

**WELD COUNTY SCHOOL DISTRICT RE-8**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**



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**WELD COUNTY SCHOOL DISTRICT RE-8  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>15</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>16</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>17</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET             WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION</b>	<b>18</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND             BALANCES – GOVERNMENTAL FUNDS</b>	<b>19</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF             REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES             WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES</b>	<b>20</b>
<b>STATEMENT OF NET POSITION – FIDUCIARY FUNDS</b>	<b>21</b>
<b>STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS</b>	<b>22</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>23</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>BUDGETARY COMPARISON SCHEDULE - GENERAL FUND</b>	<b>64</b>
<b>BUDGETARY COMPARISON SCHEDULE - GOVERNMENT DESIGNATED         PURPOSE - GRANTS FUND</b>	<b>65</b>
<b>NOTE TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>66</b>
<b>SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET         PENSION LIABILITY</b>	<b>67</b>
<b>SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION</b>	<b>68</b>
<b>SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET         OPEB LIABILITY</b>	<b>69</b>

**WELD COUNTY SCHOOL DISTRICT RE-8  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2022**

<b>SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB</b>	<b>70</b>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS</b>	<b>72</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS</b>	<b>73</b>
<b>BUDGETARY COMPARISON SCHEDULE - BOND REDEMPTION FUND</b>	<b>74</b>
<b>BUDGETARY COMPARISON SCHEDULE - BUILDING FUND</b>	<b>75</b>
<b>BUDGETARY COMPARISON SCHEDULE - CAPITAL RESERVE FUND</b>	<b>76</b>
<b>BUDGETARY COMPARISON SCHEDULE - FOOD SERVICE FUND</b>	<b>77</b>
<b>BUDGETARY COMPARISON SCHEDULE - PUPIL ACTIVITY FUND</b>	<b>78</b>
<b>BUDGETARY COMPARISON SCHEDULE - CUSTODIAL FUND</b>	<b>79</b>
<b>REPORTS TO GOVERNMENTAL AGENCIES</b>	
<b>COLORADO DEPARTMENT OF EDUCATION AUDITORS' INTEGRITY REPORT</b>	<b>81</b>
<b>REPORTS TO GOVERNMENTAL AGENCIES</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>83</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>85</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>88</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>89</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>90</b>



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Correction of an Error***

As discussed in Note 16 to the financial statements, Governmental Activities' net position, as of June 30, 2021, was restated to correct misstatements. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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***

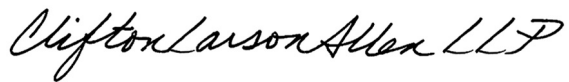
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and GASB required pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 budgetary comparison schedules for the Bond Redemption Fund, nonmajor funds, and Custodial Fund, the combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds, the Auditors' Integrity Report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules, the combining schedules, the Auditors' Integrity Report, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
February 24, 2023

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

**Financial Highlights**

The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$4,701,443 (net position), a change of \$17,411,147 from the previous fiscal year of \$(12,709,704), as restated. 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 \$16,137,865. Total General Fund revenue for the year was \$30,100,647.

**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 2022 decreased from \$45,983,758 to \$29,999,392.

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

The statement of activities presents information reporting how the District's net position changed during fiscal year 2022. 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.

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

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 13-14 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 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 15-18 of this report.

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**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 Custodial Fund, which provides scholarships to qualifying students.

The fiduciary fund financial statements can be found on pages 19-20 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 21-60 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 nonmajor 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.

**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, 2022, the District's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,701,443. Of this amount \$(32,806,273) is unrestricted; however, since it is negative, it is not available to meet the District's ongoing financial obligations. \$20,267,766, is invested in capital assets. In addition, \$337,356 is restricted for food services; \$2,983,780 is restricted for mill levy override; \$13,028,594 is restricted for debt service; and \$890,220 is restricted for emergencies under TABOR.

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

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

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets	\$ 29,342,889	\$ 24,977,066
Capital Assets, Net	<u>74,217,403</u>	<u>76,485,265</u>
Total Assets	<u>103,560,292</u>	<u>101,462,331</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources Relating to Pensions	8,192,811	11,089,360
Deferred Outflows of Resources Relating to Other Post Employment Benefits	<u>156,310</u>	<u>745,491</u>
Total Deferred Outflows of Resources	<u>8,349,121</u>	<u>11,834,851</u>
<b>LIABILITIES</b>		
Current Liabilities	3,680,326	3,414,881
Noncurrent Liabilities	<u>85,536,045</u>	<u>106,130,205</u>
Total Liabilities	<u>89,216,371</u>	<u>109,545,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows of Resources Relating to Pensions	17,340,344	17,851,553
Deferred Inflows of Resources Relating to Other Post Employment Benefits	<u>651,255</u>	<u>538,627</u>
Total Deferred Inflows of Resources	<u>17,991,599</u>	<u>18,390,180</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	20,267,766	18,053,008
Restricted	17,239,950	13,371,576
Unrestricted	<u>(32,806,273)</u>	<u>(46,062,668)</u>
Total Net Position	<u>\$ 4,701,443</u>	<u>\$ (14,638,084)</u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

Governmental activities increased the District's net position by \$17,411,147 due to at-risk mitigation funding received from CDE and the increase in unexpected school impact fees that were not budgeted. Expenses increased \$299,375 or 1% which was less than expected as the district experienced difficulty in filling all open positions and was able to use ESSER funds to offset some programming costs.

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

	<u>2022</u>	<u>2021</u>
<b>PROGRAM REVENUE</b>		
Charges for Services	\$ 17,145	\$ 181,759
Operating Grants and Contributions	9,839,805	8,208,208
<b>GENERAL REVENUES</b>		
Property Taxes	21,921,204	24,748,394
Specific Ownership Taxes	1,304,135	1,064,538
Earnings on Investments	73,088	104,233
Other Revenues	9,478,533	1,977,104
Total Revenues	<u>42,633,910</u>	<u>36,284,236</u>
<b>EXPENSES</b>		
Instruction	12,074,391	12,798,514
Supporting Services	9,817,371	9,203,357
Food Service Operations	1,493,969	741,883
Interest on Long Term Debt	1,837,032	2,179,634
Total Expenses	<u>25,222,763</u>	<u>24,923,388</u>
<b>CHANGE IN NET POSITION</b>	17,411,147	11,360,848
Net Position - Beginning of Year	<u>(14,638,084)</u>	<u>(25,998,932)</u>
Impact of Restatement	1,928,380	-
Net Position - Beginning of Year, as Restated	<u>(12,709,704)</u>	<u>(25,998,932)</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 4,701,443</u></u>	<u><u>\$ (14,638,084)</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**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.

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 \$30,100,647 in fiscal year 2022 compared to \$24,209,763 in fiscal year 2021, an increase of \$5,890,884 or 24%. Expenditures totaled \$26,928,179 compared to \$25,241,281, an increase of \$1,686,898 or 7%.

**Revenues**

**Property Taxes.** General Fund property tax revenues decreased \$3,872,964 or 19% due to the decline in assessed property values. Property taxes accounted for about 53.6% 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 increased \$239,597, or 23%. Specific Ownership taxes accounted for 4.3% of the District's General Fund revenue.

**State Equalization.** State equalization revenue totaled \$7,455,259 and accounted for 14.8% of the District's General Fund revenue. State Equalization did not occur in 2021 due to the high amount of local funding, this was a temporary situation.

**State and Federal Grants.** State grants revenue increased \$31,445 or 1% in fiscal year 2022 and accounted for 9.8% of the District's General Fund revenue.

	2022	2021	Amount of Change	Percentage Change
<b>REVENUES</b>				
Property Taxes	\$ 16,137,865	\$ 20,010,829	\$ (3,872,964)	-19%
Specific Ownership Tax	1,304,135	1,064,538	239,597	23%
State Equalization	7,455,259	-	7,455,259	100%
State Grants	2,942,936	2,911,491	31,445	1%
Investment Income	41,189	75,459	(34,270)	-45%
Developer Contributions	1,007,873	25,623	982,250	3833%
Miscellaneous	1,211,390	121,823	1,089,567	894%
Total	<u>\$ 30,100,647</u>	<u>\$ 24,209,763</u>	<u>\$ 5,890,884</u>	<u>24%</u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

## Expenditures

Overall expenditures for the General Fund increased by \$1,686,898 or 7% from the previous year.

	2022	2021	Amount of Change	Percentage Change
<b>EXPENDITURES</b>				
Instruction	\$ 15,284,245	\$ 14,748,965	\$ 535,280	4%
Students	1,061,257	945,370	115,887	12%
Instructional Staff	891,508	1,043,928	(152,420)	-15%
General Administration	1,066,157	484,554	581,603	120%
School Administration	1,969,278	1,968,451	827	0%
Business Services	1,401,906	395,121	1,006,785	255%
Operations and Maintenance	3,207,584	3,534,658	(327,074)	-9%
Pupil Transportation	900,747	952,335	(51,588)	-5%
Central Supporting Services	1,037,889	1,141,350	(103,461)	-9%
Principal	20,560	-	20,560	100%
Interest Expenses	2,222	-	2,222	100%
Capital Outlay	84,826	26,549	58,277	220%
Total Expenditures	<u>\$ 26,928,179</u>	<u>\$ 25,241,281</u>	<u>\$ 1,686,898</u>	<u>7%</u>

## 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 \$877,697 to \$5,667,696. Total principal and interest on debt serviced was \$2,385,000 and \$2,224,745, respectively.

Grant fund receivables increased by \$1,541,325 primarily due to the second and 3rd round of Elementary and Secondary School Emergency Relief Funds (ESSER II & III). The use of ESSER II and III funds are similar to those of ESSER and were used for learning loss, parent and student engagement along with educational improvement strategies and evidenced based learning practices.

## General Fund Budgetary Highlights

General Fund revenues budgeted were \$27,450,724 and actual revenues were \$30,100,647. The District budgeted for General Fund expenditures of \$28,012,512 for the year ended June 30, 2022. Actual expenditures were \$26,928,179.

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**Capital Assets**

As of June 30, 2022, the District's Governmental Activities Capital Assets had \$74,217,403 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 surrounding roof repairs/replacements, technology servers, and grounds equipment. Additional information along with a summary can be found in Note 4 to the financial statements.

	<u>2022</u>	<u>2021</u>
Governmental Activities:		
Buildings and Improvements	\$ 94,423,672	\$ 94,346,777
Site Improvements	2,510,460	2,529,222
Transportation Equipment and Vehicles	2,393,031	2,388,912
Other Equipment	637,565	619,820
Right to Use Equipment	125,098	-
Total Capital Assets, Being Depreciated	<u>100,089,826</u>	<u>99,884,731</u>
Less: Accumulated Depreciation for:		
Buildings and Improvements	(22,183,418)	(19,973,901)
Site Improvements	(1,500,344)	(1,432,839)
Transportation Equipment	(1,645,226)	(1,522,166)
Other Equipment	(520,862)	(470,560)
Right to Use Equipment	(22,573)	-
Total Accumulated Depreciation	<u>(25,872,423)</u>	<u>(23,399,466)</u>
Capital Assets, Net	<u><u>\$ 74,217,403</u></u>	<u><u>\$ 76,485,265</u></u>

**Long-Term Obligations**

As of June 30, 2022, the District has long-term obligations of \$54,085,272. The following is a summary of the District's long-term obligations balances:

	<u>2022</u>	<u>*2021</u>
General Obligation Bonds	\$ 50,075,000	\$ 52,460,000
Bond Premium	3,734,730	4,166,851
Financed Purchase Obligations	134,586	197,630
Lease Liability	104,538	-
Compensated Absences	36,418	41,581
Total Long-Term Obligations	<u><u>\$ 54,085,272</u></u>	<u><u>\$ 56,866,062</u></u>

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

\*As further described in Note 16, the ending balance of the unamortized bond premium as of June 30, 2021 as reflected in the table above was restated due to correction of an error.

**WELD COUNTY SCHOOL DISTRICT RE-8  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2022**

**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 driver for any school district is the increase in enrollment. The funded pupil count for 2021-22 school year was 2,482 and the projected amount for the 2022-23 school year is 2,532. This is a minimal increase but is still positive for the school district as several large districts had a decreased enrollment and for the first time ever the overall state of Colorado saw a decrease statewide in enrollment.

Governor Polis has put forth a proposal for an increase to the per pupil student funding of approximately \$861 per pupil and assumes an inflation rate of 8.3%. While this is a positive outlook to increased funding it still does not address the funding gaps associated with competitive salary schedules that Weld Re-8 will face with neighboring districts that are looking to move toward a base salary of \$50,000 or more, the current base salary of Weld Re-8 remains at \$41,500 heading into negotiations for the 2023-24 school year.

The ESSER II and III funding will assist for one additional year into 2023-24, but it will take creative and fiscally prudent strategies to ensure that districts are well positioned post COVID recovery dollars.

Weld Re-8 is looking to engage in long range planning to ensure that it aligns the priorities of district and the needs of the community with our funding sources and priorities.

The shift to Universal Preschool and the passing of SB22-087 Healthy Meals for all public school students passed and begins operating in 2023-24 school year and is something that Weld Re-8 must consider in its budget planning for the 2023-24 school year.

**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 Avenue  
Fort Lupton, Colorado 80621

## **BASIC FINANCIAL STATEMENTS**

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash, Cash Equivalents, and Investments	\$ 12,488,998
Restricted Investments	13,250,073
Receivables	3,572,975
Due from Fiduciary Fund	665
Inventories	30,178
Capital Assets, Net	74,217,403
Total Assets	<u>103,560,292</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Relating to Pensions	8,192,811
Relating to Other Post-Employment Benefits	156,310
Total Deferred Outflows of Resources	<u>8,349,121</u>
<b>LIABILITIES</b>	
Accounts Payable	257,194
Accrued Salaries and Benefits	3,149,318
Accrued Interest Payable	180,516
Unearned Revenue	93,298
Noncurrent Liabilities:	
Accrued Compensated Absences	36,418
Due Within One Year	2,578,950
Due in More than One Year	51,469,904
Net Pension Liability	29,999,392
Net Other Post-Employment Benefit Liability	1,451,381
Total Liabilities	<u>89,216,371</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Relating to Pensions	17,340,344
Relating to Other Post-Employment Benefits	651,255
Total Deferred Inflows of Resources	<u>17,991,599</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	20,267,766
Restricted for:	
Emergencies	890,220
Debt Service	13,028,594
Mill Levy Override	2,983,780
Food Services Fund	337,356
Unrestricted	<u>(32,806,273)</u>
Total Net Position	<u><u>\$ 4,701,443</u></u>

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Instruction	\$ 12,074,391	\$ 3,223	\$ 4,910,559	\$ -	\$ (7,160,609)
Supporting Services					
Students	643,381	-	319,470	-	(323,911)
Instructional Staff	973,652	-	919,371	-	(54,281)
General Administration	1,117,980	-	1,029,052	-	(88,928)
School Administration	1,042,123	-	469,162	-	(572,961)
Business Services	1,277,025	-	46,172	-	(1,230,853)
Maintenance and Operations	3,417,810	-	90,059	-	(3,327,751)
Pupil Transportation	508,305	-	287,863	-	(220,442)
Central Supporting Services	837,095	-	104,212	-	(732,883)
Food Service Operations	1,493,969	13,922	1,663,885	-	183,838
Interest on Long-Term Debt	1,837,032	-	-	-	(1,837,032)
Total Governmental Activities/ Primary Government	25,222,763	17,145	9,839,805	-	(15,365,813)
<b>GENERAL REVENUES</b>					
Local Property Taxes					19,251,972
Specific Ownership Taxes					1,304,135
State Equalization					7,455,259
Mill Levy Override					2,669,232
Earnings on Investments					73,088
Cash-In-Lieu of land					1,007,873
Loss on Disposal of Capital Assets					(83,856)
Other					1,099,257
Total General Revenue					32,776,960
<b>CHANGE IN NET POSITION</b>					17,411,147
Net Position - Beginning of Year					(14,638,084)
Restatement - Bond Premium					1,607,776
Restatement - Pension					1,001,349
Restatement - OPEB					(680,745)
Net Position - Beginning of Year, as Restated					(12,709,704)
<b>NET POSITION - END OF YEAR</b>					\$ 4,701,443

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Fund
<b>ASSETS</b>					
Cash, Cash Equivalents, and Investments	\$ 12,472,938	\$ -	\$ -	\$ 16,060	\$ 12,488,998
Investments - Restricted	-	13,151,311	-	98,762	13,250,073
Due From Other Funds	66,129	-	-	1,409,225	1,475,354
Accounts Receivable	941,654	-	-	900	942,554
Taxes Receivable	192,580	73,604	-	-	266,184
Grants Receivable	-	-	1,989,784	374,453	2,364,237
Inventories	-	-	-	30,178	30,178
Total Assets	<u>\$ 13,673,301</u>	<u>\$ 13,224,915</u>	<u>\$ 1,989,784</u>	<u>\$ 1,929,578</u>	<u>\$ 30,817,578</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 59,893	\$ -	\$ 124,301	\$ 73,000	\$ 257,194
Accrued Salaries and Benefits	2,834,574	-	313,301	1,443	3,149,318
Unearned Revenues	-	-	93,298	-	93,298
Due to Other Funds	-	15,805	1,458,884	-	1,474,689
Total Liabilities	2,894,467	15,805	1,989,784	74,443	4,974,499
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Tax Revenue	120,519	53,200	-	-	173,719
Total Deferred Inflows of Resources	<u>120,519</u>	<u>53,200</u>	<u>-</u>	<u>-</u>	<u>173,719</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	-	-	-	30,178	30,178
Restricted for:					
TABOR	890,220	-	-	-	890,220
Debt Service	-	13,155,910	-	-	13,155,910
Building Fund	-	-	-	99,217	99,217
Milly Levy Override	2,983,780	-	-	-	2,983,780
Food Service Fund	-	-	-	337,356	337,356
Committed to:					
General Fund	2,100,000	-	-	-	2,100,000
Insurance Reserve	646,799	-	-	-	646,799
School Development	1,169,686	-	-	-	1,169,686
Assigned to:					
Capital Reserve Fund	-	-	-	1,108,623	1,108,623
Pupil Activity Fund	-	-	-	279,761	279,761
Unassigned	2,867,830	-	-	-	2,867,830
Total Fund Balances	<u>10,658,315</u>	<u>13,155,910</u>	<u>-</u>	<u>1,855,135</u>	<u>25,669,360</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,673,301</u>	<u>\$ 13,224,915</u>	<u>\$ 1,989,784</u>	<u>\$ 1,929,578</u>	<u>\$ 30,817,578</u>

See accompanying Notes to Basic 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, 2022**

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

Total fund balances - governmental funds		\$ 25,669,360
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported on the fund financial statements.		
Capital Assets	\$ 100,089,826	
Less: Accumulated Depreciation	<u>(25,872,423)</u>	
		74,217,403
Unavailable property taxes will be collected this year, but are not available to pay for the current period's expenditure, and therefore are not recorded as revenue in the funds.		173,719
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		8,192,811
OPEB		156,310
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Pension Plan		(17,340,344)
OPEB		(651,255)
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	(50,075,000)	
Premium on Bonds	(3,734,730)	
Financed Purchase Obligation	(134,586)	
Lease Liability	(104,538)	
Accrued Interest Payable	(180,516)	
Compensated Absences	(36,418)	
Net Pension Liability	(29,999,392)	
Net OPEB Liability	<u>(1,451,381)</u>	
		<u>(85,716,561)</u>
Total Net Position of Governmental Activities		<u><u>\$ 4,701,443</u></u>

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General Fund	Bond Redemption Fund	Government Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Sources	\$ 19,658,040	\$ 5,667,696	\$ 144,146	\$ 325,492	\$ 25,795,374
State Sources	10,398,195	-	840,651	10,042	11,248,888
Federal Sources	-	-	3,737,194	1,630,520	5,367,714
Charges for Services	3,223	-	-	13,922	17,145
Earnings on Investments	41,189	31,531	-	368	73,088
Total Revenues	30,100,647	5,699,227	4,721,991	1,980,344	42,502,209
<b>EXPENDITURES</b>					
Current:					
Instruction	15,284,245	-	2,608,494	296,279	18,189,018
Supporting Services:					
Students	1,061,257	-	142,062	-	1,203,319
Instructional Staff	891,508	-	781,143	-	1,672,651
General Administration	1,066,157	-	862,832	-	1,928,989
School Administration	1,969,278	-	174,962	-	2,144,240
Business Services	1,401,906	-	22,202	-	1,424,108
Maintenance and Operations	3,207,584	-	17,877	351,086	3,576,547
Pupil Transportation	900,747	-	8,809	-	909,556
Central Supporting Services	1,037,889	-	79,324	36,671	1,153,884
Food Service Operations	-	-	23,062	1,480,002	1,503,064
Capital Outlay	84,826	-	-	152,355	237,181
Debt Service:					
Principal	20,560	2,385,000	-	63,044	2,468,604
Interest	2,222	2,224,745	-	7,902	2,234,869
Total Expenditures	26,928,179	4,609,745	4,720,767	2,387,339	38,646,030
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,172,468	1,089,482	1,224	(406,995)	3,856,179
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance Recoveries	99,914	-	-	-	99,914
Leases	62,926	-	-	-	62,926
Transfers-In	-	-	-	355,814	355,814
Transfers-Out	(355,814)	-	-	-	(355,814)
Total Other Financing Sources (Uses)	(192,974)	-	-	355,814	162,840
<b>NET CHANGE IN FUND BALANCES</b>	2,979,494	1,089,482	1,224	(51,181)	4,019,019
Fund Balances - Beginning of Year	7,678,821	12,066,428	(1,224)	1,906,316	21,650,341
<b>FUND BALANCES - END OF YEAR</b>	\$ 10,658,315	\$ 13,155,910	\$ -	\$ 1,855,135	\$ 25,669,360

See accompanying Notes to Basic Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

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

Total net change in fund balances - governmental funds	\$	4,019,019
--	----	-----------

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	\$	237,181	
Loss on Disposal		(83,856)	
Depreciation Expense		<u>(2,483,359)</u>	
			(2,330,034)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.

115,643

The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:

Issuance of Leases		(62,926)	
Principal Payments on Bonds		2,385,000	
Principal Payments on Financed Purchase Obligation		63,044	
Principal Payments on Leases		20,560	
Amortization of Bond Premium		432,121	
Changed in Accrued Interest Payable		(34,284)	

In the statement of activities, certain operating expenses, such as employee compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

5,163

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.

12,597,677

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.

200,164

Change in Net Position of Governmental Activities

\$ 17,411,147

*See accompanying Notes to Basic Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	Custodial Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 13,067
Accounts Receivable	165
Total Assets	<u>13,232</u>
<b>LIABILITIES</b>	
Due to Other Funds	665
Total Liabilities	<u>665</u>
<b>NET POSITION</b>	
Net Position Held in Trust for Scholarships	12,567
Total Net Position	<u><u>\$ 12,567</u></u>

*See accompanying Notes to Basic Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-8  
STATEMENT OF CHANGES IN NET POSITION  
CUSTODIAL FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2022**

	Custodial Fund
<b>ADDITIONS</b>	
Earnings on Investments	\$ -
Total Additions	<u>-</u>
<b>DEDUCTIONS</b>	
Scholarships and Awards	<u>2,000</u>
<b>CHANGE IN NET POSITION</b>	(2,000)
Net Position - Beginning of Year	<u>14,567</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 12,567</u></u>

*See accompanying Notes to Basic Financial Statements.*

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 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 have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. In addition, the District conforms to the Colorado Financial Policies and Procedures Handbook in all material aspects as required by Colorado statutes. The following is a summary of the District's significant accounting policies.

**A. Reporting Entity**

As defined by GAAP established by the Governmental Accounting Standards Board (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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. 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. 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.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and fund balance as a measure of available spendable resources. This means that only current assets and current liabilities are generally included on their balance sheets.

Governmental fund revenues are recognized as soon as they are both measurable and available. "Measurable" means that the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues are considered to be available when they are collected within 60 days after year-end. All other revenues are recognized in the period earned if receipt of the money is expected within 120 days.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Property taxes are reported as receivables and deferred inflows of resources when levied and as revenues when due for collection in the following year and determined to be available. Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue earned.

Expenditures are recorded when the related fund liability is incurred with the exception of debt and capital leases, which are recognized when due, as well as expenditures related to compensated absences, which are accounted for as expenditures in the year the payment is due.

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.

Debt Service - Bond Redemption Fund

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

Special Revenue - Government Designated Purpose Grants Fund

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

The District reports the following nonmajor governmental funds:

Capital Projects - 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 BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Capital Projects - 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.

Special Revenue - Food Service Fund

This special revenue fund is used to account for revenues and expenditures from food service operations.

Special Revenue - 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.

The District reports the following fiduciary fund:

Custodial Fund Scholarship Fund

This fund is used to track the receipt and disbursement of scholarship activity.  
The District holds all resources in a purely custodial capacity.

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

**1. 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.

**2. Investments**

As of June 30, 2022, the District had investments in local government investment pools. COLOTRUST is recorded at net asset value (NAV).

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**3. 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, 2022. 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.

**4. Inventories**

Inventories consist of purchased and donated food, and nonfood 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.

**5. 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:

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	20 to 50 Years
Site Improvements	20 Years
Transportation Equipment and Vehicles	6 to 8 Years
Equipment	5 to 15 Years

See Note 1.C.10 for policies over lease assets.

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

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**6. 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. 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.

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.

**7. Unearned Revenues**

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

**8. Compensated Absences**

Under the District's policies, eligible certified and administrative employees may accumulate and carryover up to 80 days of sick leave. All unused/accumulated sick leave is payable upon resignation, termination, retirement or death at the rate of 50 percent of the current substitute pay for each day of unused sick leave for employees with more than 40 hours of accumulated sick leave. The District has recorded the accrued liability for sick pay in the accompanying government-wide financial statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**9. 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.

**10. Leases**

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

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

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

The District has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position. For individual lease contracts where information about the discount rate implicit in the lease is not included, the District has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**11. 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.

**12. 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.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**12. Net Position/Fund Balance (Continued)**

As of June 30, 2022, 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.

**13. Pensions**

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

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

**14. 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.

**15. 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.

**16. 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The composition of the District's cash, cash equivalents, and investments on June 30, 2022 is as follows:

Cash on Hand	\$ 1,840
Deposits	1,269,217
Investments	24,481,081
Total	<u>\$ 25,752,138</u>

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

Cash and Investments, unrestricted	\$ 12,488,998
Cash and Investments, restricted	13,250,073
Custodial Fund	13,067
Total	<u>\$ 25,752,138</u>

**A. Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that deposits of local governmental entities be at eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The District does not have a specific policy for custodial credit risk for deposits.

**B. Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This type of risk is minimized by limiting investments to the types of securities allowed by State law, and by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business using the criteria established in the investment policy. The District does not have a specific policy for custodial credit risk.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**C. 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At June 30, 2022, the District had the following investments:

Investment	Maturity	Value
COLOTRUST - Building Fund	< 12 months	\$ 98,762
COLOTRUST - General Fund	< 12 months	11,231,008
COLOTRUST - Bond Fund	< 12 months	13,151,311
		<u>\$ 24,481,081</u>

At June 30, 2022, the District had invested \$24,481,081 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.

**D. Interest Rate Risk**

As a means of limiting exposure to fair value losses arising from interest rates, state law limits maturities to five years or less, unless the Board of Education specifically authorizes longer maturities. The District policy is to follow the state law.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 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, 2022, the District had the following interfund receivables and payables:

Fund	Inter-fund Payable	Inter-fund Receivable
General Fund	\$ -	\$ 66,129
Bond Redemption Fund	15,805	-
Designated Purposes Grants Fund	1,458,884	-
Building Fund	-	455
Capital Reserve Fund	-	1,111,511
Food Service Fund	-	26,067
Pupil Activity Fund	-	271,192
Custodial Fund	665	-
Total	<u>\$ 1,475,354</u>	<u>\$ 1,475,354</u>

**A. Interfund Transfers**

Fund	Transfers To	Transfers From
General Fund	\$ -	\$ 355,814
Capital Reserve Fund	300,000	-
Food Service Fund	55,814	-
Total	<u>\$ 355,814</u>	<u>\$ 355,814</u>

Interfund transfers between funds are used to support deferred maintenance needs in the capital projects fund. Transfers to the food service fund are used for ongoing operations, including salaries and benefits.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity of the District for the year ended June 30, 2022, was as follows:

	Beginning Balances*	Additions	Deletions	Ending Balances
Governmental Activities:				
Buildings and Improvements	\$ 94,346,777	\$ 140,745	\$ (63,850)	\$ 94,423,672
Site Improvements	2,529,222	-	(18,762)	2,510,460
Transportation Equipment and Vehicles	2,388,912	11,610	(7,491)	2,393,031
Other Equipment	619,820	21,900	(4,155)	637,565
Right to Use Equipment	62,172	62,926	-	125,098
Total Capital Assets				
Being Depreciated	99,946,903	237,181	(94,258)	100,089,826
Accumulated Depreciation/Amortization:				
Buildings and Improvements	(19,973,901)	(2,209,517)	-	(22,183,418)
Site Improvements	(1,432,839)	(70,417)	2,912	(1,500,344)
Transportation Equipment and Vehicles	(1,522,166)	(130,550)	7,490	(1,645,226)
Other Equipment	(470,560)	(50,302)	-	(520,862)
Right-To-Use Equipment	-	(22,573)	-	(22,573)
Total Accumulated Depreciation/ Amortization	<u>(23,399,466)</u>	<u>(2,483,359)</u>	<u>10,402</u>	<u>(25,872,423)</u>
Capital Assets, Net	<u>\$ 76,547,437</u>	<u>\$ (2,246,178)</u>	<u>\$ (83,856)</u>	<u>\$ 74,217,403</u>

Depreciation/amortization was charged to the functions/programs as follows.

Governmental Activities:	
Instruction	\$ 1,778,260
Maintenance and Operations	705,099
Total	<u>\$ 2,483,359</u>

\*As a result of implementation of GASB Statement No. 87 (GASB 87), *Leases*, as of July 1, 2021, \$62,172 was added to the beginning balance presented above for right to use equipment. As the adjustment to the beginning balance for these assets is offset by an equal amount of liabilities, the District does not report a restatement of beginning net position for the implementation of GASB 87.

**NOTE 5 ACCRUED SALARIES AND BENEFITS**

Salaries and benefits of certain contractually employed personnel are paid over a 12-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, 2022, for the District were \$3,149,318. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2022, as restated:

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
Governmental Activities:					
Series 2012	\$ 5,500,000	\$ -	\$ (550,000)	\$ 4,950,000	\$ 565,000
Series 2013	2,160,000	-	-	2,160,000	-
Series 2016, Refunding	550,000	-	(550,000)	-	-
Series 2017	44,250,000	-	(1,285,000)	42,965,000	1,920,000
Bond Premium	4,166,851	-	(432,121)	3,734,730	-
Financed Purchase	197,630	-	(63,044)	134,586	65,977
Lease Liability	62,172	62,926	(20,560)	104,538	27,973
Compensated Absences	41,581	37,440	(42,603)	36,418	36,418
Total Long-Term Obligations	<u>\$ 56,928,234</u>	<u>\$ 100,366</u>	<u>\$ (2,943,328)</u>	<u>\$ 54,085,272</u>	<u>\$ 2,615,368</u>

As a result of implementation of GASB Statement No. 87 (GASB 87), *Leases*, as of July 1, 2021 \$62,172 was added to the beginning balance presented above for lease payables. As the adjustment to the beginning balance for these liabilities is offset by an equal amount of assets, the District does not report a restatement of beginning net position for the implementation of GASB 87.

As further described in Note 16, the beginning balance of the unamortized bond premium was restated by \$1,607,776 due to correction of an error.

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

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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	2,870,000	1,717,900	4,587,900
2028-2032	16,350,000	6,557,831	22,907,831
2033-2037	20,275,000	2,517,175	22,792,175
Total	<u>\$ 50,075,000</u>	<u>\$ 18,626,282</u>	<u>\$ 68,701,282</u>

**A. 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**B. 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.

**C. 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 were repaid in full on December 1, 2021.

**D. 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**E. Financed Purchase Obligations**

During 2020, the District entered into a financed purchase agreement with a third party for three school buses. The lease term is five years, requiring annual payments of \$71,347. The future payments under the financed purchase agreement are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 65,977	\$ 5,370	\$ 71,347
2024	68,609	2,738	71,347
Total	<u>\$ 134,586</u>	<u>\$ 8,108</u>	<u>\$ 142,694</u>

The buses acquired through the financed purchase totaled \$329,988 with accumulated depreciation of \$123,746 as of June 30, 2022.

**F. Lease Liability**

The District leases copiers under long-term noncancelable lease agreements. The leases expire between April 1, 2025 and January 1, 2027 for which the District can either return or purchase the equipment at fair market value.

Total future minimum lease payments under the lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 27,973	\$ 2,717	\$ 30,690
2024	28,807	1,883	30,690
2025	26,816	1,017	27,833
2026	13,111	443	13,554
2027	7,831	78	7,909
Total	<u>\$ 104,538</u>	<u>\$ 6,138</u>	<u>\$ 110,676</u>

**NOTE 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN**

**A.    General Information about the Pension Plan**

**Plan Description**

Eligible employees of the District are provided with pensions through the SCHDTF, a cost-sharing multiemployer 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, 2021**

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

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

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

In all cases the service retirement benefit is limited to 100% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**A.    General Information about the Pension Plan (Continued)**

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

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

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

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**A.    General Information about the Pension Plan (Continued)**

**Contributions Provisions as of June 30, 2022**

Eligible employees of the District and the state are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through June 30, 2022
Employer Contribution Rate	10.90%
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount Apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

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

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 \$3,298,842 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the state treasurer to issue a warrant to PERA in the amount of \$380 million, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**B. 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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the state as a nonemployer contributing entity.

At June 30, 2022, the District reported a liability of \$29,999,392 for its proportionate share of the net pension liability that reflected a reduction for support from the state as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the state as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	29,999,392
State's Proportionate Share of the Net Pension Liability Associated with the District	3,439,047
Total	<u>33,438,439</u>

At December 31, 2021, the District's proportion was 0.2577850710%, which was a decrease of -0.0463808884% from its proportion measured as of December 31, 2020.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

For the year ended June 30, 2022, the District recognized pension expense of \$(10,895,754) and revenue of (\$822,102) for support from the state as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,148,497	\$ -
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	11,278,875
Change of Assumptions or Other Inputs	2,290,230	-
Changes in Proportionate Share	3,052,160	6,061,469
District Contributions Subsequent to the		
Measurement Date	1,701,924	-
Total	<u>\$ 8,192,811</u>	<u>\$ 17,340,344</u>

\$1,701,924 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (1,250,561)
2024	(4,698,924)
2025	(3,530,960)
2026	(1,369,012)
Total	<u>\$ (10,849,457)</u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions**

The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.00% Compounded Annually Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% 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% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.0 %	5.60%
Fixed Income	23.0	1.30%
Private Equity	8.5	7.10%
Real Estate	8.5	4.40%
Alternatives	6.0	4.70%
Total	<u>100.0 %</u>	

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%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

- 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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 and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 8    DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 44,156,652	\$ 29,999,392	\$ 18,185,688

**Pension Plan Fiduciary Net Position**

Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN**

**A. General Information About the OPEB Plan**

**Plan Description** - Eligible employees of the District are provided with OPEB through the HCTF, a cost-sharing multiemployer 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).

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

**A.    General Information About the OPEB Plan (Continued)**

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

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

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

**B.    PERA Benefit Structure**

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

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

**B. PERA Benefit Structure (Continued)**

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

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

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 \$169,256 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$1,451,381 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.1683141265%, which was a decrease of -0.0077082511% from its proportion measured as of December 31, 2020.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$(112,842). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 2,212	\$ 344,140
Changes of Assumptions or other Inputs	30,049	78,729
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	89,841
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	36,727	138,545
Contributions Subsequent to the Measurement Date	87,322	-
Total	<u>\$ 156,310</u>	<u>\$ 651,255</u>

\$87,322 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (157,683)
2024	(159,517)
2025	(144,619)
2026	(86,819)
2027	(29,003)
Thereafter	(4,626)
Total	<u>\$ (582,267)</u>

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

**Actuarial Assumptions** – The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.4%-11.0%
Long-Term Investment Rate of Return, Net of OPEB	
Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates: PERA Benefit Structure:	
Service-Based Premium Subsidy	0.00%
PERACare Medicare Plans	4.50% in 2021, 6.00% in 2022, gradually decreasing to
Medicare Part A Premiums	4.50% in 2029 3.75% for 2021, gradually increasing to 4.50% in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums are assumed for 2021 for the PERA Benefit Structure.

<u>Medicare Plan</u>	<u>Initial Costs for Members Without Medicare Part A</u>		
Medicare Advantage/Self-Insured			
Prescription	\$        633	\$        230	\$        591
Kaiser Permanente Medicare			
Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 per month. All costs are subject to the health care cost trend rates. 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.

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

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

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

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

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

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

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% 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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

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

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% 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% 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 following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 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 PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.0 %	5.60%
Fixed Income	23.0	1.30%
Private Equity	8.5	7.10%
Real Estate	8.5	4.40%
Alternatives	6.0	4.70%
Total	<u>100.0 %</u>	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

**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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,409,702	\$ 1,451,381	\$ 1,499,664

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9    DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

**Discount Rate**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**WELD COUNTY SCHOOL DISTRICT RE-8  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLAN (CONTINUED)**

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

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	6.25% 1% Decrease	7.25% Current	8.25% 1% Increase
District's Proportionate Share of the OPEB Liability	\$ 1,685,627	\$ 1,451,381	\$ 1,251,294

**OPEB Plan Fiduciary Net Position**

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 10 DEFINED CONTRIBUTION PENSION PLAN**

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k)), 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.

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 1 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 and Deferred Compensation Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Voluntary member contributions are subject to maximum limits set by the Internal Revenue Service. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$29,109 and \$10,700, for Voluntary Investment Program and Deferred Compensation Plan, respectively. The District had no contributions or liabilities related to these plans.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 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 11 employees.

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.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**A. 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.

**B. 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, 2022, 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.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**C. 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.

**NOTE 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, 2022, the District's reserve of \$890,220 was reported as a restriction of fund balance in the General Fund.

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.

**NOTE 14 VIOLATION OF STATE STATUTES**

During the year ended June 30, 2022, expenditures exceeded budgeted appropriations by approximately \$476,006 in the Food Service Fund, which may be in violation of state statutes.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 15 SUBSEQUENT EVENTS**

Management of the District has evaluated subsequent events through February 24, 2023, 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.

**NOTE 16 RESTATEMENT**

The accompanying financial statements include the impact of prior period adjustments on the following balances related to errors in debt, pension and other post-employment benefits. The errors made were due to control deficiencies and lack of documentation available from fiscal year 2021. Management reconciled all beginning balances for 2021. As a result, it was determined for the year ended June 30, 2021, net position balance for the District was understated by \$1,928,380.

Accordingly, the cumulative effect of the accounting change is recorded at the beginning of the year in the financial statements as detailed below.

	Governmental Activities
Net Position, June 30, 2021 as Previously Reported	<u>\$ (14,638,084)</u>
Bond Premium Amortization	1,607,776
Pension - Deferred Outflow and Deferred Inflow of Resources	1,001,349
OPEB - Deferred Outflow and Deferred Inflow of Resources	<u>(680,745)</u>
Net Position, June 30, 2021 as Restated	<u><u>\$ (12,709,704)</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Local	\$ 18,491,354	\$ 18,333,139	\$ 19,661,263	\$ 1,328,124
State	8,192,542	9,095,585	10,398,195	1,302,610
Earnings on Investments	22,000	22,000	41,189	19,189
Total Revenue	26,705,896	27,450,724	30,100,647	2,649,923
<b>EXPENDITURES</b>				
Current:				
Instruction	15,964,143	15,879,990	15,284,245	595,745
Supporting Services:				
Students	1,199,087	1,081,331	1,061,257	20,074
Instructional Staff	1,337,030	1,144,869	891,508	253,361
General Administration	749,969	794,006	1,066,157	(272,151)
School Administration	1,972,766	2,015,550	1,969,278	46,272
Business Services	400,286	405,338	1,401,906	(996,568)
Maintenance and Operations	3,770,492	3,839,197	3,207,584	631,613
Pupil Transportation	1,174,924	1,123,634	900,747	222,887
Central Supporting Services	1,573,007	1,716,631	1,037,889	678,742
Community Services	22,282	11,966	-	11,966
Capital Outlay	5,000	-	84,826	(84,826)
Debt Service:				
Principal	-	-	20,560	(20,560)
Interest	-	-	2,222	(2,222)
Total Expenditures	28,168,986	28,012,512	26,928,179	1,084,333
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,463,090)	(561,788)	3,172,468	1,565,590
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Recoveries	-	-	99,914	(99,914)
Leases	-	-	62,926	(62,926)
Transfers Out	(602,074)	(300,000)	(355,814)	55,814
Total Other Financing (Sources) Uses	(602,074)	(300,000)	(192,974)	(107,026)
<b>NET CHANGE IN FUND BALANCE</b>	(2,065,164)	(861,788)	2,979,494	1,458,564
Fund Balance - Beginning of Year	9,103,345	11,396,855	7,678,821	3,718,034
<b>FUND BALANCE - END OF YEAR</b>	\$ 7,038,181	\$ 10,535,067	\$ 10,658,315	\$ 5,176,598

See accompanying Note to Required Supplementary Information.

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENT DESIGNATED PURPOSE  
GRANTS FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Federal	\$ 3,840,708	\$ 4,280,231	\$ 3,737,194	\$ (543,037)
State	861,541	877,817	840,651	(37,166)
Local	52,341	143,563	144,146	583
Total Revenue	4,754,590	5,301,611	4,721,991	(579,620)
<b>EXPENDITURES</b>				
Current:				
Instruction	2,085,443	2,128,763	2,608,494	(479,731)
Supporting Services:				
Students	64,116	222,169	142,062	80,107
Instructional Staff	964,748	1,036,505	781,143	255,362
General Administration	69,054	460,426	862,832	(402,406)
School Administration	-	171,675	174,962	(3,287)
Business Services	-	-	22,202	(22,202)
Maintenance and Operations	-	24,421	17,877	6,544
Pupil Transportation	-	-	8,809	(8,809)
Central Supporting Services	-	76,000	79,324	(3,324)
Food Service Operations	-	20,000	23,062	(3,062)
Total Expenditures	3,183,361	4,139,959	4,720,767	(580,808)
<b>OTHER FINANCING USES</b>				
Transfers-Out	2,203,253	756,000	-	756,000
Total Other Financing Sources	2,203,253	756,000	-	756,000
<b>NET CHANGE IN FUND BALANCE</b>	(632,024)	405,652	1,224	(754,812)
Fund Balance - Beginning of Year	632,024	-	(1,224)	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 405,652	\$ -	\$ (754,812)

See accompanying Note to Required Supplementary Information.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**NOTE 1 BUDGET AND BUDGETARY ACCOUNTING**

Annual budgets are established for all funds of the district as required by Colorado statutes. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Colorado law allows the Board of Education to review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. A supplemental budget may also be adopted if a school district is authorized to raise and expend local property tax revenues at a November election. Other amendments to the budget are allowed by law if money for specific purposes from other than ad valorem taxes subsequently becomes available.

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2022. Original budgets for all funds were adopted by the Board of Education in June 2021.

Budget appropriations lapse at the end of each fiscal year.

The following is a summary of the significant dates and procedures used in establishing budgeted data reflected in the financial statements.

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- Within ten days after submission of the proposed budget, public notice is published stating the time and place of public hearing(s) to be conducted to obtain taxpayer comments on the budget prior to adoption.
- On or before June 30, the budget is adopted by formal resolution.
- On or before January 31, any changes to the budget are adopted by formal resolution.
- November 10, pupil count information is provided by school districts to the Colorado Department of Education, for use in determining the state funding level for the current fiscal year.
- December 15, school districts certify to county commissioners, copied to CDE, the mill levies for the various property tax-supported funds for the district

**WELD COUNTY SCHOOL DISTRICT RE-8.**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST TEN YEARS**

<u>Fiscal Year</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date*	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.2578%	0.3042%	0.2753%	0.2684%	0.3117%	0.3208%	0.3199%	0.3177%	0.3262%
District's proportionate share of the net pension liability	\$ 29,999,392	\$ 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**	3,439,047	-	5,216,565	6,497,956	-	-	-	-	-
<b>Total</b>	<b>\$ 33,438,439</b>	<b>\$ 45,983,758</b>	<b>\$ 46,344,574</b>	<b>\$ 54,019,834</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>
Covered Payroll	\$ 16,110,754	\$ 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 cover payroll	186.21%	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	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%	64.06%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

\*\* HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8.  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION  
LAST TEN YEARS**

<u>Year Ended June 30,</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily Required Contribution	\$ 3,298,842	\$ 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	<u>3,298,842</u>	<u>3,182,255</u>	<u>3,752,933</u>	<u>2,926,618</u>	<u>2,701,731</u>	<u>2,835,891</u>	<u>2,519,204</u>	<u>2,285,515</u>	<u>2,116,465</u>	<u>1,946,617</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 16,593,768	\$ 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%	19.88%	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.

**WELD COUNTY SCHOOL DISTRICT RE-8.**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**AND SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB**  
**LAST TEN YEARS**

<u>December 31, *</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan Measurement Date*	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1683%	0.1760%	0.1799%	0.1744%	0.1771%	0.1823%
District's proportionate share of the net OPEB liability	\$ 1,451,381	\$ 1,672,609	\$ 2,021,779	\$ 2,373,428	\$ 2,301,542	\$2,364,185
District's covered Payroll	\$ 16,110,754	\$ 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 cover payroll	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

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.

**WELD COUNTY SCHOOL DISTRICT RE-8.**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**AND SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OPEB (CONTINUED)**  
**LAST TEN YEARS**

<u>Year Ended June 30,</u>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily Required Contribution	\$ 169,256	\$ 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	169,256	163,275	197,523	156,047	145,949	149,144	144,951	138,098	135,134	131,666
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,593,768	\$ 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%	1.02%

This schedule is presented to illustrate the requirement to show information for 10 years.

## **OTHER SUPPLEMENTARY INFORMATION**

**WELD COUNTY SCHOOL DISTRICT RE-8  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	Building Fund	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 6,060	\$ 10,000	\$ 16,060
Investments - Restricted	98,762	-	-	-	98,762
Accounts Receivable	-	-	900	-	900
Grants Receivable	-	-	374,453	-	374,453
Due from Other Funds	455	1,111,511	26,067	271,192	1,409,225
Inventories	-	-	30,178	-	30,178
	<u>-</u>	<u>-</u>	<u>30,178</u>	<u>-</u>	<u>30,178</u>
Total Assets	<u>\$ 99,217</u>	<u>\$ 1,111,511</u>	<u>\$ 437,658</u>	<u>\$ 281,192</u>	<u>\$ 1,929,578</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 2,888	\$ 68,681	\$ 1,431	\$ 73,000
Due to Other Funds	-	-	-	-	-
Accrued Salaries and Benefits	-	-	1,443	-	1,443
Total Liabilities	<u>-</u>	<u>2,888</u>	<u>70,124</u>	<u>1,431</u>	<u>74,443</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	30,178	-	30,178
Restricted	99,217	-	337,356	-	436,573
Committed	-	-	-	-	-
Assigned	-	1,108,623	-	279,761	1,388,384
Total Fund Balances	<u>99,217</u>	<u>1,108,623</u>	<u>367,534</u>	<u>279,761</u>	<u>1,855,135</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 99,217</u>	<u>\$ 1,111,511</u>	<u>\$ 437,658</u>	<u>\$ 281,192</u>	<u>\$ 1,929,578</u>

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	Building Fund	Capital Reserve Fund	Food Service Fund	Pupil Activity Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Federal	\$ -	\$ -	\$ 1,630,520	\$ -	\$ 1,630,520
State	-	-	10,042	-	10,042
Local	-	-	-	325,492	325,492
Charges for Services	-	-	13,922	-	13,922
Earnings on Investments	364	-	1	3	368
Total Revenues	364	-	1,654,485	325,495	1,980,344
<b>EXPENDITURES</b>					
Current:					
Instruction	-	-	-	296,279	296,279
Supporting Services:					-
Maintenance and Operations	268,596	82,490	-	-	351,086
Other Support Services	36,671	-	-	-	36,671
Food Service Operations	-	-	1,480,002	-	1,480,002
Capital Outlay	140,745	11,610	-	-	152,355
Debt Service:					
Principal	-	63,044	-	-	63,044
Interest	-	7,902	-	-	7,902
Total Expenditures	446,012	165,046	1,480,002	296,279	2,387,339
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(445,648)	(165,046)	174,483	29,216	(406,995)
<b>OTHER FINANCING SOURCES</b>					
Transfers-In	-	300,000	55,814	-	355,814
Transfers-Out	-	-	-	-	-
Total Other Financing Sources	-	300,000	55,814	-	355,814
<b>NET CHANGES IN FUND BALANCES</b>	(445,648)	134,954	230,297	29,216	(51,181)
Fund Balance - Beginning of Year	544,865	973,669	137,237	250,545	1,906,316
<b>FUND BALANCE - END OF YEAR</b>	\$ 99,217	\$ 1,108,623	\$ 367,534	\$ 279,761	\$ 1,855,135

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
BOND REDEMPTION FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Local	\$ 6,594,500	\$ 5,651,188	\$ 5,667,696	\$ 16,508
Earnings on Investments	20,000	20,000	31,531	11,531
Total Revenue	6,614,500	5,671,188	5,699,227	28,039
<b>EXPENDITURES</b>				
Debt Service				
Principal	2,385,000	2,385,000	2,385,000	-
Interest	2,244,988	2,166,188	2,224,745	(58,557)
Other Services	80,000	80,000	-	80,000
Total Expenditures	4,709,988	4,631,188	4,609,745	21,443
<b>NET CHANGE IN FUND BALANCE</b>	1,904,512	1,040,000	1,089,482	49,482
Fund Balance - Beginning of Year	12,186,290	12,077,686	12,066,428	(11,258)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 14,090,802</u>	<u>\$ 13,117,686</u>	<u>\$ 13,155,910</u>	<u>\$ 38,224</u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
BUILDING FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Earnings on Investments	\$ 250	\$ 250	\$ 364	\$ 114
Total Revenue	250	250	364	114
<b>EXPENDITURES</b>				
Maintenance and Operations	-	-	268,596	(268,596)
Capital Outlay	192,205	545,115	140,745	404,370
Other Support Services	-	-	36,671	(36,671)
Total Expenditures	192,205	545,115	446,012	99,103
<b>NET CHANGE IN FUND BALANCE</b>	(191,955)	(544,865)	(445,648)	99,217
Fund Balance - Beginning of Year	191,955	544,865	544,865	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ 99,217	\$ 99,217

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL RESERVE FUND  
YEAR ENDED JUNE 30, 2022**

	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	228,000	328,000	82,490	245,510
Capital Outlay	-	20,000	11,610	8,390
Debt Service:				
Principal	67,000	63,445	63,044	401
Interest	50,000	7,902	7,902	-
Total Expenditures	345,000	419,347	165,046	254,301
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(345,000)	(419,347)	(165,046)	254,301
<b>OTHER FINANCING SOURCES</b>				
Transfers-In	300,000	300,000	300,000	-
Total Other Financing Sources	300,000	300,000	300,000	-
<b>NET CHANGES IN FUND BALANCES</b>	(45,000)	(119,347)	134,954	254,301
Fund Balance - Beginning of Year	903,171	984,174	973,669	(10,505)
<b>FUND BALANCE - END OF YEAR</b>	\$ 858,171	\$ 864,827	\$ 1,108,623	\$ 243,796

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Charges for Services	\$ (4,947)	\$ (5,557)	\$ 13,922	\$ 19,479
Earnings on Investment	-	-	1	1
State Sources	-	10,000	10,042	42
Federal Sources	575,000	1,004,746	1,630,520	625,774
Total Revenues	570,053	1,009,189	1,654,485	645,296
<b>EXPENDITURES</b>				
Food Service Operations	963,108	1,003,996	1,480,002	(476,006)
Total Expenditures	963,108	1,003,996	1,480,002	(476,006)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(393,055)	5,193	174,483	169,290
<b>OTHER FINANCING SOURCES</b>				
Transfers-In	302,074	-	55,814	55,814
Total Other Financing Sources	302,074	-	55,814	55,814
<b>NET CHANGES IN FUND BALANCES</b>	(90,981)	5,193	230,297	225,104
Fund Balance - Beginning of Year	153,981	153,981	137,237	(16,744)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 63,000</u>	<u>\$ 159,174</u>	<u>\$ 367,534</u>	<u>\$ 208,360</u>

**WELD COUNTY SCHOOL DISTRICT RE-8  
BUDGETARY COMPARISON SCHEDULE  
PUPIL ACTIVITY FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ Negative
<b>REVENUES</b>				
Local	\$ 325,000	\$ 325,000	\$ 325,492	\$ 492
Earnings on Investments	5	5	3	(2)
Total Revenues	325,005	325,005	325,495	490
<b>EXPENDITURES</b>				
Current:				
Instruction	325,000	325,000	296,279	28,721
Total Expenditures	325,000	325,000	296,279	28,721
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	5	5	29,216	29,211
<b>NET CHANGES IN FUND BALANCES</b>	5	5	29,216	29,211
Fund Balance - Beginning of Year	273,617	254,563	250,545	(4,018)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 273,622</u>	<u>\$ 254,568</u>	<u>\$ 279,761</u>	<u>\$ 25,193</u>

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**BUDGETARY COMPARISON SCHEDULE**  
**CUSTODIAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ Negative
<b>ADDITIONS</b>				
Earnings on Investments	\$ 28	\$ 29	\$ -	\$ (29)
Total Additions	28	29	-	(29)
<b>DEDUCTIONS</b>				
Scholarships and Awards	2,000	14,525	2,000	12,525
Total Deductions	2,000	14,525	2,000	12,525
<b>CHANGE IN NET POSITION</b>	(1,972)	(14,496)	(2,000)	12,496
Net Position - Beginning of Year	11,728	14,496	14,567	71
<b>NET POSITION - END OF YEAR</b>	<u>\$ 9,756</u>	<u>\$ -</u>	<u>\$ 12,567</u>	<u>\$ 12,567</u>

## **REPORTS TO GOVERNMENTAL AGENCIES**



**Colorado Department of Education**  
**Auditors Integrity Report**  
District: 3140 - Weld Re-8 Schools  
Fiscal Year 2021-22  
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
<b>Governmental</b>	<b>+</b>		<b>-</b>	<b>=</b>
10 General Fund	7,210,662	27,906,230	25,105,377	10,011,515
18 Risk Mgmt Sub-Fund of General Fund	468,159	1,172,821	994,180	646,800
19 Colorado Preschool Program Fund	0	828,622	828,622	0
<b>Sub- Total</b>	<b>7,678,821</b>	<b>29,907,673</b>	<b>26,928,179</b>	<b>10,658,315</b>
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	3	-3	0	0
21 Food Service Spec Revenue Fund	137,237	1,710,299	1,480,000	367,536
22 Govt Designated-Purpose Grants Fund	0	4,721,992	4,721,992	0
23 Pupil Activity Special Revenue Fund	250,545	325,494	296,279	279,761
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	12,066,428	5,699,226	4,609,744	13,155,911
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	544,865	364	446,012	99,217
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	973,669	300,000	165,045	1,108,623
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>21,651,568</b>	<b>42,665,045</b>	<b>38,647,250</b>	<b>25,669,363</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	14,565	1	2,000	12,566
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
<b>Totals</b>	<b>14,565</b>	<b>1</b>	<b>2,000</b>	<b>12,566</b>

FINAL

## **REPORTS TO GOVERNMENTAL AGENCIES**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-8 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 24, 2023.

***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-004, and 2022-005 to be significant deficiencies.

***Report on Compliance and Other Matters***

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

***The District's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
February 24, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Weld County School District RE-8's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, The District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
February 24, 2023

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Child Nutrition Cluster:			
Passed Through Colorado Department of Human Services			
Donated Commodities	10.555	4555	\$ 92,355
Passed Through Colorado Department of Education:			
Seamless Summer Option (SSO) Breakfast	10.553	5553	428,634
National School Lunch Program	10.555	4555	2,550
Seamless Summer Option (SSO) Lunch	10.555	5555	1,044,716
Summer Food Service Program for Children	10.559	4559	20,214
Supply Chain Assistance	10.555	6555	42,051
Child Nutrition Cluster Subtotal			1,630,520
COVID-19 SNAP CN Local P-EBT	10.649	4649	3,063
Total U.S. Department of Agriculture			1,633,583
<b>U.S. Department of Education</b>			
Passed Through Colorado Dept of Education:			
Special Education Cluster (IDEA):			
Individuals with Disabilities Education Act Part B	84.027	4027	898,178
Individuals with Disabilities Education Act Preschool	84.173	4173	25,005
COVID-19 ARP: Individuals with Disabilities Education Part B	84.027X	6027	191,019
COVID-19 ARP: Individuals with Disabilities Education Act Preschool	84.173X	6173	14,348
Special Education Cluster			1,128,550
Title I, Part A	84.001	4010	455,613
Title I, Eligible Homeless Children Set-Aside	84.001	9202	2,654
Title I, Part C	84.011	4011	26,457
Title I, Part A: EASI	84.010	5010	65,000
Total Title I			549,724
Title II, Part A	84.367	4367	79,881
Title III, Part A	84.365	4365	38,834
Title III Set Aside: Immigrant: Every Student Succeeds Act (ESSA)	84.365	7365	358
Total Title III			39,192
Title IV-A	84.424	4424	37,100
Carl Perkins: Career and Technical Education	84.048	4048	19,543
Multi-Tiered Systems of Supports	84.323	5323	12,075
COVID-19: Education Stabilization Fund ESSER II for Students with Disabilities	84.425D	4419	28,233
COVID-19: Education Stabilization Fund ESSER II	84.425D	4420	711,455
COVID-19: Education Stabilization Fund ARP ESSER III	84.425U	4414	762,959
COVID-19: Education Stabilization Fund ARP ESSER III - Set Aside	84.425U	9414	358,920
Total COVID-19 Cluster			1,861,567
Total U.S. Department of Education			3,727,632
<b>Institute of Museum and Library Services</b>			
Passed Through Colorado Department of Education:			
LSTA ARPA State Grants	45.310	7310	6,500
Total Institute of Museum and Library Services			6,500
Total Expenditures of Federal Awards			\$ 5,367,715

See accompanying Notes to Schedules of Expenditures of Federal Awards.

**WELD COUNTY SCHOOL DISTRICT RE-8**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) is presented in accordance with the requirements of *2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Therefore, some amounts presented in this Schedule may differ from amounts presented in the financial statements.

**NOTE 3 NONCASH FEDERAL AWARDS**

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program and are valued based on the USDA's Donated Commodity Price List. Commodities are recorded under Assistance Listing #10.555 on the Schedule. The commodities, in the amount of \$92,355, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools.

**NOTE 4 INDIRECT COST RATE**

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 5 SUBRECIPIENTS**

The District provided no federal awards to subrecipients.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section I – Summary of Auditors' Results***

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***Financial Statements***

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified?     x     yes            no
  - Significant deficiency identified?     x     yes            none reported
3. Noncompliance material to financial statements noted?            yes     x     no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness identified?            yes     x     no
  - Significant deficiency identified?            yes     x     none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes     x     no

***Identification of Major Federal Programs***

**Assistance Listing Numbers**

10.553, 10.555, 10.559

84.425D, 84.425U

**Name of Federal Program or Cluster**

Child Nutrition Cluster

COVID-19: Elementary and Secondary School  
Emergency Relief, COVID-19: American Rescue  
Plan – Elementary and Secondary School  
Emergency Relief

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$     750,000    

Auditee qualified as low-risk auditee?

           yes     x     no

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings***

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**2022 – 001 Pension and Other Postemployment Benefits (OPEB)**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** During our review of the fiscal year 2022 calculations related to pension and OPEB deferred inflows and outflows, we noted the prior year balances for proportionate share and subsequent contributions were materially misstated.

**Criteria or specific requirement:** Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605].

**Effect:** Beginning net position was restated as follows:

- Increased by \$1,001,349 related to pension
- Decreased by \$680,745 related to OPEB

**Cause:** Documentation was not maintained to support the calculated pension and OPEB balances. Lack of internal controls over financial close and reporting.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District improve its internal controls over financial close and reporting by maintaining year-end pension and OPEB calculations and to design a procedure to ensure sufficient financial close and reporting.

**Views of responsible officials and planned corrective actions:** The District agrees with the finding. Management will perform a review of internal controls, maintain proper calculations, and design procedures ensuring sufficient financial close and reporting for the year-end pension and OPEB footnotes.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 002 Bond Premium Amortization**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** The beginning bond premium balance was materially misstated.

**Criteria or specific requirement:** Governmental Accounting Standards Board (GASB) Statement No. 62, paragraph 185, requires a debt issuance discount or premium to be amortized as interest expense or interest income over the life of the debt using the interest method. Financial records are to be kept in accordance with generally accepted principles of governmental accounting [CRS § 22-45-102 and § 29-1-605].

**Effect:** Beginning net position was restated to increase by \$1,607,776.

**Cause:** Lack of internal controls related to financial close and reporting and lack of understanding of relevant GASB requirements to account for bond premium amortization under the effective interest method. Through prior fiscal year June 30, 2021, principal payments were used as basis for amortization, rather than the effective interest method.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District review and maintain the amortization of bond premium calculation to ensure it is in accordance with GAAP and year-end balances are fairly stated in the financial statements.

**Views of responsible officials and planned corrective actions:** The District agrees with the finding. Management will perform a review of bond premium amortizations in accordance with GAAP and maintain proper calculations.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 003 Property Tax Revenue Reconciliation**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** Property tax revenue, receivables, and deferred inflows of resources were not reported correctly in the year revenues were measurable and available.

**Criteria or specific requirement:** Based on the guidance in the Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, property tax revenue should be recognized in the period in which levied, and a receivable recognized in the period when there is a legally enforceable claim.

**Effect:** As a result, the following adjustments were required to be posted by the District:

- General Fund – an adjustment to decrease property tax revenue by \$191,038, decrease property tax accounts receivable by \$70,519, and increase deferred inflows of resources related to property taxes by \$120,519.
- Bond Redemption Fund – an adjustment to increase property tax revenue by \$9,931, increase property tax accounts receivable by \$51,765, and increase deferred inflows of resources related to property taxes by \$41,834.

**Cause:** Lack of established reconciliation of monthly distributions to the expected property tax revenue. Lack of comprehensive understanding the application of period of availability.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District reconcile property tax receipts to the assessed valuation and mill levy. We recommend a procedure be developed that allows for accurate recording of accounts receivable and revenue recognition based on the period of availability.

**Views of responsible officials and planned corrective actions:** The District agrees with the finding. Management will perform a review of internal controls, maintain proper reconciliations, and design procedures ensuring accurate recording of property tax receipts.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 004 Schedule of Expenditures of Federal Awards (SEFA)**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The District did not accurately report the schedule of federal awards for all federal expenditures of the District as of and for the year ended June 30, 2022. Amounts of federal expenditures had to be revised to accurately report federal expenditures on the SEFA.

**Criteria or specific requirement:** 2 CFR 200.510 requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) which must include the total federal award expended by program in accordance with 2 CFR 200.502.

**Effect:** As a result, the following adjustments were required to be posted to the SEFA by the District:

- ALN 10.555 Donated Commodities and 10.559 Summer Food Service Program for Children decreased expenditures by \$75,000 and \$929,746, respectively.
- ALN 84.011 Title I-C Migrant increased expenditures by \$26,457.
- ALN 84.027X ARP IDEA Part B increased expenditures by \$191,019.
- ALN 84.173X ARP IDEA Preschool increased expenditures by \$14,348.

**Cause:** For CNC, the preliminary SEFA reported expenditures reflected remaining balance from budget, rather than actual expenditures for fiscal year 2022. Federal expenditures were not properly identified and reported on the SEFA.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District review its controls over reporting of federal expenditures on the SEFA. The Colorado Department of Education listing of State and Federal Grant codes, copies of grant awards, and other resources should be reviewed to assist in proper identification of federal revenues and expenditures.

**Views of responsible officials:** The District agrees with the finding. Management will perform a review of internal controls to develop a process to ensure accurate reporting of federal expenditures on the SEFA.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings (Continued)***

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**2022 – 005 Capital Assets**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** Expenditures were improperly excluded from the listing of capital asset additions in fiscal year 2022. Reconciling issues were identified with the depreciation schedule that resulted in corrected and uncorrected misstatements to the government-wide schedules and capital asset footnote.

**Criteria or specific requirement:** Based on the guidance in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, capital assets should be reported in the governmental activities column in the government-wide statement of net position.

**Effect:** The following issues were identified as it related to capital assets:

- \$249,233 was reflected on the Summary of Uncorrected Misstatements, which represents the net book value of assets per the 2021 financial statements that exceeded the depreciation schedule. This amount is immaterial to the government-wide financial statements and accordingly was not reflected as a prior period restatement.
- \$162,645 of capital assets were added to the depreciation schedule based on of fiscal year 2022 capital outlay related expenditures.

**Cause:** The District’s process for identifying and recording capital assets improperly excluded various expenditures in capitalization. Management did not maintain an accurate or complete capital asset depreciation schedule.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the District improve its processes and controls for identifying expenditures to be capitalized and develop processes and controls over maintaining a complete and accurate depreciation schedule for all of the District’s capital assets.

**Views of responsible officials and planned corrective actions:** The District agrees with the finding. Management will perform a review of internal controls, maintain proper reconciliations, and design procedures ensuring accurate depreciation of all capital assets.

**WELD COUNTY SCHOOL DISTRICT NO. 8  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

