



## FINANCIAL REPORT

Year Ended June 30, 2022



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## Independent Auditors' Report

Board of Education  
Weld County School District RE-3(J)  
Hudson, Colorado

### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Weld County School District RE-3(J) (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Weld County School District RE-3(J) 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 audits 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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In performing an audit in accordance with GAAS 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.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements, individual fund financial statements, the Auditors Integrity Report figures, and the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States require that management discussion and analysis, budgetary comparisons, and pension and OPEB information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 evidence sufficient to express an opinion or provide any assurance.

### **Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023 on our consideration of the Weld County School District RE-3(J) internal control over financial reporting and 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 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 Weld County School District RE-3(J)'s internal control over financial reporting and compliance.

*Anderson & Whitney, P.C.*

January 25, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Weld County School District RE-3(J) (the District) for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

### FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceed liabilities and deferred inflows by \$14.2 million at June 30, 2022.
- The General Fund balance was \$14.0 million as of June 30, 2022. Of this amount, \$1.0 million is reserved for emergencies.
- The June 30, 2022 General Fund balance is \$2.0 million more than the previous year-end. The total fund balance is 49% of 2022 General Fund operating expenditures plus operating transfers.
- The Debt Service Fund has a fund balance of \$6.5 million as of June 30, 2022. This balance is a debt service reserve.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information.

**Government-wide Financial Statements.** The *government-wide financial 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 of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category: governmental funds.

**Governmental Funds.** *Governmental funds* are used to 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 a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Capital Reserve Projects Fund, Capital Projects Fund, and Debt Service Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 47 of this report.

**Budgetary Comparisons.** The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on page 49 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2022, liabilities exceed assets by \$14.2 million.

The following table provides a summary of the District's net position:

June 30	2022	2021
	Governmental Activities	Governmental Activities
<b>Assets</b>		
Current and other assets	\$ 28,995,158	\$ 25,516,936
Capital assets	98,908,909	101,300,305
<b>Total assets</b>	<b>127,904,067</b>	<b>126,817,241</b>
Deferred Outflows of Resources	4,960,320	11,652,304
<b>Liabilities</b>		
Current and other liabilities	6,699,456	6,511,549
Pension and OPEB long-term liabilities	29,309,366	42,243,892
All other long-term liabilities	70,969,427	73,676,585
<b>Total liabilities</b>	<b>106,978,249</b>	<b>122,432,026</b>
Deferred Inflows of Resources	11,648,059	16,305,345
<b>Net Position</b>		
Net investment in capital assets	26,440,601	25,154,556
Restricted	10,764,238	10,070,158
Unrestricted	(22,966,760)	(35,492,540)
<b>Total Net Position (Deficit)</b>	<b>\$ 14,238,079</b>	<b>\$ (267,826)</b>

A significant portion of the District's net position represents an unrestricted net deficit of \$22,966,760 which may be used to meet the District's ongoing obligations to students and patrons.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to students; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The only long-term debt is the bonds issued for construction of District schools. The District has no other long-term debt.

An additional \$10,764,238 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserves of \$947,307, \$6,465,467 in reserves for debt service, \$2,063,040 in capital outlay, \$501,000 in multi-year contract reserves, \$634,619 in non-expendable funds, and \$152,805 for preschool.

The following table indicates the changes in net position:

Years Ended June 30	2022	2021
	Governmental Activities	Governmental Activities
Revenues:		
Program revenues:		
Charges for services	\$ --	\$ --
Operating grants	9,411,105	5,719,230
General revenues:		
Property taxes	24,593,762	31,457,595
Specific ownership taxes	1,529,513	1,313,989
State equalization	7,436,908	--
Investment earnings	31,450	21,495
<b>Total revenues</b>	<b>43,002,738</b>	<b>38,512,309</b>
Expenses:		
Instruction	11,717,283	19,450,763
Student services	3,948,280	3,577,363
Administrative services	4,996,384	4,888,017
Pupil transportation	1,397,930	1,033,000
Operations and maintenance	3,452,389	2,927,211
Interest and costs on long-term debt	2,544,139	2,614,079
Student activities	440,428	214,417
<b>Total expenses</b>	<b>28,496,833</b>	<b>34,704,850</b>
<b>Increase (decrease) in net position</b>	<b>\$ 14,505,905</b>	<b>\$ 3,807,459</b>

**Governmental Activities.** Governmental activities increased the District's net position by \$14,505,905 in 2022. Key elements of this increase are as follows:

- Total revenues increased about 12% compared to the prior year, primarily due to increases in grant funding. State equalization and property taxes for 2022 are approximately the same as property taxes in the prior year.
- Expenses decreased about 17% from the previous year, due to a significant decrease in the pension liability for 2022 as compared to 2021.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of June 30, 2022, the total fund balances of the District's governmental funds were \$24,395,702. Approximately 36% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The remainder of fund balance is reserved or assigned to indicate that it is not available for new spending because it is for the following purposes: (1) a state-constitution mandated emergency reserve (\$947,146); (2) multi-year obligations (\$501,000); (3) debt service (\$6,465,467); (4) permanent and non-expendable funds (\$634,619); (5) contingencies (\$2,894,088); (6) capital outlay (\$1,398,283 and \$1,372,413); (7) Preschool (\$152,805); (8) Student activities (\$509,474); and (9) Cash-in-lieu for capital outlay from the Town of Keenesburg and Weld County (\$664,757.)

The District has four major governmental funds. These are the General Fund, Capital Projects Fund, Capital Reserve Projects Fund and the Debt Service Fund.

1. **General Fund.** This is the primary operating fund of the District. It accounts for the District’s core services, such as instruction and student services. The General Fund balance was \$14,015,446 as of June 30, 2022. The 2022 fund balance is \$1,991,162 more than the previous year.
2. **Capital Projects Fund.** The Capital Projects Fund accounts for the receipt and spending of the proceeds of bond proceeds restricted for certain capital purposes. The fund balance was \$1,398,283 as of June 30, 2022.
3. **Capital Reserve Projects Fund.** The Capital Reserve Projects Fund accounts for the receipt and spending of certain resources used for equipment purchases. The fund balance was \$1,372,413 as of June 30, 2022.
4. **Debt Service Fund.** This is the fund which receives bond redemption property taxes and made bond payments of \$6,465,467 during the year. The fund balance increased \$93,404 during the year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

#### 2022 General Fund

	Actual	Final Budget
Beginning Fund Balance	\$ 12,024,284	\$ 12,024,284
Revenue	31,576,912	29,562,685
Expenditures	(28,735,750)	(31,734,209)
Transfers	(850,000)	(850,000)
Ending Fund Balance	\$ 14,015,446	\$ 9,002,760

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The District’s investment in capital assets for its governmental type activities as of June 30, 2022 totals \$98.9 million (net of accumulated depreciation). This investment includes all land, buildings, and equipment. The total decrease in investment in capital assets for the current year was \$2.4 million, due to current year depreciation in excess of additions.

The District implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Additional information on the District's capital assets can be found in Note 3 of this report.

***Long-term Debt.*** At June 30, 2022, the District had \$66.6 million of bonds payable, primarily funded from a bond redemption property tax. Additional information on the District's debt can be found in Note 5.

## **OTHER MATTERS**

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2023 budget:

- Expected long-term growth in the District's enrollment causes increased demands in all service areas of the District, especially in instruction and student services.
- Federal Funding continues from the Education Stabilization Fund – Elementary and Secondary Emergency Relief Fund.
- An extension of the mill levy override approved by the District's voters in 2016 was approved in the 2020 election.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Weld County School District RE-3(J) finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, P.O. Box 1022, Hudson, Colorado 80642.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## STATEMENT OF NET POSITION

June 30, 2022	Governmental Activities	Charter School
<u>ASSETS</u>		
Current Assets:		
Cash and investments	\$ 19,502,997	\$ 1,970,914
Receivables	1,854,041	55,319
Total Current Assets	21,357,038	2,026,233
Noncurrent Assets:		
Investments - restricted	7,638,120	-
Capital assets	123,639,554	4,403,276
Less: Accumulated depreciation	(24,730,645)	(1,283,375)
Total Noncurrent Assets	106,547,029	3,119,901
<b>TOTAL ASSETS</b>	<b>127,904,067</b>	<b>5,146,134</b>
Deferred Outflows of Resources:		
Pension plan	4,912,026	270,998
Other postemployment benefits	48,294	2,731
Total Deferred Outflows of Resources	4,960,320	273,729
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	1,612,052	-
Accrued salaries and benefits	2,907,176	75,381
Unearned revenue	80,228	-
Current portion of long-term debt	2,100,000	29,321
Total Current Liabilities	6,699,456	104,702
Noncurrent Liabilities:		
Bonds payable	64,460,000	132,825
Bonds payable - premium	5,908,308	-
Accrued sick leave	601,119	-
Net postemployment benefits liability	1,379,688	77,607
Net pension liability	27,929,678	1,512,858
Total Liabilities	106,978,249	1,827,992
Deferred Inflows of Resources:		
Pension plan	11,160,675	780,500
Other postemployment benefits	487,384	27,415
Total Deferred Inflows of Resources	11,648,059	807,915
<u>NET POSITION</u>		
Net investment in capital assets	26,440,601	2,957,755
Restricted for:		
Debt service	6,465,467	-
Capital outlay	2,063,040	-
Emergencies and multi-year obligations	1,448,307	64,832
Preschool	152,805	-
Nonexpendable	634,619	-
Unrestricted	(22,966,760)	(238,631)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 14,238,079</b>	<b>\$ 2,783,956</b>

See Accompanying Notes to Financial Statements

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022	Expenses	Charges for Services
Functions/Programs:		
Governmental activities:		
Instruction	\$ 11,717,283	\$ -
Support services:		
Pupils	1,835,571	-
Instructional support	764,097	-
General administration	2,584,786	-
School administration	2,411,598	-
Operations and maintenance	3,452,389	-
Pupil transportation	1,397,930	-
Student activities	440,428	-
Food service	1,348,612	-
Interest and costs on long-term debt	2,544,139	-
Total Support Services	16,779,550	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 28,496,833</b>	<b>\$ -</b>
Component Unit:		
Charter School	1,253,896	-
General Revenues:		
State equalization		
Property taxes		
Specific ownership tax		
Investment earnings		
Changes in Net Position		
Net Position - Beginning		
<b>NET POSITION - Ending</b>		

See Accompanying Notes to Financial Statements.

Program	Revenues		Net (Expense) Revenue and Changes in Net Position	
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Charter School
\$	9,163,529	\$ -	\$ (2,553,754)	\$ -
	-	-	(1,835,571)	-
	-	-	(764,097)	-
	-	-	(2,584,786)	-
	-	-	(2,411,598)	-
	-	-	(3,452,389)	-
	247,576	-	(1,150,354)	-
	-	-	(440,428)	-
	-	-	(1,348,612)	-
	-	-	(2,544,139)	-
	247,576	-	(16,531,974)	-
\$	9,411,105	\$ -	\$ (19,085,728)	\$ -
	292,286	52,698		(908,912)
			7,436,908	1,548,253
			24,593,762	227,037
			1,529,513	-
			31,450	2,887
			33,591,633	1,778,177
			14,505,905	869,265
			(267,826)	1,914,691
			\$ 14,238,079	\$ 2,783,956

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## BALANCE SHEET - Governmental Funds

June 30, 2022	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and Investments	\$ 18,001,982	\$ -	\$ 612,289	\$ 1,274,451	\$ 705,524	\$ 20,594,246
Bank Certificates of Deposit	-	-	-	123,071	60,131	183,202
Investments with Trustee	-	6,363,669	-	-	-	6,363,669
Property Taxes Receivable	59,229	31,254	-	-	-	90,483
Interfund Receivables	328,017	70,544	1,001,293	59,751	72,252	1,531,857
Other Receivables	282,985	-	-	-	1,480,573	1,763,558
<b>TOTAL ASSETS</b>	<b>\$ 18,672,213</b>	<b>\$ 6,465,467</b>	<b>\$ 1,613,582</b>	<b>\$ 1,457,273</b>	<b>\$ 2,318,480</b>	<b>\$ 30,527,015</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts Payable	\$ 1,151,078	\$ -	\$ 241,169	\$ 58,990	\$ 160,815	\$ 1,612,052
Accrued Salaries and Benefits	2,575,386	-	-	-	331,790	2,907,176
Unearned Revenue	24,056	-	-	-	56,172	80,228
Interfund Payables	906,247	-	-	-	625,610	1,531,857
<b>Total Liabilities</b>	<b>4,656,767</b>	<b>-</b>	<b>241,169</b>	<b>58,990</b>	<b>1,174,387</b>	<b>6,131,313</b>
Fund Balances:						
Non-spendable	-	-	-	-	634,619	634,619
Restricted:						
Debt service	-	6,465,467	-	-	-	6,465,467
Capital outlay	664,757	-	-	1,398,283	-	2,063,040
TABOR emergencies	947,307	-	-	-	-	947,307
TABOR multi-year obligations	501,000	-	-	-	-	501,000
Preschool	152,805	-	-	-	-	152,805
Assigned:						
Capital outlay	-	-	1,372,413	-	-	1,372,413
Contingencies	2,894,088	-	-	-	-	2,894,088
Student activities	-	-	-	-	509,474	509,474
Unassigned	8,855,489	-	-	-	-	8,855,489
<b>Total Fund Balances</b>	<b>14,015,446</b>	<b>6,465,467</b>	<b>1,372,413</b>	<b>1,398,283</b>	<b>1,144,093</b>	<b>24,395,702</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,672,213</b>	<b>\$ 6,465,467</b>	<b>\$ 1,613,582</b>	<b>\$ 1,457,273</b>	<b>\$ 2,318,480</b>	<b>\$ 30,527,015</b>

See Accompanying Notes to Financial Statements.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION

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June 30, 2022

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

Total Governmental Funds Fund Balance	\$ 24,395,702
Capital assets used in governmental activities are not financial resources and therefore not reported as net position in governmental funds.	
Cost of capital assets	123,639,554
Accumulated depreciation	(24,730,645)
Deferred inflows and outflows of resources related to pensions and other postemployment benefits	(6,687,739)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Compensated absences - long-term portion	(601,119)
Debt payable	(66,560,000)
Bonds payable - premium	(5,908,308)
Net pension liability	(27,929,678)
Net other postemployment benefits liability	(1,379,688)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 14,238,079</b>

See Accompanying Notes to Financial Statements.

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**

**STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - Governmental Funds**

Year Ended June 30, 2022	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Capital Projects Fund	Other Governmental Funds	Total
<b>Revenue:</b>						
Local sources	\$21,568,584	\$ 6,043,076	\$ -	\$ -	\$ 506,657	\$ 28,118,317
State sources	9,959,933	-	73,500	-	3,775	10,037,208
Federal sources	22,334	-	-	-	4,793,429	4,815,763
Other	26,061	1,003	-	3,904	482	31,450
<b>Total Revenue</b>	<b>31,576,912</b>	<b>6,044,079</b>	<b>73,500</b>	<b>3,904</b>	<b>5,304,343</b>	<b>43,002,738</b>
<b>Expenditures:</b>						
Instruction	16,821,638	-	-	-	2,705,364	19,527,002
Supporting services	11,649,876	-	-	-	2,230,314	13,880,190
Capital outlay	264,236	-	781,405	-	48,010	1,093,651
Debt service	-	5,950,675	270,905	-	-	6,221,580
<b>Total Expenditures</b>	<b>28,735,750</b>	<b>5,950,675</b>	<b>1,052,310</b>	<b>-</b>	<b>4,983,688</b>	<b>40,722,423</b>
<b>Revenue Over (Under) Expenditures</b>	<b>2,841,162</b>	<b>93,404</b>	<b>(978,810)</b>	<b>3,904</b>	<b>320,655</b>	<b>2,280,315</b>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in (out)	(850,000)	-	850,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(850,000)</b>	<b>-</b>	<b>850,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>						
	1,991,162	93,404	(128,810)	3,904	320,655	2,280,315
<b>Fund Balances, Beginning of Year</b>	<b>12,024,284</b>	<b>6,372,063</b>	<b>1,501,223</b>	<b>1,394,379</b>	<b>823,438</b>	<b>22,115,387</b>
<b>Fund Balances, End of Year</b>	<b>\$ 14,015,446</b>	<b>\$ 6,465,467</b>	<b>\$ 1,372,413</b>	<b>\$ 1,398,283</b>	<b>\$ 1,144,093</b>	<b>\$ 24,395,702</b>

See Accompanying Notes to Financial Statements.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

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Year Ended June 30, 2022

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

Total net change in governmental funds fund balances	\$ 2,280,315
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities:	
Capital outlay	460,618
Depreciation expense	(2,852,014)
Net disposals	-
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities	3,677,441
Decrease in accrued leave	39,717
The governmental funds report District pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned, net of employee contributions, is reported as pension and OPEB expense	10,899,828
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 14,505,905</b>

See Accompanying Notes to Financial Statements.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Weld County School District RE-3(J) (the District) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

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#### Reporting Entity:

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no fiscal accountability for any other agency which would require it to be in the reporting entity, except for the Cardinal Community Academy.

In September 1999, the District entered into an agreement with the Cardinal Community Academy to operate a charter school. The School receives 100% of the applicable per-pupil funding from the District, less applicable administrative charges. Funded enrollment for the 2021-2022 school year was approximately 177 pupils.

The District passed through \$1,548,253 in per pupil funding, \$227,036 in mill levy override, and \$157,813 in other State and Federal grants for a total of \$1,971,007 in other instructional expenditures. Administrative costs of \$101,853 were withheld by the District. The charter school is included in these financial statements as a discretely presented component unit.

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#### Basis of Presentation:

##### Government-wide Financial Statements:

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

The statement of net position and the statement of activities display information about the District as a whole. The government-wide statement of net position is presented on a consolidated basis. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Basis of Presentation - Continued:

##### Government-wide Financial Statements - Continued:

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program. Grants and contributions that are restricted to meeting the operational requirements of a particular program are included in operating grants and contributions. Grants and contributions that are restricted to capital requirements of a particular program are included in capital grants and contributions. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the District.

##### Fund Financial Statements:

The financial transactions of the District are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds would be aggregated and presented as non-major funds.

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#### The District reports the following major funds:

##### General Fund:

The General Fund is the general operating fund of the District and accounts for all financial resources of the District that are not properly accounted for in other funds.

It is used to account for the instructional and support services programs of the District. The revenue of the fund consists primarily of local property taxes and state equalization aid.

##### Capital Projects Fund:

The Capital Projects Fund accounts for the receipt and spending of the proceeds of bonds and other sources for capital projects.

##### Debt Service Fund:

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Capital Reserve Projects Fund:

The Capital Reserve Projects Fund accounts for the receipt and spending of certain resources used for equipment purchases.

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#### Fixed Assets and Long-Term Obligations:

The accounting and reporting treatment applied to the fixed assets and long-term obligations are determined by its measurement focus as discussed above.

#### Fixed Assets:

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Only fixed assets with a cost of more than \$5,000 are added to capital assets.

Depreciation has been provided using the straight-line method over the estimated useful lives as follows:

Buildings	50 years
Equipment	5-15 years
Vehicles	10 years
Land and Building Improvements	20 years

#### Long-Term Obligations:

Accrued sick leave for the governmental funds is accounted for in the government-wide financial statements. Sick leave is earned when vested and is recorded as expenditure in the applicable fund when paid. Effective May 22, 2013, a licensed employee who has accumulated 50 or more days is paid at a rate of the current substitute rate per day of accumulated leave upon termination or retirement. Eligible administrative and classified staff members with 50 or more days are paid at one half their current daily salary. If the employee has fewer than 50 days of accumulated sick leave, no sick leave is paid upon retirement or termination. At June 30, 2022, the liability for accumulated sick leave approximated \$601,119. Long-term liabilities expected to be financed from the proprietary fund would be accounted for in the proprietary fund.

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#### Employee Vacation Leave:

Some employees receive noncumulative vacation leave. No accrual or liability is made as vacation leave accrues July 1 each year and the amount outstanding at year end is lost if not used by June 30 the following year.

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# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Measurement Focus:

##### Governmental-wide Statements:

The government-wide statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include per pupil revenue, grants and donations. Revenue from per pupil revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the District funds certain programs by a combination of specific grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the district's policy to first apply grant resources (restricted net position) to such programs and then general revenues (unrestricted net position).

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#### Fund Financial Statements:

##### Basis of Accounting:

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds utilize the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both measurable and available as net current assets. Revenues that are susceptible to accrual, that is, are measurable and available to finance the District's operations, consist primarily of interest. Grant revenues are recognized to the extent of eligible expenditures incurred. Expenditures are generally recognized when the related fund liability is incurred.

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#### Property Taxes:

Property taxes are levied in November and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Adams and Weld County Treasurers to bill and collect its property taxes. All uncollected taxes are reflected as taxes receivable and deferred revenue as of June 30, 2022. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be immaterial.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Property Taxes – Continued:

The original December 2021, levy for the General Fund of the District was 10.845 mills, plus a 3.488 mill override, or approximately \$18.5 million, and 4.683 mills or approximately \$6.0 million in the Debt Service Fund.

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#### Budget:

An annual budget and appropriation resolution is adopted by the Board of Education. The budget is prepared on a basis consistent with generally accepted accounting principles for all funds, except that a budget is also prepared for the student activity agency fund. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Superintendent is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board of Education through a supplemental appropriation ordinance. There was a supplemental appropriation in the year ended June 30, 2022. The District over-expended budget appropriations in the capital reserve projects fund, which may be a violation of state law.

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#### Interfund Transactions:

Any amounts due to or from other funds at year end represent timing differences for payment reimbursements and are cleared promptly.

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#### Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for a specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

##### Restricted for Debt Service:

These restrictions are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded amounts at June 30, 2022 are \$6,465,467.

##### Restricted for Emergencies and Multi-Year Obligations:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at June 30, 2022 are \$947,146. Recorded multi-year obligations reserves at June 30, 2022 are \$501,000.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity – Continued:

Restricted for Preschool:

These restrictions are established to comply with the Colorado Preschool and Kindergarten Act. Recorded amounts at June 30, 2022 are \$152,805.

Restricted for Capital Projects Fund:

The Capital Projects fund accounts for proceeds of bonds issues restricted for capital needs, such as site acquisition, building additions and equipment purchases. Recorded amounts at June 30, 2022 are \$1,398,283.

Assigned fund balances are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an official to which the Board delegates the authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

---

Net Position:

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

---

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has one item that qualifies for reporting in this category: changes in the net pension and OPEB liability not included in pension expense reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualified for reporting in this category: changes in the net pension and OPEB liability not included in pension expense reported in the government-wide statement of net position.

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# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Pensions:

Weld County School District RE-3(J) participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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#### 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 and additions to/deductions from the fiduciary net position 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.

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### NOTE 2 - Cash and Investments:

The District's bank accounts and certificates of deposit at year end were entirely covered by federal depository insurance or by collateral held by the District's custodial bank under provisions of the Colorado Public Deposit Protection Act. FDIC insurance is \$250,000 for each financial institution and bank deposits covered by PDPA were \$3,967,752.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

Cash resources of the General Fund and Food Service Fund are combined and deposited into an interest-bearing checking account. All interest earned on the pooled account is credited to the General Fund.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - Cash and Investments - Continued:

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, District, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District does not have an investment policy beyond the restrictions in State statutes.

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

At June 30, 2022, the General Fund held \$16,341,768 and the Capital Projects fund held \$17,616,219 in COLOTRUST, a 2a-7 like local government investment pool. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at \$1.00. The investment is rated AAA by Standard & Poor's. The District's interest is valued at NAV.

At June 30, 2022, the Debt Service Fund held debt service tax proceeds of \$6,363,669 in the Federated Treasury Obligation Fund. This investment cannot be categorized since it is not evidenced by specific securities. The investment is rated AAA by Standard & Poor's. The District's interest is valued at net asset value (NAV).

### NOTE 3 - Changes in Capital Assets:

	Balance, 6/30/21	Additions	Deletions	Balance, 6/30/22
Land and Improvements	\$ 2,500,954	\$ 25,000	\$ --	\$ 2,525,954
Water Certificates	1,987,855	--	--	1,987,855
Buildings and Improvements	115,098,079	176,144	--	115,274,223
Equipment	1,719,015	54,317	--	1,773,332
Transportation Equipment	1,873,033	205,157	--	2,078,190
	123,178,936	460,618	--	123,639,554
Less Accumulated Depreciation:				
Land and improvements	347,496	30,210	--	377,706
Buildings and improvements	20,008,800	2,369,042	--	22,377,842
Equipment	781,059	272,858	--	1,053,917
Transportation equipment	741,276	179,904	--	921,180
	21,878,631	2,852,014	--	24,730,645
Total Capital Assets	\$101,300,305	\$(2,391,396)	\$ --	\$ 98,908,909

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - Changes in Capital Assets - Continued:

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

Instruction	\$ 2,672,110
Transportation	179,905

Changes in Cardinal Community Academy's capital assets are as follows:

	Balance, 6/30/21	Additions	Deletions	Balance, 6/30/22
Land and Improvements	\$ 115,780	\$ --	\$ --	\$ 115,780
Building and Improvements	3,629,192	59,050	--	3,688,241
Furniture and Equipment	615,867	--	32,496	583,398
Construction in Progress	--	15,856	--	15,856
	4,360,839	74,906	32,469	4,403,276
Less: Accumulated depreciation	1,144,305	170,419	31,349	1,283,374
<b>Capital Assets, Net</b>	<b>\$ 3,216,534</b>	<b>\$ (95,512)</b>	<b>\$ 1,120</b>	<b>\$ 3,119,901</b>

### NOTE 4 – Interfund Receivables and Transfers:

The district reports interfund balances between many of its funds. These balances result from a time lag between the dates interfund goods and services are provided or reimbursable expenditures occur and payments between funds occur. On the fund financial statements, interfund receivables and payables as of June 30, 2022 consist of the following:

June 30, 2022	Interfund Receivables	Interfund Payables
General Fund:		
General Fund	\$ --	\$ 883,131
Cash in Lieu Fund	56,673	--
Insurance Fund	--	23,116
Colorado Preschool	271,344	--
<b>Total General Fund</b>	<b>328,017</b>	<b>906,247</b>
Food Service Fund	--	15,450
Grant Fund	--	610,160
Bond Redemption Fund	70,544	--
Capital Projects Fund	59,751	--
Capital Reserve Fund	1,001,293	--
Activity Funds	72,252	--
<b>Total Governmental Funds</b>	<b>\$ 1,531,857</b>	<b>\$ 1,531,857</b>

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – Interfund Receivables and Transfers - Continued:

Any residual balances outstanding between the governmental activities are reported in the district-wide financial statements as internal balances.

The interfund transfers for the year ended June 30, 2022 are as follows:

Governmental Funds:	Transfers In	Transfers Out
General Fund	\$ --	\$ 1,450,000
Insurance Fund	600,000	--
Capital Reserve Project Fund	850,000	--
<b>Total</b>	<b>\$ 1,450,000</b>	<b>\$ 1,450,000</b>

The General Fund transferred funds to the capital projects reserve fund for the completion of capital projects and to the Insurance Fund for expenditures.

### NOTE 5 - Changes in Long-Term Debt:

	Balance, 6/30/21	Additions	Deletions	Balance, 6/30/22	Due Within One Year
2018 Refunding Loan	\$ 2,170,000	\$ --	\$ 160,000	\$ 2,010,000	\$ 175,000
2016 Refunding Bonds	9,965,000	--	1,605,000	8,360,000	2,680,000
2016 Refunding Bonds Premium	917,765	--	229,442	688,323	--
2016 G.O. Bond	56,515,000	--	325,000	56,190,000	325,000
2016 G. O. Bonds Premium	5,567,984	--	347,999	5,219,985	--
2006 Capital Appreciation Bonds	1,010,000	--	1,010,000	--	--
Accrued compensated absences	640,836	--	39,717	601,119	--
	<b>\$ 76,786,585</b>	<b>\$ --</b>	<b>\$ 3,717,158</b>	<b>\$ 73,069,427</b>	<b>\$ 3,180,000</b>

In December 2016, the District issued \$58,620,000 of general obligation bonds at 3-5% interest, payable through 2036 to construct or renovate several schools.

In August 2016, the District advance refunded the 2006 and 2007 refunding bond issues. The District issued \$12,530,000 of general obligation refunding bonds at 2-4% interest through 2024 to provide resources to purchase U.S. governmental securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 - Changes in Long-Term Debt – Continued:

In August 2012, the District advance refunded the 2004 and most of 2005 bond issues. The District issued \$9,605,000 of general obligation refunding bonds at 2% through 2019 to provide resources to purchase U.S. governmental securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. The District has a total of \$7,590,000 of defeased debt.

In June 2013, the District issued certificates of participation (COP's) in the amount of \$3,605,000, to finance the purchase of land and water rights. Annual payments are required through 2033 at interest rates ranging from 2.0 to 4.5%. The COP's are collateralized by the property. These COP's were refunded in October, 2018 from a lease purchase refunding loan, series 2018 in the amount of \$2,670,000. Annual payments are required through 2033 at interest rates ranging from 3.65 to 4.65%.

All bond payments are made through the Debt Service Fund. A summary of annual requirements to amortize debt outstanding is as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 3,180,000	\$ 2,992,931	\$ 6,172,931
2024	3,320,000	2,856,888	6,176,888
2025	3,460,000	2,725,455	6,185,455
2026	3,795,000	2,582,874	6,377,874
2027	3,950,000	2,428,744	6,378,744
2028-2032	22,065,000	9,434,680	31,499,680
2033-2037	26,790,000	3,478,000	30,268,000
<b>Totals</b>	<b>\$ 66,560,000</b>	<b>\$ 26,499,572</b>	<b>\$ 93,059,572</b>

Cardinal Community Academy's long-term debt is as follows:

June 30	2022
Note payable to a bank in monthly installments of \$3,095, with balance due in June 2027, interest at 5.25%, collateralized by property	\$ 162,146

Changes in Cardinal Community Academy's long-term debt were as follows:

	Balance, 7/1/21	Additions	Deletions	Balance, 6/30/22
Note Payable	\$ 189,971	\$ --	\$ 27,825	\$ 162,146

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 - Changes in Long-Term Debt – Continued:

Future maturities of long-term debt are as follows:

Year Ending June 30	Annual Maturities
2023	\$ 29,321
2024	30,898
2025	32,560
2026	34,311
2027	35,056
Total	\$ 162,146

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### NOTE 6 - Accrued Salaries:

Salaries of certain personnel are paid over a twelve-month period from September to August, but are earned during a School year of approximately nine to eleven months. The salaries and benefits earned, but unpaid, as of June 30, 2022, are estimated to be \$2,907,176.

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### NOTE 7 - Commitments and Contingencies:

In 1992 the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. In November 1998, the electors of the District voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

Included in the accompanying financial statements are restrictions of fund balances for TABOR reserves, which will not constitute TABOR spending when utilized. TABOR reserves include an emergency reserve. The District believes it is in compliance with the requirements of TABOR.

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# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 – Defined Benefit Pension Plan:

*Plan description.* Eligible employees of the Weld County School District RE-3J are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/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.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and 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-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – Defined Benefit 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.

*Contributions provisions as of June 30, 2022:* Eligible employees of, Weld County School District RE-3J 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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.88%</b>

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

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 8 – Defined Benefit Pension Plan – Continued:**

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-3J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Weld County School District RE-3J were \$3,126,084 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 (actual dollars) 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 (actual dollars) 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 (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

### **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 Weld County School District RE-3J proportion of the net pension liability was based on Weld County School District RE-3J 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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – Defined Benefit Pension Plan – Continued:

At June 30, 2022, the Weld County School District RE-3J reported a liability of \$27,929,678 for its proportionate share of the net pension liability that reflected reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Weld County School District RE-3J 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 Weld County School District RE-3J were as follows:

Weld County School District RE-3(J) proportionate share of the net pension liability	\$ 27,929,678
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Weld County School District RE-3(J)	2,872,484
Total	\$ 30,802,162

At December 31, 2021, the Weld County School District RE-3J proportion was .24%, which was a decrease of .03% to its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Weld County School District RE-3J recognized pension expense of (\$8,081,813) and revenue of \$338,244 for support from the State as a nonemployer contributing entity. At June 30, 2022, the Weld County School District RE-3J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,069,260	\$ --
Net difference between projected and actual earnings on pension plan investments	--	10,500,728
Changes in assumptions	2,132,222	--
Change in proportion	--	659,950
Contributions subsequent to the measurement date	1,710,544	--
<b>Total</b>	<b>\$ 4,912,026</b>	<b>\$ 11,160,678</b>

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8 – Defined Benefit Pension Plan – Continued:

\$1,710,544 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:

Year Ending December 31	Amount
2023	\$ (386,398)
2024	(3,352,119)
2025	(2,946,116)
2026	(1,274,563)
	<u>\$ (7,959,196)</u>

*Actuarial assumptions.* The total pension liability (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%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 – Defined Benefit Pension Plan – Continued:

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.

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-3(J)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 8 – Defined Benefit Pension Plan – 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:

<b>Asset Class</b>	<b>Target Allocation</b>		<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00%		5.60%
Fixed Income	23.00%		1.30%
Private Equity	8.50%		7.10%
Real Estate	8.50%		4.40%
Alternatives	6.00%		4.70%
Total	100.00%		

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

*Discount rate.* The discount rate used to measure the 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-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 – Defined Benefit Pension Plan – 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 (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8 – Defined Benefit Pension Plan – Continued:

*Sensitivity of the Weld County School District RE-3J 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	41,110,202	27,929,678	16,931,023

*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)

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### NOTE 9 – Other Postemployment Benefits:

*Plan description.* Eligible employees of the Weld County School District RE-3J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits:

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

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

#### *PERA Benefit Structure*

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

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

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

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-3J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Weld County School District RE-3J were \$151,387 for the year ended June 30, 2022.

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

At June 30, 2022, the Weld County School District RE-3J reported a liability of \$1,379,688 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 Weld County School District RE-3J proportion of the net OPEB liability was based on Weld County School District RE-3J 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 Weld County School District RE-3J proportion was .16%, which was approximately the same as its proportion measured as of December 31, 2020.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9 – Other Postemployment Benefits – Continued:

For the year ended June 30, 2022, the Weld County School District RE-3J recognized OPEB expense of \$108,734. At June 30, 2022, the Weld County School District RE-3J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,102	\$ 327,141
Net difference between projected and actual earnings on pension plan investments	--	85,403
Changes in assumptions	28,565	74,840
Contributions subsequent to the measurement date	17,627	--
<b>Total</b>	<b>\$ 48,294</b>	<b>\$ 487,384</b>

\$17,627 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2023	\$ (122,461)
2024	(133,874)
2025	(125,931)
2026	(60,482)
2027	(12,234)
Thereafter	(1,735)
	<b>\$ (456,717)</b>

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – 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	3.40%-11.00%
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 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

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 (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

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

December 31, 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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
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%

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.

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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

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.

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.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

- 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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00	5.60%
Fixed Income	23.00	1.30%
Private Equity	8.50	7.10%
Real Estate	8.50	4.40%
Alternatives	6.00	4.70%
Total	100.00	

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%.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

*Sensitivity of the Weld County School District RE-3(J) proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend	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	\$1,602,363	\$1,379,688	\$1,189,485

*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-3(J)

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – Other Postemployment Benefits – Continued:

*Sensitivity of the Weld County School District RE-3J proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$1,602,363	\$1,379,688	\$1,189,485

*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).

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### NOTE 10 - Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District entered into the Colorado School Districts Self Insurance Pool in 1985. The Pool was established by the Colorado Association of District Boards (CASB) to provide insurance coverage's to participants in the areas of general liability, automobile liability, auto physical damage, auto personal injury protection, real and personal property, crime, and other coverages.

The District's share in the Pool is estimated to be less than 1%.

The District continues to carry commercial insurance for other risks of loss, including workers' compensation, employee fidelity, and director liability. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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REQUIRED SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**

**BUDGETARY COMPARISON SCHEDULE**

Year Ended June 30, 2022	General Fund			
	Actual	Original Budget	Final Budget	Variance
<b>Revenue:</b>				
Local sources	\$ 21,568,584	\$ 20,336,253	\$ 20,645,753	\$ 922,831
State sources	9,959,933	8,743,533	8,911,932	1,048,001
Federal sources	22,334	-	-	22,334
Other	26,061	-	5,000	21,061
<b>Total Revenue</b>	<b>31,576,912</b>	<b>29,079,786</b>	<b>29,562,685</b>	<b>2,014,227</b>
<b>Expenditures:</b>				
Instruction	16,821,638	16,562,902	16,842,411	20,773
Supporting services	11,649,876	11,563,027	11,748,709	98,833
Capital outlay	264,236	180,000	180,000	(84,236)
Appropriated reserves	-	3,026,995	3,039,232	3,039,232
<b>Total Expenditures</b>	<b>28,735,750</b>	<b>31,332,924</b>	<b>31,810,352</b>	<b>3,074,602</b>
<b>Revenue Over (Under) Expenditures</b>	<b>2,841,162</b>	<b>(2,253,138)</b>	<b>(2,247,667)</b>	<b>5,088,829</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	(850,000)	(850,000)	(850,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(850,000)</b>	<b>(850,000)</b>	<b>(850,000)</b>	<b>-</b>
<b>Revenue and Other Financing Sources Over (Under)</b>				
Expenditures and Other Financing Uses	1,991,162	(3,103,138)	(3,097,667)	5,088,829
<b>Fund Balance, Beginning of Year</b>	<b>12,024,284</b>	<b>12,024,284</b>	<b>12,024,284</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 14,015,446</b>	<b>\$ 8,921,146</b>	<b>\$ 8,926,617</b>	<b>\$ 5,088,829</b>

## WELD COUNTY SCHOOL DISTRICT RE-3(J)

### SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2022	\$ 3,126,084	\$ 3,126,084	\$14,841,847	21.1%
2021	2,650,613	2,650,613	14,001,921	18.9%
2020	2,567,126	2,567,126	13,418,954	19.1%
2019	2,264,440	2,264,440	11,984,784	18.9%
2018	2,263,418	2,263,418	11,353,960	19.9%
2017	1,970,185	1,970,185	10,234,727	19.3%
2016	1,842,571	1,842,581	9,826,954	18.8%
2015	1,716,404	1,716,404	9,353,702	18.3%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

### SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2022	\$ 149,902	\$ 149,903	\$14,841,847	1.0%
2021	139,846	139,846	14,001,921	1.0%
2020	136,873	136,873	13,418,954	1.0%
2019	122,245	122,245	11,984,784	1.0%
2018	115,810	115,810	11,353,960	1.0%
2017	100,059	100,059	10,234,727	1.0%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

## WELD COUNTY SCHOOL DISTRICT RE-3(J)

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended June 30	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2022	0.27%	\$ 31,420,888	\$ 14,841,847	212%	74.9%
2021	0.27%	40,818,554	14,001,921	292%	67.0%
2020	0.22%	32,867,523	13,418,954	245%	64.5%
2019	0.22%	38,955,519	11,984,784	325%	57.1%
2018	0.24%	77,607,470	11,353,960	684%	44.0%
2017*	0.22%	65,502,507	10,234,727	640%	43.1%
2016	0.22%	34,782,130	9,826,954	353%	59.2%
2015	0.24%	32,602,605	9,353,702	287%	62.8%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

\* Significant changes in assumptions made by Colorado PERA.

### SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY

Year Ended June 30	Cumulative Proportion of Net OPEB Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2022	0.16%	\$ 1,379,688	\$ 14,841,847	9%	39.4%
2021	0.15%	1,425,338	14,001,921	10%	32.8%
2020	0.15%	1,685,997	13,418,954	13%	24.5%
2019	0.13%	1,904,759	11,984,784	16%	17.0%
2018	0.13%	1,819,440	11,353,960	16%	17.5%
2017	0.13%	1,815,148	10,234,727	18%	16.7%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

**WELD COUNTY SCHOOL DISTRICT RE-3(J)  
CAPITAL RESERVE PROJECTS FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
State Sources:				
State grants	\$ 73,500	-	\$ 73,500	\$ -
Other:				
Interest	-	-	-	-
Other local revenue	-	-	-	-
<b>Total Revenue</b>	<b>\$ 73,500</b>	<b>\$ -</b>	<b>\$ 73,500</b>	<b>\$ -</b>

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Original Budget	Final Budget	Variance
Supporting Services	\$ -	\$ -	\$ -
Capital Outlay:			
Land and improvements	141,400	173,500	32,100
Buildings	424,103	355,000	(69,103)
Equipment and vehicles	215,902	229,095	13,193
Expenditures:			
Debt Service:			
Principal payments	270,905	270,905	-
Issuance cost	-	-	-
Interest on loan	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,052,310</b>	<b>\$ 1,028,500</b>	<b>\$ (23,810)</b>

**Schedule of Operating Transfers Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
General Fund	\$ 850,000	\$ 850,000	\$ 850,000	\$ -

**WELD COUNTY SCHOOL DISTRICT RE-3(J)  
CAPITAL PROJECTS FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Other:				
Interest	\$ -	\$ -	\$ -	\$ -
Other Income	3,904	2,500	2,500	1,404
<b>Total Revenue and Other Financing Sources</b>	<b>\$ 3,904</b>	<b>\$ 2,500</b>	<b>\$ 2,500</b>	<b>\$ 1,404</b>

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Original Budget	Final Budget	Variance
Supporting Services	\$ -	\$ -	\$ -
Capital Outlay:			
Land and improvements	-	-	-
Buildings	-	-	-
Equipment and vehicles	-	-	-
Appropriated Reserve	-	-	-
Expenditures:			
Other	-	-	-
Debt issuance costs	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Schedule of Operating Transfers Compared with Budget**

Year Ended June 30, 2022	Original Budget	Final Budget	Variance
Operating Transfers In:			
General Fund	\$ -	\$ -	\$ -

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**GENERAL FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
<b>Local Sources:</b>				
Property taxes, current	\$ 18,547,367	\$ 18,778,081	\$ 18,553,865	\$ (6,498)
Delinquent taxes	3,319	30,000	30,000	(26,681)
Specific ownership taxes	1,529,513	1,528,172	1,528,172	1,341
On behalf payment	338,244	-	-	338,244
Other	1,150,141	-	533,716	616,425
<b>Total Local Sources</b>	<b>21,568,584</b>	<b>20,336,253</b>	<b>20,645,753</b>	<b>922,831</b>
<b>State Sources:</b>				
Vocational education	37,157	46,109	46,109	(8,952)
State equalization	7,436,908	8,455,074	7,147,934	288,974
Transportation	247,576	242,350	242,350	5,226
Other grants	2,238,292	-	1,475,539	762,753
<b>Total State Sources</b>	<b>9,959,933</b>	<b>8,743,533</b>	<b>8,911,932</b>	<b>1,048,001</b>
<b>Federal Sources:</b>				
Other grants	22,334	-	-	22,334
<b>Total Federal Sources</b>	<b>22,334</b>	<b>-</b>	<b>-</b>	<b>22,334</b>
<b>Other:</b>				
Interest	26,061	-	5,000	21,061
<b>Total Revenue</b>	<b>\$ 31,576,912</b>	<b>\$ 29,079,786</b>	<b>\$ 29,562,685</b>	<b>\$ 2,014,227</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**GENERAL FUND**

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Instruction:				
Current operating:				
Salaries	\$ 9,787,668	\$ 9,791,041	\$ 9,898,145	\$ 110,477
Employee benefits	3,636,017	3,672,172	3,844,932	208,915
Purchased services	571,620	818,630	808,860	237,240
Supplies and materials	694,938	727,533	750,033	55,095
Other	1,793,151	1,553,526	1,540,441	(252,710)
On behalf payment	338,244	-	-	(338,244)
Capital outlay	94,722	-	-	(94,722)
<b>Total Instruction</b>	<b>16,916,360</b>	<b>16,562,902</b>	<b>16,842,411</b>	<b>(73,949)</b>
Supporting Services:				
Pupils:				
Current operating:				
Salaries	793,262	918,314	913,736	120,474
Employee benefits	308,750	364,350	358,622	49,872
Purchased services	264,241	255,888	255,888	(8,353)
Supplies and materials	27,394	23,196	23,196	(4,198)
Other	650	-	-	(650)
Capital outlay	-	-	-	-
<b>Total Pupils</b>	<b>1,394,297</b>	<b>1,561,748</b>	<b>1,551,442</b>	<b>157,145</b>
Instructional support:				
Current operating:				
Salaries	519,810	605,039	607,398	87,588
Employee benefits	217,356	229,064	229,591	12,235
Purchased services	13,973	113,950	113,950	99,977
Supplies and materials	12,958	41,750	41,750	28,792
Other	-	1,650	1,650	1,650
Capital outlay	-	-	-	-
<b>Total Instructional Staff</b>	<b>764,097</b>	<b>991,453</b>	<b>994,339</b>	<b>230,242</b>
General administration:				
Current operating:				
Salaries	761,478	794,154	838,776	77,298
Employee benefits	331,983	273,347	280,667	(51,316)
Purchased services	809,038	778,089	778,089	(30,949)
Supplies and materials	490,231	197,566	197,566	(292,665)
Other	22,542	25,250	25,250	2,708
Capital outlay	169,514	175,000	175,000	5,486
<b>Total General Administration</b>	<b>2,584,786</b>	<b>2,243,406</b>	<b>2,295,348</b>	<b>(289,438)</b>

Continued on next page.

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**GENERAL FUND**

**Schedule of Expenditures Compared with Budget - Continued**

Year Ended June 30, 2022		Final Budget	Final Budget	Variance
Supporting Services - Continued:				
School administration:				
Current operating:				
Salaries	\$ 1,255,633	1,257,037	1,280,818	\$ 25,185
Employee benefits	476,881	459,566	458,951	(17,930)
Purchased services	15,570	6,030	7,030	(8,540)
Supplies and materials	14,071	-	1,500	(12,571)
Other	6,174	-	-	(6,174)
Capital outlay	-	-	-	-
Total School Administration	1,768,329	1,722,633	1,748,299	(20,030)
Operations and maintenance:				
Current operating:				
Salaries	1,068,013	1,025,900	1,048,672	(19,341)
Employee benefits	430,513	463,369	463,454	32,941
Purchased services	876,561	734,932	791,059	(85,502)
Supplies and materials	1,076,932	991,950	996,950	(79,982)
Other	370	500	500	130
Capital outlay	-	5,000	5,000	5,000
Total Operations and Maintenanc	3,452,389	3,221,651	3,305,635	(146,754)
Pupil transportation:				
Current operating:				
Salaries	566,181	739,346	767,227	201,046
Employee benefits	200,556	239,897	243,526	42,970
Purchased services	54,009	90,200	90,200	36,191
Supplies and materials	391,427	256,100	256,100	(135,327)
Other	50	450	450	400
Capital outlay	-	-	-	-
Total Pupil Transportation	1,212,223	1,325,993	1,357,503	145,280
Other Supporting Services:				
Current operating:				
Insurance	643,269	676,143	676,143	32,874
Total Supporting Services	11,819,390	11,743,027	11,928,709	109,319
Appropriated Reserves	-	3,026,995	3,039,232	3,039,232
Total Expenditures	\$ 28,735,750	\$ 31,332,924	\$ 31,810,352	\$ 3,074,602

**WELD COUNTY SCHOOL DISTRICT RE-3(J)  
GENERAL FUND**

**Schedule of Operating Transfers Compared to Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Transfers Out:				
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
Capital Reserve Projects Fund	850,000	850,000	850,000	-
<b>Total Transfers</b>	<b>\$ 850,000</b>	<b>\$ 850,000</b>	<b>\$ 850,000</b>	<b>\$ -</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**DEBT SERVICE FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local Sources:				
Property taxes, current	\$ 6,040,706	\$ 4,948,575	\$ 6,042,264	\$ (1,558)
Other revenue	2,370	-	2,500	(130)
Total Local Sources	6,043,076	4,948,575	6,044,764	(1,688)
Other:				
Interest	1,003	-	1,000	3
<b>Total Revenue</b>	<b>\$ 6,044,079</b>	<b>\$ 4,948,575</b>	<b>\$ 6,045,764</b>	<b>\$ (1,685)</b>

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Debt Service:				
Principal payments	\$ 2,940,000	\$ 1,944,875	\$ 3,030,000	\$ 90,000
Interest on bonds	3,008,575	3,003,700	3,008,575	-
Debt issuance costs	2,100	-	5,000	2,900
<b>Total Expenditures</b>	<b>\$ 5,950,675</b>	<b>\$ 4,948,575</b>	<b>\$ 6,043,575</b>	<b>\$ 92,900</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

June 30, 2022	Designated Grants Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
<b>ASSETS</b>					
Cash	\$ -	\$ 17,179	\$ 249,995	\$ 438,350	\$ 705,524
Investments and Bank CD's	-	60,131	-	-	60,131
Due From Other Funds	-	-	-	72,252	72,252
Other Receivables	1,101,145	-	379,428	-	1,480,573
<b>TOTAL ASSETS</b>	<b>\$ 1,101,145</b>	<b>\$ 77,310</b>	<b>\$ 629,423</b>	<b>\$ 510,602</b>	<b>\$ 2,318,480</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 157,181	\$ -	\$ 2,506	\$ 1,128	\$ 160,815
Accrued Salaries and Benefits	331,790	-	-	-	331,790
Unearned Revenue	2,014	-	54,158	-	56,172
Due To Other Funds	610,160	-	15,450	-	625,610
<b>Total Liabilities</b>	<b>1,101,145</b>	<b>-</b>	<b>72,114</b>	<b>1,128</b>	<b>1,174,387</b>
<b>FUND BALANCES</b>					
Nonspendable	-	77,310	557,309	-	634,619
Assigned:					
Capital Outlay	-	-	-	-	-
Student Activities	-	-	-	509,474	509,474
<b>Total Fund Balances</b>	<b>-</b>	<b>77,310</b>	<b>557,309</b>	<b>509,474</b>	<b>1,144,093</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,101,145</b>	<b>\$ 77,310</b>	<b>\$ 629,423</b>	<b>\$ 510,602</b>	<b>\$ 2,318,480</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

Year Ended June 30, 2022	Designated Grants Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
Revenue:					
Interest	\$ -	\$ 243	\$ 239	\$ -	\$ 482
Local sources	10,300	-	30,750	465,607	506,657
State sources	3,775	-	-	-	3,775
Federal sources	3,132,563	-	1,660,866	-	4,793,429
Total Revenue	3,146,638	243	1,691,855	465,607	5,304,343
Expenditures:					
Instruction	2,705,364	-	-	-	2,705,364
Supporting services	441,274	-	1,348,612	440,428	2,230,314
Capital outlay	-	-	48,010	-	48,010
Non-capital outlay	-	-	-	-	-
Total Expenditures	3,146,638	-	1,396,622	440,428	4,983,688
Revenue (Under) Over Expenditures	-	243	295,233	25,179	320,655
Other Financing Sources (Uses):					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances, Beginning of Year	-	77,067	262,076	484,295	823,438
Fund Balances, End of Year	\$ -	\$ 77,310	\$ 557,309	\$ 509,474	\$ 1,144,093

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR FUNDS**  
**DESIGNATED GRANTS FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	\$ 10,300	\$ 5,228	\$ 10,300	\$ -
State sources	3,775	-	-	3,775
Federal sources	3,132,563	2,962,119	3,076,010	56,553
<b>Total Revenue</b>	<b>\$ 3,146,638</b>	<b>\$ 2,967,347</b>	<b>\$ 3,086,310</b>	<b>\$ 60,328</b>

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Instruction	\$ 2,705,364	\$ 2,239,241	\$ 2,445,685	\$ 259,679
Supporting Services	406,024	728,106	640,625	(234,601)
G&A Supplies	35,250	-	-	35,250
Capital Outlay:				
Equipment	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,146,638</b>	<b>\$ 2,967,347</b>	<b>\$ 3,086,310</b>	<b>\$ 60,328</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR FUNDS**  
**PERMANENT FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Miscellaneous Revenue:				
Interest	\$ 243	\$ 550	\$ 300	\$ (57)
<b>Total Revenue</b>	<b>\$ 243</b>	<b>\$ 550</b>	<b>\$ 300</b>	<b>\$ (57)</b>

**Schedule of Expenditures Compared with Budget**

Year Ended June 30, 2022	Actual	Budget	Budget	Variance
Supporting Services:				
Other	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR FUNDS**  
**FOOD SERVICE FUND**

**Schedule of Revenue Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Revenue:				
Food and milk sales	\$ 30,750	\$ 33,500	\$ 35,563	\$ (4,813)
Nonoperating Revenue:				
Federal and State grants	1,596,133	1,089,460	1,538,402	57,731
U.S.D.A. commodities	64,733	75,639	75,639	(10,906)
Interest	239	200	200	39
<b>Total Revenue</b>	<b>\$ 1,691,855</b>	<b>\$ 1,198,799</b>	<b>\$ 1,649,804</b>	<b>\$ 42,051</b>

**Schedule of Expenses Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Salaries and benefits	\$ 37,041	\$ 41,988	\$ 42,125	\$ 5,084
Supplies (contractors)	69,232	107,521	102,139	32,907
Purchased Services	1,242,339	949,290	1,430,539	188,200
Capital Outlay:				
Equipment	48,010	50,000	75,000	26,990
<b>Total Expenses</b>	<b>\$ 1,396,622</b>	<b>\$ 1,148,799</b>	<b>\$ 1,649,803</b>	<b>\$ 253,181</b>

**WELD COUNTY SCHOOL DISTRICT RE-3(J)**  
**NONMAJOR FUNDS**  
**STUDENT ACTIVITIES FUND**

**Schedule of Additions Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 465,607	\$510,000	\$ 510,000	\$ 44,393
<b>Total Additions</b>	<b>\$ 465,607</b>	<b>\$510,000</b>	<b>\$ 510,000</b>	<b>\$ 44,393</b>

**Schedule of Deductions Compared with Budget**

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 440,428	\$478,749	\$ 510,000	\$ 69,572
<b>Total Deductions</b>	<b>\$ 440,428</b>	<b>\$478,749</b>	<b>\$ 510,000</b>	<b>\$ 69,572</b>

# CARDINAL COMMUNITY ACADEMY

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2022	Actual	Original Budget	Amended Budget	Variance
<b>Revenue:</b>				
Weld County School District RE-3(J) PPR	\$ 1,548,253	\$ 1,539,551	\$ 1,535,006	\$ 13,247
Mill Levy override	227,037	316,036	313,059	(86,022)
Colorado Department of Education grants	110,663	51,705	51,705	58,958
Federal grants	47,150	67,373	67,373	(20,223)
Contributions and other	187,171	195,868	228,368	(41,197)
Interest income	2,887	10,000	10,000	(7,113)
On behalf payment	18,896	-	-	18,896
<b>Total Revenue</b>	<b>2,142,057</b>	<b>2,180,533</b>	<b>2,205,511</b>	<b>(63,454)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Teachers' salaries	573,319	557,856	562,179	(11,140)
Substitute teachers	17,005	15,000	15,000	(2,005)
Teachers aides	134,743	127,245	135,259	516
After school staff	9,600	10,078	10,078	478
Supplemental contracts	-	8,500	8,500	8,500
Incentives	134,805	128,400	128,400	(6,405)
PERA contributions	147,551	155,876	155,876	8,325
Other benefits	60,360	68,736	68,962	8,602
Special education	65,733	90,000	90,000	24,267
Educational equipment & furniture	69,771	30,627	30,627	(39,144)
Instructional materials & supplies	228	50,000	50,000	49,772
<b>Total Instruction</b>	<b>1,213,115</b>	<b>1,242,318</b>	<b>1,254,881</b>	<b>41,766</b>
<b>Supporting Services:</b>				
RE-3(J) administrative withholding	101,853	95,000	95,000	(6,853)
Director salary	70,689	69,681	69,681	(1,008)
Office staff salary	91,768	93,453	93,453	1,685
Accountability/evaluation	-	4,200	4,200	4,200
PERA contributions	41,745	48,270	48,270	6,525
Custodian	43,055	37,596	38,162	(4,893)
Utilities	36,337	50,000	50,000	13,663
Telephone	3,532	5,000	5,000	1,468
Office supplies	-	10,000	10,000	10,000
Building expense	18,005	40,000	40,000	21,995
Insurance	42,575	43,000	43,000	425
Equipment rentals	11,847	12,000	12,000	153
Water/wastewater	9,588	12,500	12,500	2,912
Contracted services	38,161	26,500	26,500	(11,661)
Fundraising expense	71,299	75,000	75,000	3,701
PTO expense	22,314	75,000	75,000	52,686
On behalf payment	18,896	-	-	(18,896)
Miscellaneous expense	45,951	76,373	76,373	30,422
<b>Total Supporting Services</b>	<b>667,615</b>	<b>773,573</b>	<b>774,139</b>	<b>106,524</b>
Capital outlay	74,906	80,000	90,000	15,094
Debt service (principal)	27,683	27,000	27,000	(683)
Interest expense	9,453	11,000	11,000	1,547
<b>Total Expenditures</b>	<b>1,992,772</b>	<b>2,133,891</b>	<b>2,157,020</b>	<b>164,248</b>
Revenue Over (Under) Expenditures	149,285	46,642	48,491	100,794
Fund Balance, Beginning of Year	1,801,567	1,801,567	1,801,567	-
<b>Fund Balance, End of Year</b>	<b>\$ 1,950,852</b>	<b>\$ 1,848,209</b>	<b>\$ 1,850,058</b>	<b>\$ 100,794</b>

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Agency/Program Grant Title	Pass-Through Identification Number	Assistance Listing Number	Expenditures
<u>Department of Agriculture</u>			
Child Nutrition Cluster:			
Passed Through CDHHS:			
Food Distribution		10.555	\$ 64,732
Passed Through Colorado Department of Education:			
National School Lunch Program	4555	10.555	1,162,122
School Breakfast Program	4553	10.553	464,841
Summer Food Service Program for Children	4559	10.559	-
SNAP PEBT	4649	10.649	3,063
			1,694,758
<u>Department of Education</u>			
Passed Through Colorado Department of Education:			
Title I Grants to Local Education Agencies	4010	84.010	560,438
Title III Part A ELA	4365	84.365	34,755
Title II Part A Teacher Quality	4367	84.367	72,237
Title IV Part A - Student Support and Enrichment	4424	84.424	38,891
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	4425	84.425D	1,789,444
Rise Grant	6425	84.425C	67,972
ARP FL AU	4419	84.425D	17,852
Carl Perkins	4048	84.048	22,334
Total Federal Assistance			\$ 4,298,681

Note 1: Schedule is prepared on the modified accrual basis of accounting except for the food distribution commodities received which are at fair value.

Note 2: The District does not have any significant subrecipients or indirect cost recovery.

Note 3: The District's federal programs generally do not utilize the 10% de minimis cost rate.

# WELD COUNTY SCHOOL DISTRICT RE-3(J)

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Year Ended June 30, 2022**

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### SUMMARY OF AUDITORS' RESULTS

- Type of report issued on financial statements Unmodified
- Internal control over financial reporting:
  - Material weaknesses identified No
  - Significant deficiencies identified None reported
- Noncompliance material to the financial statements noted No
- Internal control over federal awards:
  - Material weaknesses identified No
  - Significant deficiencies identified None reported
- Type of report issued on major programs Unmodified
- Audit findings disclosed None under 2 CFR 200.516(a)
- Major programs Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (84.425D)
  
- Dollar threshold between Type A and Type B programs \$750,000
- Low-risk auditee Yes

### FINDINGS RELATED TO FINANCIAL STATEMENTS

- None

### FINDINGS RELATED TO FEDERAL AWARDS

- None

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**Year Ended June 30, 2021**

### PRIOR YEAR FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

- None
-



Independent Auditors' Report on Compliance for Each Major Federal Program and  
Internal Control Over Compliance in Accordance with Uniform Guidance

Board of Education  
Weld County School District RE-3(J)  
Hudson, Colorado

**Report on Compliance for Major Federal Programs**

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

We have audited Weld County School District RE-3(J)'s 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 Weld County School District RE-3(J)'s major federal programs for the year ended June 30, 2022. Weld County School District RE-3(J)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Weld County School District RE-3(J) 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 (Government Auditing Standards); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Weld County School District RE-3(J) 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 Weld County School District RE-3(J)'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 Weld County School District RE-3(J)'s federal programs.

### **Auditor's 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 Weld County School District RE-3(J)'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 Weld County School District RE-3(J)'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 Weld County School District RE-3(J)'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 Weld County School District RE-3(J)'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 Weld County School District RE-3(J)'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 Auditor's 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.

*Anderson & Whitney, P.C.*

January 25, 2023



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-3(J)  
Hudson, 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-3(J), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 25, 2023.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *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.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Weld County School District RE-3(J)'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Anderson & Whitney, P.C.*

January 25, 2023



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3090 - Weld County School District RE-3J  
 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
Governmental	+	=	=	=
10 General Fund	11,895,506	27,885,984	26,128,622	13,652,869
18 Risk Mgmt Sub-Fund of General Fund	59,431	632,938	643,269	49,100
19 Colorado Preschool Program Fund	69,346	654,736	576,359	147,723
<b>Sub- Total</b>	<b>12,024,284</b>	<b>29,173,658</b>	<b>27,348,250</b>	<b>13,849,692</b>
11 Charter School Fund	1,801,567	2,142,056	1,992,771	1,950,853
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	0	0	0	0
21 Food Service Spec Revenue Fund	262,078	1,691,855	1,396,622	557,310
22 Govt Designated-Purpose Grants Fund	0	3,146,638	3,146,638	0
23 Pupil Activity Special Revenue Fund	484,294	465,607	440,428	509,473
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	6,372,064	6,044,078	5,950,675	6,465,467
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	1,394,379	3,904	0	1,398,283
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,501,223	923,500	1,052,310	1,372,413
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>23,839,890</b>	<b>43,591,297</b>	<b>41,327,695</b>	<b>26,103,491</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	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	77,067	243	0	77,310
85 Foundations	0	0	0	0
<b>Totals</b>	<b>77,067</b>	<b>243</b>	<b>0</b>	<b>77,310</b>

FINAL