Year Ended June 30, 2021**

The statement of activities presents information reporting how the District's net position changed during fiscal year 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, transportation, and Food Services.

The Government-wide financial statements can be found on pages 14-15 of this report.

#### **Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements.

#### **Governmental Funds**

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

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

The District uses eight Governmental Funds. The General Fund is the largest Governmental Fund and encompasses most of the District's revenues and expenditures. The other seven funds consist of the Food Services Fund, the Government Designated Purpose Grants Fund, the Bond Redemption Fund, the Capital Reserve Fund, the Pupil Activity Fund, the Program Reserve Fund, and the Building Fund. An annual



## **WELD RE-8 SCHOOL DISTRICT**

### **Management's Discussion and Analysis For the Year Ended June 30, 2021**

appropriated budget for the District is adopted for each fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 16-19 of this report.

#### **Fiduciary Funds**

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District's only fiduciary fund is the Private Purpose Trust Fund, which provides scholarships to qualifying students.

The fiduciary fund financial statements can be found on pages 20-21 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 22-52 of this report.

#### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the District. The District adopts an annual appropriated budget for all funds, except Agency funds. A budgetary comparison schedule has been provided for the General Fund and the Government Designated Purpose Grants Fund to demonstrate compliance with this budget.

#### **Supplementary Information**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Additionally, budget to actual schedules are presented for all other funds not presented as part of the required supplementary information.

# WELD RE-8 SCHOOL DISTRICT

## Management's Discussion and Analysis For the Year Ended June 30, 2021

### Government – Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2021, the District's combined liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$14,638,084. Of this amount \$(46,062,668) is unrestricted; however, since it is negative, it is not available to meet the District's ongoing financial obligations. \$18,053,008, is invested in capital assets. In addition, \$544,865 is restricted for capital projects; \$12,066,428 is restricted for debt service; and \$760,283 is restricted for emergencies under TABOR.

### Weld Re-8 School District Net Position

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Current Assets	\$ 24,977,066	\$ 26,160,648
Capital Assets, Net	76,485,265	78,733,359
<b>Total Assets</b>	<b>101,462,331</b>	<b>104,894,007</b>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows of Resources Relating to Pensions	11,089,360	5,536,028
Deferred Outflows of Resources Relating to Other Post Employment Benefits	745,491	748,901
<b>Total Deferred Outflows of Resources</b>	<b>11,834,851</b>	<b>6,284,929</b>
<b>Liabilities</b>		
Current Liabilities	3,414,881	3,751,923
Non-current Liabilities	106,130,205	104,165,659
<b>Total Liabilities</b>	<b>109,545,086</b>	<b>107,917,582</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows of Resources Relating to Pensions	17,851,553	27,343,932
Deferred Revenues	-	1,542,875
Deferred Inflows of Resources Relating to Other Post Employment Benefits	538,627	373,479
<b>Total Deferred Inflows of Resources</b>	<b>18,390,180</b>	<b>29,260,286</b>
<b>Net Position</b>		
Net Investment in Capital Assets	18,053,008	17,810,903
Restricted	13,371,576	13,094,036
Unrestricted	(46,062,668)	(56,903,871)
<b>Total Net Position</b>	<b>\$ (14,638,084)</b>	<b>\$ (25,998,932)</b>

**WELD RE-8 SCHOOL DISTRICT****Management's Discussion and Analysis  
For the Year Ended June 30, 2021****Governmental Activities**

Governmental activities increased the District's net position by \$11,360,848 due to mitigation funding received from CDE and the increase to bond reserves. Expenses decreased \$2,714,393 or 10% due to the COVID-19 Pandemic and the affected instability of the CDE School Finance formula.

**Weld Re-8 School District  
Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Program Revenues</b>		
Charges for Services	\$ 181,759	\$ 506,917
Operating Grants and Contributions	8,208,208	5,015,614
<b>General Revenues</b>		
Property Taxes	24,748,394	31,137,076
Specific Ownership Taxes	1,064,538	1,450,134
Earnings on Investments	104,233	354,354
Other Revenues	1,977,104	311,120
<b>Total Revenues</b>	<b>36,284,236</b>	<b>38,775,215</b>
<b>Expenses</b>		
Instruction	12,798,514	13,343,471
Supporting Services	9,203,357	10,732,549
Food Service Operations	741,883	1,209,771
Interest on Long Term Debt	2,179,634	2,345,624
<b>Total Expenses</b>	<b>24,923,388</b>	<b>27,631,415</b>
<b>Change in Net Position</b>	<b>11,360,848</b>	<b>11,143,800</b>
<b>Cumulative Effect of a Change in Accounting Principle</b>	<b>-</b>	<b>178,126</b>
<b>Net Position, Beginning</b>	<b>(25,998,932)</b>	<b>(37,320,832)</b>
<b>Net Position, Ending</b>	<b>\$ (14,638,084)</b>	<b>\$ (25,998,932)</b>

**Financial Analysis of the District's Funds****Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

## WELD RE-8 SCHOOL DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2021

Unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

#### General Fund

The General Fund is the major operating fund of the District, providing the majority of resources for the educational and support programs. The General Fund includes the Mill Levy Override (MLO) Funds, MLO 2030 and MLO 2026, and the Preschool Fund. The Preschool Program is required to receive a certain amount of revenue transferred from the General Fund based on Per Pupil Revenue (PPR). Revenues for the General Fund totaled \$24,209,763 in fiscal year 2021 compared to \$26,674,439 in fiscal year 2020, a decrease of \$2,464,676 or 9.23%. Expenditures totaled \$25,241,281 compared to \$27,924,561, a decrease of \$2,683,280 or 9.6%.

#### Revenues

**Property Taxes.** General Fund property tax revenues decreased \$3,310,751 or 14.2% due to the state funding formula. Property taxes accounted for about 82.7% of the District's General Fund revenue.

**Specific Ownership Taxes.** Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax decreased \$385,596, or 26.6%. Specific Ownership taxes accounted for 4.4% of the District's General Fund revenue.

**State Equalization.** State equalization revenue remained the same in fiscal year 2021 and accounted for 0.0% of the District's General Fund revenue. State Equalization did not occur in 2020 or 2021 due to the high amount of local funding, this was a temporary situation.

**State and Federal Grants.** State grants revenue increased \$1,531,343 or 111% in fiscal year 2021 and accounted for 12% of the District's General Fund revenue.

Revenues	2021	2020	Amount of Change	Percentage Change
Property Taxes	\$ 20,010,829	\$ 23,321,580	\$ (3,310,751)	-14.2%
Specific Ownership Tax	1,064,538	1,450,134	(385,596)	-26.6%
State Equalization	-	-	-	0.0%
State Grants	2,911,491	1,380,148	1,531,343	111%
Investment Income	75,459	210,897	(135,438)	-64.2%
Miscellaneous	147,446	311,680	(164,234)	-53%
<b>Total</b>	<b>\$ 24,209,763</b>	<b>\$ 26,674,439</b>	<b>\$ (2,464,676)</b>	<b>-9%</b>

## WELD RE-8 SCHOOL DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2021

#### Expenditures

Overall expenditures for the General Fund decreased by \$2,683,280 or 9.6% from the previous year.

Expenditures	2021	2020	Amount of Change	Percentage Change
Instruction	\$ 14,748,965	\$ 16,032,277	\$ (1,283,312)	-8%
Students	945,370	1,126,756	(181,386)	-16%
Instructional Staff	1,043,928	1,937,656	(893,728)	-46%
General Administration	484,554	520,050	(35,496)	-6.8%
School Administration	1,968,451	2,160,093	(191,642)	-8.8%
Business Services	395,121	397,240	(2,119)	-.5%
Operations and Maintenance	3,534,658	3,537,802	(3,144)	0%
Pupil Transportation	952,335	998,965	(46,630)	-4.6%
Central Supporting Services	1,141,350	1,159,424	(18,074)	-1.5%
Community Services	-	37,417	(37,417)	-100%
Capital Outlay	26,549	16,881	9,668	57%
<b>Total</b>	<b>\$ 25,241,281</b>	<b>\$ 27,924,561</b>	<b>\$ (2,683,280)</b>	<b>-9.6%</b>

#### Other Major Funds

The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt. Bond Redemption Fund property tax revenues decreased \$86,833 to \$6,545,393. Total principal and interest on debt serviced was \$2,315,000 and \$2,300,409, respectively.

The Building Fund accounts for the proceeds of general obligation bonds amounting to \$64,365,000. The purpose of the bonds is for acquiring, constructing, repairing and improving District capital assets and to pay the costs of issuance of the Bonds. During the year ended June 30, 2021, the District expended \$41,434 on the various improvement projects.

#### General Fund Budgetary Highlights

General Fund revenues and other financing sources budgeted were \$25,799,741 and actual revenues were \$24,209,763. The District budgeted for General Fund expenditures of \$26,899,758 for the year ended June 30, 2021. Actual expenditures were \$25,241,281.

# WELD RE-8 SCHOOL DISTRICT

## Management's Discussion and Analysis For the Year Ended June 30, 2021

### Capital Assets

As of June 30, 2021, the District's Governmental Activities Capital Assets had \$76,485,265 net of accumulated depreciation, invested in a broad range of capital assets, including buildings and improvements, site improvements, transportation equipment and other equipment. The District's primary expenditures were the renovations at all existing schools and the building of the new Homyak PK-8. Additional information along with a summary can be found in Note 4 to the financial statements.

	2021	2020
<b>Governmental activities:</b>		
Buildings and Improvements	\$ 94,346,777	\$ 94,268,693
Site Improvements	2,529,222	2,529,222
Transportation Equipment & Vehicles	2,388,912	2,931,822
Other Equipment	619,820	613,330
Total capital assets, being depreciated	99,884,731	100,343,067
<b>Less accumulated depreciation for:</b>		
Buildings and improvements	(19,973,901)	(17,968,634)
Site Improvements	(1,432,839)	(1,362,422)
Transportation Equipment	(1,522,166)	(2,013,434)
Other Equipment	(470,560)	(265,218)
Total accumulated depreciation	(23,399,466)	(21,609,708)
<b>Capital assets, net</b>	<b>\$ 76,485,265</b>	<b>\$ 78,733,359</b>

## WELD RE-8 SCHOOL DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2021

#### Long-Term Obligations

As of June 30, 2021, the District has long-term obligations of \$58,467,472. The following is a summary of the District's long-term obligations balances:

	2021	2020
General Obligation Bonds	\$ 52,460,000	\$ 54,775,000
Deferred Premium	5,774,627	5,888,815
Capital Lease Obligations	197,630	258,641
Compensated Absences	41,581	93,415
Total Long-Term Obligations	<u>\$ 58,473,838</u>	<u>\$ 61,015,871</u>

Additional information can be found in Note 6 to the financial statements.

#### Economic Factors and Next Year's Budget

Current school finance legislation continues to have language associated with "negative factors" which continue to erode the District's budget. While local assessed valuations have risen, unlike other governmental entities that may see revenues rise due to valuation, education participates in an equalized funding formula which has nullified the effect of rising valuations and additional dollars to the district.

The primary factors driving the budget for the District are student enrollment and rescissions imposed by the State. The Funded Pupil Count for the 2020 - 21 school year was 2,258.6. The Funded Pupil Count projected for the 2021 - 22 school year is expected to be 2,248.0. These factors, in addition to expected rescission factors, were considered in preparing the District's budget for 2021 - 22.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act added \$82 billion in funding for the Education Stabilization Fund including \$54.3 billion for the ESSER Fund. This tranche of funding is called ESSER II. The District's allocation of the ESSER II funding is \$1,547,339; these dollars are to be spent through FY22-23.

In March 2021, the American Rescue Plan (ARP) Act added \$123 billion to the Elementary and Secondary Education Relief (ESSER) fund in emergency pandemic relief aid for K-12 schools nationally. ESSER III has a heavy emphasis on addressing the learning impacts of COVID-19 by requiring local education agencies to use at least 20% of funding for this purpose including interventions, summer programming, and after-school opportunities. The District's allocation of the ESSER III funding is \$3,475,104; these dollars are to be spent through FY23-24.

**WELD RE-8 SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

**Requests for Information**

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Weld Re-8 School District  
Business Office  
200 South Fulton Ave  
Fort Lupton, CO 80621



## Basic Financial Statements

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**Weld County School District RE-8**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 24,129,298
Cash with County Treasurer	182,561
Receivables	625,287
Due from fiduciary funds	1,161
Inventories	38,759
Capital assets, net	76,485,265
<b>Total assets</b>	<b>101,462,331</b>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources relating to pensions	11,089,360
Deferred outflows of resources relating to other post employment benefits	745,491
<b>Total deferred outflows of resources</b>	<b>11,834,851</b>
<b>Liabilities</b>	
Accounts payable	127,029
Accrued salaries and benefits	2,982,602
Accrued interest payable	146,232
Unearned revenue	139,973
Due to other governments	19,045
Noncurrent liabilities:	
Accrued compensated absences	41,581
Due within one year	2,448,445
Due in more than one year	55,983,812
Net pension liability	45,983,758
Net other post employment benefit liability	1,672,609
<b>Total liabilities</b>	<b>109,545,086</b>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources relating to pensions	17,851,553
Deferred outflows of resources relating to other post employment benefits	538,627
<b>Total deferred inflows of resources</b>	<b>18,390,180</b>
<b>Net position</b>	
Net investment in capital assets	18,053,008
Restricted for:	
Emergencies	760,283
Debt service	12,066,428
Capital projects	544,865
Unrestricted	(46,062,668)
<b>Total net position</b>	<b>\$ (14,638,084)</b>

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

# Weld County School District RE-8

## Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Governmental Activities
<b>Governmental activities</b>					
Instruction	\$ 12,798,514	\$ 177,086	\$ 7,268,374	\$ -	\$ (5,353,054)
Supporting services					
Students	2,004,359	-	-	-	(2,004,359)
Instructional staff	913,912	-	-	-	(913,912)
General administration	326,676	-	-	-	(326,676)
School administration	1,101,794	-	-	-	(1,101,794)
Business services	280,712	-	-	-	(280,712)
Maintenance and operations	3,080,090	-	-	-	(3,080,090)
Pupil transportation	595,100	-	-	-	(595,100)
Central supporting services	900,714	-	-	-	(900,714)
Food service operations	741,883	4,673	939,834	-	202,624
Interest on long-term debt	2,179,634	-	-	-	(2,179,634)
<b>Total governmental activities/ primary government</b>	<b>\$ 24,923,388</b>	<b>\$ 181,759</b>	<b>\$ 8,208,208</b>	<b>\$ -</b>	<b>\$ (16,533,421)</b>
<b>General revenues</b>					
Property taxes levied for:					
General purposes					18,203,004
Debt services					6,545,390
Specific ownership taxes for:					
General purposes					1,064,538
Other revenues					1,977,104
Earnings on investments					104,233
Total general revenues					27,894,269
Change in net position					11,360,848
Net position at beginning of year					(25,998,932)
Net position at end of year					\$ (14,638,084)

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

# Weld County School District RE-8

## Balance Sheet

### Governmental Funds

June 30, 2021

	General Fund	Bond Redemption Fund	Building Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash, cash equivalents and investments	\$ 11,784,038	\$ 12,084,198	\$ 196,682	\$ -	\$ 64,380	\$ 24,129,298
Cash with County Treasurer	167,576	14,985	-	-	-	182,561
Receivables	53,150	(5,584)	-	406,859	170,862	625,287
Inventories	-	-	-	-	38,759	38,759
Due from other funds	-	-	348,183	41,600	1,165,153	1,554,936
<b>Totals assets</b>	<b>\$ 12,004,764</b>	<b>\$ 12,093,599</b>	<b>\$ 544,865</b>	<b>\$ 448,459</b>	<b>\$ 1,439,154</b>	<b>\$ 26,530,841</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 87,144	\$ -	\$ -	\$ 17,849	\$ 22,036	\$ 127,029
Accrued salaries and benefits	2,678,000	-	-	303,227	1,375	2,982,602
Deferred revenues	-	11,366	-	128,607	-	139,973
Due to other governments	19,045	-	-	-	-	19,045
Due to other funds	1,483,678	15,805	-	-	54,292	1,553,775
<b>Total liabilities</b>	<b>4,267,867</b>	<b>27,171</b>	<b>-</b>	<b>449,683</b>	<b>77,703</b>	<b>4,822,424</b>
<b>Deferred inflows of resources</b>						
Unearned property taxes	58,076	-	-	-	-	58,076
<b>Total deferred inflows of resources</b>	<b>58,076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,076</b>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	38,759	38,759
Restricted	760,283	12,066,428	544,865	-	-	13,371,576
Committed	-	-	-	-	-	-
Assigned	468,159	-	-	-	1,322,692	1,790,851
Unassigned	6,450,379	-	-	(1,224)	-	6,449,155
<b>Total fund balances</b>	<b>7,678,821</b>	<b>12,066,428</b>	<b>544,865</b>	<b>(1,224)</b>	<b>1,361,451</b>	<b>21,650,341</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,004,764</b>	<b>\$ 12,093,599</b>	<b>\$ 544,865</b>	<b>\$ 448,459</b>	<b>\$ 1,439,154</b>	<b>\$ 26,530,841</b>

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

**Weld County School District RE-8**  
**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 balances - governmental funds	\$ 21,650,341
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported on the fund financial statements.

Capital assets	\$ 99,884,731	
Less: accumulated depreciation	<u>(23,399,466)</u>	76,485,265

Certain deferred revenues are not available to pay current year expenditures and, therefore, are deferred in the funds. This amount represents property taxes that are not available soon enough to pay for current period expenditures.	58,076
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 11,089,360	
Deferred inflows of resources	<u>(17,851,553)</u>	(6,762,193)

Other post employment benefit related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year, and therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 745,491	
Deferred inflows of resources	<u>(538,627)</u>	206,864

Long-term liabilities, including net pension and net post employment benefit obligations, are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consist of:

Bonds payable	\$ (52,460,000)	
Plus: bond premium	(5,774,627)	
Capital leases payable	(197,630)	
Accrued interest payable	(146,232)	
Compensated absences	(41,581)	
Net pension liability	(45,983,758)	
Net other post employment benefit liability	<u>(1,672,609)</u>	(106,276,437)

Total net position of governmental activities	\$ (14,638,084)
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*The accompanying notes are an integral part of these financial statements.*

**Weld County School District RE-8**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	General Fund	Bond Redemption Fund	Building Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local	\$ 21,075,367	\$ 6,545,393	\$ -	\$ -	\$ 177,166	\$ 27,797,926
State	2,911,491	-	-	776,375	10,086	3,697,952
Federal	-	-	-	3,367,399	1,016,997	4,384,396
Grants and contributions	-	-	-	135,946	-	135,946
Charges for services	-	-	-	-	4,673	4,673
Earnings on investments	75,459	27,866	292	-	616	104,233
Other	147,446	-	-	-	-	147,446
<b>Total revenues</b>	<b>24,209,763</b>	<b>6,573,259</b>	<b>292</b>	<b>4,279,720</b>	<b>1,209,538</b>	<b>36,272,572</b>
<b>Expenditures</b>						
Current						
Instruction	14,748,965	-	-	3,465,366	196,849	18,411,180
Supporting services						
Students	945,370	-	-	59,654	-	1,005,024
Instructional staff	1,043,928	-	-	744,634	-	1,788,562
General administration	484,554	-	-	-	-	484,554
School administration	1,968,451	-	-	-	-	1,968,451
Business services	395,121	-	-	-	-	395,121
Maintenance and operations	3,534,658	-	-	-	193,615	3,728,273
Pupil transportation	952,335	-	-	-	-	952,335
Central supporting services	1,141,350	-	-	-	-	1,141,350
Food service operations	-	-	-	7,090	940,928	948,018
Debt service						
Principal	-	2,315,000	-	-	61,011	2,376,011
Interest expense	-	2,300,409	-	-	10,336	2,310,745
Capital outlay	26,549	-	41,434	-	27,217	95,200
<b>Total expenditures</b>	<b>25,241,281</b>	<b>4,615,409</b>	<b>41,434</b>	<b>4,276,744</b>	<b>1,429,956</b>	<b>35,604,824</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,031,518)</b>	<b>1,957,850</b>	<b>(41,142)</b>	<b>2,976</b>	<b>(220,418)</b>	<b>667,748</b>
<b>Other financing sources (uses)</b>						
Proceeds from the sale of capital assets	-	-	-	-	23,031	23,031
Transfers in	1,209,713	-	-	-	300,000	1,509,713
Transfers out	-	-	-	-	(1,509,714)	(1,509,714)
<b>Total other financing sources (uses)</b>	<b>1,209,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,186,683)</b>	<b>23,030</b>
<b>Net change in fund balances</b>	<b>178,195</b>	<b>1,957,850</b>	<b>(41,142)</b>	<b>2,976</b>	<b>(1,407,101)</b>	<b>690,778</b>
<b>Fund balances at beginning of year</b>	<b>7,500,626</b>	<b>10,108,578</b>	<b>586,007</b>	<b>(4,200)</b>	<b>2,768,552</b>	<b>20,959,563</b>
<b>Fund balances at end of year</b>	<b>\$ 7,678,821</b>	<b>\$ 12,066,428</b>	<b>\$ 544,865</b>	<b>\$ (1,224)</b>	<b>\$ 1,361,451</b>	<b>\$ 21,650,341</b>

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

**Weld County School District RE-8**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances with the Government-wide Statement of Activities**  
**Year Ended June 30, 2021**

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

Total net change in fund balances - governmental funds	\$	690,778
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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	\$	84,574	
Depreciation expense		(2,332,668)	(2,248,094)

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government - wide financial statements. This amount represents the change in property taxes not available at year end.	(11,366)
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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.	114,188
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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.	51,834
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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.	2,376,011
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Decrease 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.	16,923
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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.	10,189,962
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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.	180,612
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>11,360,848</b>
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*The accompanying notes are an integral part of these financial statements.*

# Weld County School District RE-8

## Statement of Fiduciary Net Position

June 30, 2021

	Private Purpose Trust Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 14,565
Accounts receivable	1,163
Total assets	15,728
<b>Liabilities</b>	
Due to other funds	1,161
Total liabilities	1,161
<b>Net position</b>	
Net position held in trust for scholarships	14,567
Total net position	\$ 14,567

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



**Weld County School District RE-8**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2021**

	Private Purpose Trust Fund
<b>Additions</b>	
Earnings on investments	\$ 32
Total additions	32
<b>Deductions</b>	
Scholarships and awards	3,664
Change in net position	(3,632)
Net position at beginning of year	18,199
Net position at end of year	\$ 14,567

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

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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### 1. Summary of Significant Accounting Policies

The Weld County School District RE-8 (the “District”) was consolidated in 1949. The District provides educational services to certain residents of Weld County, Colorado. The District is governed by a seven-member Board of Education.

The financial statements of Weld County School District RE-8 (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 in numbers 1 and 2 above. Based on these criteria, the District has no component units.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. Likewise, the primary government is reported separately from its legally separate component unit. The District does not report any business-type activities.

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

# Weld County School District RE-8

## Notes to Financial Statements

### June 30, 2021

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

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance present increases and decreases in those categories. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile the ending net position and the change in net position.

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 capital projects funds.

The following are the District's major governmental funds:

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

**Bond Redemption Fund** - The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt issued by the District.

**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.

**Government Designated Purpose Grants Fund** - The Government Designated Purpose Grants Fund accounts for federal, state, and local grant revenues and the related expenditures.

Additionally, the District reports the following nonmajor governmental funds:

**Capital Reserve Fund** - The Capital Reserve Fund is used to account for financial resources received to construct capital assets.

**Weld County School District RE-8**  
**Notes to Financial Statements**  
**June 30, 2021**

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***Food Service Fund*** - This special revenue fund is used to account for revenues and expenditures from food service operations.

***Pupil Activity Fund*** - This special revenue fund is used to account for financial transactions related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

***Program Reserve Fund*** - This special revenue fund is used to account for the revenue from a tax levied pursuant to § 22 54 107(5), C.R.S. The District is allowed to expend money from the total program reserve fund only to offset the amount of a reduction in the District's state share caused by application of the budget stabilization factor in fiscal years when the District's total program mill plus specific ownership tax revenue is insufficient to cover the District's total program. Any money remaining in the fund at the end of a fiscal year will remain in the fund to be used in future years.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has one private-purpose trust fund, the Private Purpose Trust Fund.

**Assets, Liabilities and Fund Balances/Net Position**

***Cash and Cash Equivalents***

The District considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Cash with fiscal agent is cash in the Building Fund and Cash with the County Treasurer.

***Investments***

As of June 30, 2021, the District had investments in local government investment pools and certificates of deposit with original maturities greater than three months. Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

***Receivables***

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2021. Property taxes levied on December 31, but not received by June 30, are identified as property taxes receivable and recorded as revenue if they are collected within 60 days of year end.

***Inventories***

Inventories consist of purchased and donated food, and non-food supplies. Purchased inventories are stated at the lower of cost or market as determined by the first-in, first-out method. Food donated by the federal government at no cost to the District is stated at cost in accordance with the United States Department of Agriculture ("USDA") furnished price list.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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### ***Capital Assets***

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed.

Depreciation of capital assets is charged as an expense against operations in the statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description	Estimated Lives
Buildings and Improvements	20 - 50 Years
Site Improvements	20 Years
Transportation Equipment & Vehicles	6 - 8 Years
Equipment	5 - 15 Years

The payment for capital assets acquired by the District is recorded as expenditures in the fund financial statements in the year of acquisition.

### ***Bond Issuance Costs, Premium and Discounts, and Bond Refunding***

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium and discount. Debt issuance costs are recognized as an expense in the period of issuance.

For bond refundings resulting in the defeasement of debt, the difference between the acquisition price and the net carrying amount of the old debt is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

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

### ***Deferred Revenues***

The District includes Governmental Designated Purpose Grants Funds that have been collected, but the corresponding expenditures has not been incurred, as deferred revenues in the financial statements.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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### ***Compensated Absences***

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Amounts of accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements.

Employees meeting specific age and years of service criteria are eligible to receive early retirement bonuses. A liability is reported in the financial statements when the bonuses are earned and accepted.

### ***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, claims and judgments and the noncurrent portion of long-term liabilities 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 and available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Bonds 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.

### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources relate to the District's pension and other post-employment benefits ("OPEB") plans. See notes 8 and 9 for further information relating to the District's pension and OPEB amounts.

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources relate to the District's property taxes in the fund statements, and pension and OPEB plans in the government-wide statements. See notes 8 and 9 for further information relating to the District's pension and OPEB amounts.

### ***Net Position/Fund Balance***

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

***Net Investment in Capital Assets*** - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

***Restricted Net Position*** - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

**Unrestricted Net Position** - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

**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.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

As of June 30, 2021, fund balances are composed of the following:

Classification	General Fund	Bond Redemption Fund	Building Fund	Designated Purpose Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 38,759	\$ 38,759
Restricted:						
Emergencies	760,283	-	-	-	-	760,283
Debt service	-	12,066,428	-	-	-	12,066,428
Capital projects	-	-	544,865	-	-	544,865
Assigned:						
Insurance premiums	468,159	-	-	-	-	468,159
Capital projects	-	-	-	-	973,669	973,669
Pupil activities	-	-	-	-	250,545	250,545
Food services	-	-	-	-	98,478	98,478
Unassigned:	6,450,379	-	-	(1,224)	-	6,449,155
Total fund balances	\$ 7,678,821	\$ 12,066,428	\$ 544,865	\$ (1,224)	\$ 1,361,451	\$ 21,650,341

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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### **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**

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 are reported as transfers.

### **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.

## **2. Cash, Cash Equivalents, and Investments**

The composition of the District's cash, cash equivalents, and investments on June 30, 2021 is as follows:

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Cash on Hand	\$ 1,798
Cash with County Treasurer	182,561
Deposits	2,439,141
Local government investment pools	21,702,924
Total	<hr/> \$ 24,326,424 <hr/>



# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

Cash, cash equivalents, and investments per the government-wide statement of net position and fiduciary fund statements are as follows:

Governmental Activities	\$ 24,311,859
Fiduciary Funds	14,565
Total	\$ 24,326,424

### ***Custodial Credit Risk - Deposits***

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, C.R.S requires the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado 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. The market value of the assets in the pool must be at least 102% of the uninsured deposit. At June 30, 2021, the District had deposits with financial institutions with a carrying amount of \$2,439,141. The bank balances with the financial institutions were \$2,782,556 of which \$250,818 was covered by federal depository insurance. The remaining balance of \$2,531,738 was collateralized with securities held by the financial institutions' agents but not in the District's name.

### ***Custodial Credit Risk - Investments***

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of June 30, 2021, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust.

### ***Investments***

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which school Districts may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

### *Local Government Investment Pools*

At June 30, 2019, the District had invested \$21,702,924 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. COLOTRUST PLUS+ 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.

### *Interest Rate Risk*

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

## **3. Individual Fund Interfund Receivables/Payables and Transfers**

The District's claim on cash account holds the cash of all funds. As a result, negative claim on cash balances occur in certain funds and are in essence "financed" by other funds. Positive book cash balances are displayed on the balance sheet as "Due from other funds", while negative cash balances are included in "Due to other funds" on the balance sheet.

As of June 30, 2021, the District had the following interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
Building Fund	General Fund	\$ 348,183
Designated Purposes Grants Fund	General Fund	41,600
Nonmajor Governmental Funds	General Fund	1,093,895
Nonmajor Governmental Funds	Bond Redemption Fund	15,805
Nonmajor Governmental Funds	Nonmajor Governmental Funds	54,292
Nonmajor Governmental Funds	Private Purpose Trust Fund	1,161

### *Interfund Transfers*

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) provide additional resources for current operations or debt service.

During the year ended June 30, 2021, the Program Reserve Fund transferred \$300,000 to the Capital Reserve Fund and \$1,209,714 to the General Fund in connection with the elimination of the Program Reserve Fund.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

### 4. Capital Assets

Capital asset activity of the District for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Buildings and improvements	\$ 94,268,693	\$ 78,084	\$ -	\$ 94,346,777
Site improvements	2,529,222	-	-	2,529,222
Transportation equipment & Vehicles	2,931,822	-	(542,910)	2,388,912
Other equipment	613,330	6,490	-	619,820
Total capital assets, being depreciated	100,343,067	84,574	(542,910)	99,884,731
Buildings and improvements	(17,968,634)	(2,005,267)	-	(19,973,901)
Site improvements	(1,362,422)	(70,417)	-	(1,432,839)
Transportation equipment & Vehicles	(2,013,434)	(51,642)	542,910	(1,522,166)
Other equipment	(265,218)	(205,342)	-	(470,560)
Total accumulated depreciation	(21,609,708)	(2,332,668)	542,910	(23,399,466)
<b>Capital assets, net</b>	<b>\$ 78,733,359</b>	<b>\$ (2,248,094)</b>	<b>\$ -</b>	<b>\$ 76,485,265</b>

Depreciation is allocated to the following activities on the statement of activities:

<b>Governmental Activities:</b>	
Instruction	\$ 856,300
Maintenance and operations	1,476,368
Total	\$ 2,332,668

### 5. Accrued Salaries and Benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from October to September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2021, for the District were \$2,982,602. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

**Weld County School District RE-8**  
**Notes to Financial Statements**  
**June 30, 2021**

## 6. Long-Term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Series 2012/13	\$ 8,200,000	\$ -	\$ (540,000)	\$ 7,660,000	\$ 550,000
Series 2016, refunding	1,450,000	-	(900,000)	550,000	550,000
Series 2017	45,125,000	-	(875,000)	44,250,000	1,285,000
Capital lease obligations	258,641	-	(61,011)	197,630	63,445
Compensated absences	93,415	60,649	(112,483)	41,581	-
Unamortized bond premiums	5,888,815	-	(114,188)	5,774,627	-
<b>Total long-term obligations</b>	<b>\$ 61,015,871</b>	<b>\$ 60,649</b>	<b>\$ (2,602,682)</b>	<b>\$ 58,473,838</b>	<b>\$ 2,448,445</b>

The annual requirements to amortize the general obligations bonds outstanding as of June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 2,385,000	\$ 2,205,588	\$ 4,590,588
2023	2,485,000	2,111,125	4,596,125
2024	2,595,000	1,998,438	4,593,438
2025	2,710,000	1,901,650	4,611,650
2026	2,790,000	1,822,163	4,612,163
2027-2031	15,690,000	7,234,631	22,924,631
2032-2036	19,370,000	3,447,400	22,817,400
2037	4,435,000	110,875	4,545,875
<b>Total</b>	<b>\$ 52,460,000</b>	<b>\$ 20,831,870</b>	<b>\$ 73,291,870</b>

### **General Obligation Bonds - Series 2012**

During 2012, the District issued General Obligation Bonds for \$7,600,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School and Twombly Elementary School. Principal payments are due annually on December 1 through 2029. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 2.75%. Bonds maturing on or after January 1, 2023 are callable at par in order of maturity on December 1, 2022.

### **General Obligation Bonds - Series 2013**

During 2013, the District issued General Obligation Bonds for \$4,125,000 to finance improvements to Fort Lupton High School, Fort Lupton Middle School, Butler Elementary School and Twombly Elementary School. Principal payments are due annually on December 1 through 2032. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 3.50%. Bonds maturing on or after January 1, 2023 are callable at par in any order of maturity on December 1, 2022.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

### **General Obligation Bonds - Series 2016 (Refunding)**

During 2016, the District refunded a portion of the General Obligation Bonds, Series 2007 for \$4,040,000. Principal payments are due annually on December 1 through 2021. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.00% to 3.00%. Repayment of both principal and interest on the bonds are insured. The bonds are not subject to redemption prior to their respective maturity dates.

### **General Obligation Bonds - Series 2017**

During 2017, the District issued General Obligation Bonds for \$48,600,000 for acquiring, constructing, repairing and improving District capital assets and to pay the cost of issuance of the Bonds. The Bonds are General Obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay the principal and interest of the Bonds when due. Principal payments are due annually on December 1 through 2036. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.00% to 5.00%. The Bonds maturing on and before December 1, 2026 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 2027 are subject to redemption prior to maturity, at the option of the District, in whole or in part, and if in part in such order of maturities as the District is to determine and by lot within a maturity, on December 1, 2026 and on any date thereafter at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

### **Capital Lease Obligations**

During 2020, the District entered into a capital lease purchase agreement with a third party for three school buses. The lease term is five years, requiring annual payments of \$71,347. The future minimum lease obligation and net present value of the minimum lease payments as of June 30, 2021, are as follows:

Fiscal Year	-	
Ending June 30,		Amount
2022	\$	71,347
2023		71,347
2024		71,347
Total minimum lease payments		214,041
Less interest:		(16,411)
Present value of minimum lease payments	\$	197,630

The buses acquired through the capital lease totaled \$329,988 with accumulated depreciation as of June 30, 2021 of \$82,497.

## Weld County School District RE-8

### Notes to Financial Statements

June 30, 2021

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#### 7. Fort Lupton Public and School Library

In 1976, the District and the City of Fort Lupton (the “City”) formed the Fort Lupton Public and School Library (the “Library”) through intergovernmental agreement, and as allowed by State statutes. The agreement was modified on March 16, 2006 to include the Fort Lupton Public and School Library Board of Trustees which caused the library to be recognized as a “Joint Library” as defined by statute and to bring it into compliance with the provisions of the Colorado Library Law (CRS 24-90-101, et seq.). The Library is governed by the Library Board of Trustees consisting of seven members. Three each are appointed by the District and the City and one member is appointed by the six appointees. In addition to serving as Fort Lupton High School’s library, the Library also serves the general public. The obligations of the District to the Library are limited to providing space within Fort Lupton High School for the Library, providing appurtenances to the site, including off-street parking, accessible restrooms and services necessary for use of the site as a public library and providing maintenance, custodial care and utilities. Financial information for the Library may be obtained by contacting the City.

#### 8. 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](http://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.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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 lesser 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 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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.88%</b>

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

**Weld County School District RE-8**  
**Notes to Financial Statements**  
**June 30, 2021**

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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 \$3,001,785 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 \$45,983,758 for its proportionate share of the net pension liability. At December 31, 2020, the District's proportion was 0.3042 percent, which was an increase of 0.0289 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension income of \$7,188,177. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,526,579	\$ -
Net difference between projected and actual earnings on pension plan investments	-	10,122,071
Changes of assumptions or other inputs	4,423,495	7,729,482
Changes in proportionate share	2,616,509	-
District contributions subsequent to the measurement date	1,522,777	-
	\$ 11,089,360	\$ 17,851,553

The \$1,522,777 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.



# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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,	Amortization
2022	\$ (8,795,509)
2023	1,212,687
2024	(130,879)
2025	(571,269)
	<u>\$ (8,284,970)</u>

*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) <sup>1</sup>	Financed by the Annual Increase Reserve

<sup>1</sup> 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.

# Weld County School District RE-8

## Notes to Financial Statements

June 30, 2021

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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) <sup>1</sup>	Financed by the Annual Increase Reserve

<sup>1</sup> 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.

## Weld County School District RE-8

### Notes to Financial Statements

June 30, 2021

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 <sup>1</sup>	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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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 (actual 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 (actual 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

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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:

	1% Decrease	Current	1% Increase
District's proportionate share of the net pension liability	\$ 62,725,612	\$ 45,983,758	\$ 32,032,277

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's fiduciary net position is available in PERA's Annual Comprehensive Financial Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 9. 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 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](http://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.

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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 \$244,379 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 \$1,672,609 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.

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## Notes to Financial Statements

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At December 31, 2020, the Districts proportion was 0.176 percent, which was an decrease of 0.0039 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$63,766. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,439	\$ 367,720
Net difference between projected and actual investment earnings	-	68,344
Changes of assumptions or other inputs	12,498	102,563
Changes in proportionate share	563,035	-
District contributions subsequent to the measurement date	165,519	-
	\$ 745,491	\$ 538,627

The \$165,519 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:

Year Ended June 30,	Amortization
2021	\$ 13,951
2022	23,512
2023	16,440
2024	33,068
2025	(34,581)
Thereafter	(11,045)
	\$ 41,345

*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:

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Service-based premium subsidy PERACare Medicare plans	0.00 percent 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.



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### Notes to Financial Statements

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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.

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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%-	3.40%-	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%- 12.40%	N/A	3.20%- 12.40% <sup>1</sup>	N/A

<sup>1</sup> 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 were 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.

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### Notes to Financial Statements

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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.

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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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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 <sup>1</sup>	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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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	\$1,629,378	\$ 1,672,609	\$1,722,935

*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.

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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%)
District's proportionate share of the net OPEB liability	\$ 1,916,004	\$ 1,672,609	\$ 1,464,647

*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](http://www.copera.org/investments/pera-financial-reports).

## 10. 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](http://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 contribution, and investment earnings. For the year ended June 30, 2021, program members contributed \$20,166 and the District recognized pension expense and a liability of \$0, for the Voluntary Investment Program.

## 11. Risk Management

The District belongs to the Colorado School Districts Self-Insurance Pool (the "Pool") that was formed in 1981 to give individual districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by the Pool is property, crime, general liability, auto liability and physical damage, and errors and omissions. The Board of Directors is composed of seven persons who are District school board members, superintendents or District business officials. The Pool became self-administered in May 1997, and currently has eleven employees.

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Each member's premium contribution is determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income, and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuary study is conducted annually. These reports may be obtained by contacting the Pool's administrative offices at 6857 South Spruce Street, Centennial, Colorado 80112.

## **12. Commitments and Contingencies**

### ***Self-Insurance Pool***

As discussed in Note 11, the District is a member of the Colorado School Districts Self-insurance Pool. The Pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the Pool is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District's financial statements.

### ***Grant Programs***

The District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

### ***Litigation***

The District is subject to claims and litigation from outside parties in the ordinary course of operations. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

## **13. Tax, Spending, and Debt Limitations**

In November 1992, Colorado voters passed an amendment (the "Amendment" or "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 construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financial sources such as the federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). 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.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). At June 30, 2021, the District's reserve of \$760,283 was reported as a restriction of fund balance in the General Fund.

**Weld County School District RE-8**  
**Notes to Financial Statements**  
**June 30, 2021**

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Fiscal year 1993 provides the basis for spending limitations in future years to which may be applied allowable increases for inflation and student enrollment. In November 1997, voters within the District authorized the District to collect, retain, and expend the full revenues received from any source. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

**14. Violation of State Statutes**

During the year ended June 30, 2021, expenditures exceeded budgeted appropriations by approximately \$1.9 million in the Government Designated Purpose Grants Fund, and \$1,664 in the Private Purpose Trust Fund, which may be in violation of state statutes. In addition, the Government Designated Purpose Grants Fund had a negative fund balance of \$1,224 at June 30, 2021.

**15. Subsequent Events**

Management of the District has evaluated subsequent events through February 28, 2022, the date these financial statements were available to be issued. Based on this evaluation, there were no matters identified that had a significant impact on the financial statements as presented.



## Required Supplementary Information

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**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 25,203,696	\$ 24,166,386	\$ 21,075,367	\$ (3,091,019)
State	1,256,057	1,217,855	2,911,491	1,693,636
Other	67,000	415,500	147,446	(268,054)
Earnings on investments	-	-	75,459	75,459
<b>Total revenues</b>	<b>26,526,753</b>	<b>25,799,741</b>	<b>24,209,763</b>	<b>(1,589,978)</b>
<b>Expenditures</b>				
Current				
Instruction	14,605,420	15,289,309	14,748,965	540,344
Supporting services				
Students	1,008,973	1,009,586	945,370	64,216
Instructional staff	1,193,294	1,392,280	1,043,928	348,352
General administration	525,114	538,957	484,554	54,403
School administration	2,057,194	1,970,085	1,968,451	1,634
Business services	360,416	378,066	395,121	(17,055)
Maintenance and operations	3,712,639	3,626,389	3,534,658	91,731
Pupil transportation	1,156,373	1,159,556	952,335	207,221
Central supporting services	1,376,049	1,474,530	1,141,350	333,180
Capital outlay	56,000	61,000	26,549	34,451
<b>Total expenditures</b>	<b>26,051,472</b>	<b>26,899,758</b>	<b>25,241,281</b>	<b>1,658,477</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>475,281</b>	<b>(1,100,017)</b>	<b>(1,031,518)</b>	<b>68,499</b>
<b>Other financing uses</b>				
Transfers in	403,775	394,643	1,209,713	815,070
<b>Total other financing uses</b>	<b>403,775</b>	<b>394,643</b>	<b>1,209,713</b>	<b>815,070</b>
<b>Net change in fund balance</b>	<b>879,056</b>	<b>(705,374)</b>	<b>178,195</b>	<b>883,569</b>
<b>Fund balance at beginning of year</b>	<b>7,500,626</b>	<b>7,500,626</b>	<b>7,500,626</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 8,379,682</b>	<b>\$ 6,795,252</b>	<b>\$ 7,678,821</b>	<b>\$ 883,569</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Government Designated Purpose Grants Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal	\$ 1,630,668	\$ 1,706,983	\$ 3,367,399	\$ 1,660,416
State	515,733	598,667	776,375	177,708
Grants and contributions	4,710	116,210	135,946	19,736
<b>Total revenues</b>	<b>2,151,111</b>	<b>2,421,860</b>	<b>4,279,720</b>	<b>1,857,860</b>
<b>Expenditures</b>				
Current				
Instruction	1,605,583	1,831,705	3,465,366	(1,633,661)
Supporting services				
Students	64,652	27,922	59,654	(31,732)
Instructional staff	476,676	550,943	744,634	(193,691)
Food service operations	-	7,090	7,090	-
<b>Total expenditures</b>	<b>2,146,911</b>	<b>2,417,660</b>	<b>4,276,744</b>	<b>(1,859,084)</b>
<b>Net change in fund balance</b>	<b>4,200</b>	<b>4,200</b>	<b>2,976</b>	<b>(1,224)</b>
<b>Fund balance at beginning of year</b>	<b>(4,200)</b>	<b>(4,200)</b>	<b>(4,200)</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,224)</b>	<b>\$ (1,224)</b>

*See accompanying Independent Auditor's Report.*

## Weld County School District RE-8

### Note to Budgetary Comparison Schedules - General Fund and Governmental Designated Purpose Grants Fund

June 30, 2021

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#### *Budgets and Budgetary Accounting*

Budgets are adopted by the Board of Education. Annual budgets are adopted on a basis consistent with GAAP.

The District adheres to the following procedures in establishing the budgetary data:

1. Budgets are required by state law for all funds. During May, 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. A public hearing is conducted by the Board of Education to obtain comments;
3. Prior to June 30, the budget is adopted by formal resolution.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations. All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board throughout the year.

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

	Original Appropriation	Final Appropriation	Change
General Fund	\$ 26,051,472	\$ 26,899,758	\$ 848,286
Government Designated Purpose Grants Fund	2,146,911	2,417,660	270,749
Bond Redemption Fund	4,715,488	4,715,488	-
Capital Reserve Fund	294,600	294,600	-
Building Fund	591,007	591,007	-
Food Service Fund	1,342,605	980,345	(362,260)
Program Reserve Fund	1,509,714	1,509,714	-
Pupil Activity Fund	325,000	325,000	-
Private Purpose Trust Fund	2,000	2,000	-
Total	\$ 36,978,797	\$ 37,735,572	\$ 756,775

**Weld County School District RE-8**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Years**

<b>December 31,*</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
District's proportion of the net pension liability	0.3042%	0.2753%	0.2684%	0.3117%	0.3210%	0.3199%	0.3262%	0.3262%
District's proportionate share of the net pension liability	\$ 45,983,758	\$ 41,128,009	\$ 47,521,878	\$ 100,786,731	\$ 95,517,225	\$ 48,920,237	\$ 43,056,888	\$ 41,611,861
State's proportionate share of the net pension liability associated with the District**	\$ -	\$ 5,216,565	\$ 6,497,597	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 45,983,758</b>	<b>\$ 46,344,574</b>	<b>\$ 54,019,475</b>	<b>\$ 100,786,731</b>	<b>\$ 95,517,225</b>	<b>\$ 48,920,237</b>	<b>\$ 43,056,888</b>	<b>\$ 41,611,861</b>
District's covered payroll	\$ 16,277,600	\$ 16,173,509	\$ 14,754,189	\$ 14,377,497	\$ 14,400,841	\$ 13,939,399	\$ 13,308,692	\$ 13,151,784
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.50%	254.29%	322.09%	701.00%	663.28%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84%	64.07%

\* 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. Payments were suspended during 2020.

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-8**  
**Schedule of District Contributions - Pension**

**Last Ten Years**

<b>Year Ended June 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Statutorily Required Contribution	\$ 3,182,255	\$ 3,752,933	\$ 2,926,618	\$ 2,701,731	\$ 2,835,891	\$ 2,519,204	\$ 2,285,515	\$ 2,116,465	\$ 1,946,617
Contributions in Relation to the Statutorily Required Contribution	3,182,255	3,752,933	2,926,618	2,701,731	2,835,891	2,519,204	2,285,515	2,116,465	1,946,617
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,007,318	\$ 19,364,982	\$ 15,298,581	\$ 14,377,497	\$ 14,621,903	\$ 14,210,929	\$ 13,538,972	\$ 13,248,391	\$ 12,908,385
Contributions as a Percentage of Covered Payroll	19.88%	19.38%	19.13%	18.79%	19.39%	17.73%	16.88%	15.98%	15.08%

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-8**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Last Ten Years**

December 31,*	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1760%	0.1799%	0.1744%	0.1771%	0.1824%
District's proportionate share of the net OPEB liability	\$ 1,672,609	\$ 2,021,779	\$ 2,373,394	\$ 2,301,542	\$ 2,364,185
District's covered payroll	\$ 16,277,600	\$ 16,173,509	\$ 14,754,189	\$ 14,377,497	\$ 14,400,841
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-8**  
**Schedule of District Contributions - OPEB**  
**Last Ten Years**

<b>Years Ended June 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Statutorily Required Contribution	\$ 163,275	\$ 197,523	\$ 156,047	\$ 145,949	\$ 149,144	\$ 144,951	\$ 138,098	\$ 135,134	\$ 131,666
Contributions in Relation to the Statutorily Required Contribution	163,275	197,523	156,047	145,949	149,144	144,951	138,098	135,134	131,666
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,007,318	\$ 19,364,982	\$ 15,298,581	\$ 14,377,497	\$ 14,621,903	\$ 14,210,929	\$ 13,538,972	\$ 13,248,391	\$ 12,908,385
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	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.*



## Other Supplementary Information

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**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Bond Redemption Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Local	\$ 4,715,488	\$ 6,594,500	\$ 6,545,393	\$ (49,107)
Earnings on investments	20,000	20,000	27,866	7,866
Total revenues	4,735,488	6,614,500	6,573,259	(41,241)
<b>Expenditures</b>				
Debt service				
Principal	2,315,000	2,315,000	2,315,000	-
Interest expense	2,400,488	2,400,488	2,300,409	100,079
Reserves	-	-	-	-
Total expenditures	4,715,488	4,715,488	4,615,409	100,079
<b>Net change in fund balance</b>	20,000	1,899,012	1,957,850	58,838
<b>Fund balance at beginning of year</b>	10,108,578	10,108,578	10,108,578	-
<b>Fund balance at end of year</b>	\$ 10,128,578	\$ 12,007,590	\$ 12,066,428	\$ 58,838

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Building Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Earnings on investments	\$ 5,000	\$ 5,000	292	\$ (4,708)
<b>Total revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>292</b>	<b>(4,708)</b>
<b>Expenditures</b>				
Capital outlay	591,007	591,007	41,434	549,573
<b>Total expenditures</b>	<b>591,007</b>	<b>591,007</b>	<b>41,434</b>	<b>549,573</b>
<b>Net change in fund balance</b>	<b>(586,007)</b>	<b>(586,007)</b>	<b>(41,142)</b>	<b>544,865</b>
<b>Fund balance at beginning of year</b>	<b>586,007</b>	<b>586,007</b>	<b>586,007</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 544,865</b>	<b>\$ 544,865</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Program Reserve Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 5,573	\$ 58,807	\$ -	\$ 64,380
Accounts receivable	1,401	-	-	-	1,401
Grants receivable	-	169,461	-	-	169,461
Due from other funds	972,268	-	192,885	-	1,165,153
Inventories	-	38,759	-	-	38,759
<b>Total assets</b>	<b>\$ 973,669</b>	<b>\$ 213,793</b>	<b>\$ 251,692</b>	<b>\$ -</b>	<b>\$ 1,439,154</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 20,889	\$ 1,147	\$ -	\$ 22,036
Due to other funds	-	54,292	-	-	54,292
Accrued salaries and benefits	-	1,375	-	-	1,375
<b>Total liabilities</b>	<b>-</b>	<b>76,556</b>	<b>1,147</b>	<b>-</b>	<b>77,703</b>
<b>Fund balances</b>					
Nonspendable	-	38,759	-	-	38,759
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	973,669	98,478	250,545	-	1,322,692
<b>Total fund balances</b>	<b>973,669</b>	<b>137,237</b>	<b>250,545</b>	<b>-</b>	<b>1,361,451</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 973,669</b>	<b>\$ 213,793</b>	<b>\$ 251,692</b>	<b>\$ -</b>	<b>\$ 1,439,154</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2021**

	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Program Reserve Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Federal	\$ -	\$ 1,016,997	\$ -	\$ -	\$ 1,016,997
State	-	10,086	-	-	10,086
Local	-	-	177,086	80	177,166
Charges for services	-	4,673	-	-	4,673
Earnings on investments	-	1	615	-	616
Total revenues	-	1,031,757	177,701	80	1,209,538
<b>Expenditures</b>					
Current					
Instruction	-	-	196,849	-	196,849
Supporting services					
Maintenance and operations	193,615	-	-	-	193,615
Debt service:					
Principal	61,011	-	-	-	61,011
Interest	10,336	-	-	-	10,336
Food service operations	-	940,928	-	-	940,928
Capital outlay	17,629	9,588	-	-	27,217
Total expenditures	282,591	950,516	196,849	-	1,429,956
Excess (deficiency) of revenues over expenditures	(282,591)	81,241	(19,148)	80	(220,418)
<b>Other financing sources</b>					
Proceeds from the sale of capital assets	23,031	-	-	-	23,031
Transfers in	300,000	-	-	-	300,000
Transfers out	-	-	-	(1,509,714)	(1,509,714)
Total other financing sources	323,031	-	-	(1,509,714)	(1,186,683)
Net change in fund balances	40,440	81,241	(19,148)	(1,509,634)	(1,407,101)
Fund balances at beginning of year	933,229	55,996	269,693	1,509,634	2,768,552
Fund balances at end of year	\$ 973,669	\$ 137,237	\$ 250,545	\$ -	\$ 1,361,451

*See accompanying Independent Auditor's Report. t Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Capital Reserve Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
State	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures</b>				
Current				
Supporting services	-	-	-	-
Maintenance and operations	-	-	-	-
Capital outlay	26,000	26,000	17,629	8,371
Debt service:				
Principal	67,000	67,000	61,011	5,989
Interest	-	-	10,336	(10,336)
Operations and Maintenance	201,600	201,600	193,615	7,985
Reserves	-	-	-	-
Total expenditures	294,600	294,600	282,591	12,009
<b>Deficiency of revenues over expenditures</b>	(294,600)	(1,220,071)	(282,591)	12,009
<b>Other financing sources</b>				
Proceeds from the sale of capital assets	-	-	23,031	23,031
Transfers in	300,000	300,000	300,000	-
Total other financing sources	300,000	300,000	323,031	23,031
<b>Net change in fund balance</b>	5,400	(920,071)	40,440	35,040
<b>Fund balance at beginning of year</b>	933,229	933,229	933,229	-
<b>Fund balance at end of year</b>	\$ 938,629	\$ 13,158	\$ 973,669	\$ 35,040

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Food Service Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Charges for Services:				
Food sales	\$ 176,195	\$ 4,947	\$ 4,673	\$ (274)
Earnings on investments	-	-	1	1
State Sources	20,500	106,000	10,086	(95,914)
Federal Sources:				
School breakfast program	240,000	240,000	-	(240,000)
National school lunch program	490,000	490,000	153,799	(336,201)
Summer food program	19,000	396,098	775,949	379,851
Donated commodities	75,000	75,000	70,793	(4,207)
Other	-	-	16,456	
<b>Total revenues</b>	<b>1,020,695</b>	<b>1,312,045</b>	<b>1,031,757</b>	<b>(296,744)</b>
<b>Expenditures</b>				
Salaries	23,639	23,639	11,475	12,164
Benefits	9,865	10,289	4,816	5,473
Purchased services	632,701	482,932	521,418	(38,486)
Commodities				-
Supplies and materials	665,400	452,485	403,219	49,266
Capital outlay	11,000	11,000	9,588	1,412
Reserves	-	-	-	-
<b>Total expenditures</b>	<b>1,342,605</b>	<b>980,345</b>	<b>950,516</b>	<b>29,829</b>
<b>Deficiency of revenues over expenditures</b>	<b>(321,910)</b>	<b>331,700</b>	<b>81,241</b>	<b>(266,915)</b>
<b>Other financing sources</b>				
Transfers in	103,775	94,643	-	(94,643)
<b>Total other financing sources</b>	<b>103,775</b>	<b>94,643</b>	<b>-</b>	<b>(94,643)</b>
<b>Net change in fund balance</b>	<b>(218,135)</b>	<b>426,343</b>	<b>81,241</b>	<b>(361,558)</b>
<b>Fund balance at beginning of year</b>	<b>55,996</b>	<b>55,996</b>	<b>55,996</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ (162,139)</b>	<b>\$ 482,339</b>	<b>\$ 137,237</b>	<b>\$ (345,102)</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Pupil Activity Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Local	\$ 325,005	\$ 325,005	\$ 177,086	\$ (147,919)
Earnings on investments	-	-	615	615
Total revenues	325,005	325,005	177,701	(147,304)
<b>Expenditures</b>				
Current				
Instruction	325,000	325,000	196,849	128,151
Capital outlay	-	-	-	-
Reserves	-	-	-	-
Total expenditures	325,000	325,000	196,849	128,151
Deficiency of revenues over expenditures	5	5	(19,148)	(19,153)
Net change in fund balance	5	5	(19,148)	(19,153)
Fund balance at beginning of year	269,693	269,693	269,693	-
Fund balance at end of year	\$ 269,698	\$ 269,698	\$ 250,545	\$ (19,153)



**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Program Reserve Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Local	\$ -	\$ -	\$ 80	\$ 80
Total revenues	-	-	80	80
<b>Excess of revenues over expenditures</b>	-	-	80	80
<b>Other financing sources</b>				
Transfers out	(1,509,714)	(1,509,714)	(1,509,714)	-
Total other financing sources	(1,509,714)	(1,509,714)	(1,509,714)	-
<b>Net change in fund balance</b>	(1,509,714)	(1,509,714)	(1,509,634)	80
<b>Fund balance at beginning of year</b>	1,509,714	1,509,714	1,509,634	(80)
<b>Fund balance at end of year</b>	\$ -	\$ -	\$ -	\$ -

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-8**  
**Budgetary Comparison Schedule**  
**Private Purpose Trust Fund**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Additions</b>				
Earnings on investments	\$ 28	\$ 28	\$ 32	\$ 4
<b>Total additions</b>	<b>28</b>	<b>28</b>	<b>32</b>	<b>4</b>
<b>Deductions</b>				
Scholarships and awards	2,000	2,000	3,664	(1,664)
Reserves	-	-	-	-
<b>Total deductions</b>	<b>2,000</b>	<b>2,000</b>	<b>3,664</b>	<b>(1,664)</b>
<b>Change in net position</b>	<b>(1,972)</b>	<b>(1,972)</b>	<b>(3,632)</b>	<b>(1,660)</b>
<b>Net position at beginning of year</b>	<b>18,199</b>	<b>18,199</b>	<b>18,199</b>	<b>0</b>
<b>Net postion at end of year</b>	<b>\$ 16,227</b>	<b>\$ 16,227</b>	<b>\$ 14,567</b>	<b>\$ (1,660)</b>

*See accompanying Independent Auditor's Report.*

## **Reports to Governmental Agencies**

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Colorado Department of Education  
Auditors Integrity Report  
District: 3140 - Weld Re-8 Schools  
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	6,868,186	23,894,863	23,552,388	7,210,661
18 Risk Mgmt Sub-Fund of General Fund	632,440	729,111	893,393	468,159
19 Colorado Preschool Program Fund	0	795,501	795,501	0
Sub- Total	7,500,626	25,419,475	25,241,281	7,678,820
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	1,509,634	-1,509,634	0	0
21 Food Service Spec Revenue Fund	55,997	1,031,773	950,532	137,237
22 Govt Designated-Purpose Grants Fund	0	4,279,840	4,279,840	0
23 Pupil Activity Special Revenue Fund	269,698	177,698	196,850	250,545
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	10,108,579	6,573,258	4,615,408	12,066,428
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	586,007	292	41,434	544,865
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	933,229	323,031	282,592	973,669
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	20,963,770	36,295,732	35,607,937	21,651,564
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	18,198	32	3,664	14,565
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	18,198	32	3,664	14,565

FINAL