

Weld County School District Re-3J

HUDSON, KEENESBURG, LOCHBUIE

FINANCIAL REPORT

Year Ended June 30, 2023



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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, 2023, 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, 2023, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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 22, 2024 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 22, 2024

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, 2023. 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 \$18,127,404 at June 30, 2023. The net position is being impacted by *Government Accounting Standards Board* statements 68 and 75 that require the District to disclose their proportionate share of PERA's (Public Employers Retirement Association) unfunded pension and post-employment benefit liability. The net liability is calculated at \$35,805,763 for the period ending June 30, 2023. Without the Pension/OPEB liability impact, the District's net position would be a positive \$53,933,167.
- The General Fund balance was \$15.4 million as of June 30, 2023. Of this amount, \$1.2 million is reserved for emergencies.
- The June 30, 2023 General Fund balance is \$1.4 million more than the previous year-end. The total fund balance is 49% of 2023 General Fund operating expenditures plus operating transfers.
- The Debt Service Fund has a fund balance of \$7.9 million as of June 30, 2023. 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, 2023, liabilities exceed assets by \$18.1 million.

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

	2023	2022
June 30	Governmental Activities	Governmental Activities
Assets		
Current and other assets	\$ 32,178,624	\$ 28,995,158
Capital assets	96,056,466	98,908,909
Total assets	128,235,090	127,904,067
Deferred Outflows of Resources	8,400,708	4,960,320
Liabilities		
Current and other liabilities	8,235,040	6,699,456
Pension and OPEB long-term liabilities	41,043,824	29,309,366
All other long-term liabilities	66,066,883	70,969,427
Total liabilities	115,345,747	106,978,249
Deferred Inflows of Resources	3,162,647	11,648,059
Net Position		
Net investment in capital assets	27,345,599	26,440,601
Restricted	12,455,250	10,764,238
Unrestricted	(21,673,445)	(22,966,760)
Total Net Position (Deficit)	\$ 18,127,404	\$ 14,238,079

A significant portion of the District's net position represents an unrestricted net deficit of \$21,673,445 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 \$12,445,250 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 \$1,181,139, \$7,943,401 in reserves for debt service, \$2,174,106 in capital outlay, \$334,000 in multi-year contract reserves, \$586,540 in non-expendable funds, and \$236,064 for preschool.

The following table indicates the changes in net position:

Years Ended June 30	2023	2022
	Governmental Activities	Governmental Activities
Revenues:		
Program revenues:		
Charges for services	\$ --	\$ --
Operating grants	8,645,325	9,411,105
General revenues:		
Property taxes	32,518,671	24,593,762
Specific ownership taxes	1,409,521	1,529,513
State equalization	3,164,422	7,436,908
Investment earnings	405,720	31,450
Total revenues	46,143,659	43,002,738
Expenses:		
Instruction	24,594,361	11,717,283
Student services	4,248,253	3,948,280
Administrative services	4,777,349	4,996,384
Pupil transportation	1,895,026	1,397,930
Operations and maintenance	3,854,724	3,452,389
Interest and costs on long-term debt	2,430,484	2,544,139
Student activities	454,137	440,428
Total expenses	42,254,334	28,496,833
Increase (decrease) in net position	\$ 3,889,325	\$ 14,505,905

Governmental Activities. Governmental activities increased the District's net position by \$3,889,325 in 2023. Key elements of this increase are as follows:

- Total revenues increased about 7% compared to the prior year, primarily due to increases in property taxes exceeding the decrease in state equalization.
- Expenses increased about 48% from the previous year, due to fluctuations in the pension liability for 2023 as compared to 2022.

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, 2023, the total fund balances of the District's governmental funds were \$27,263,584. Approximately 47% 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 (\$1,181,139); (2) multi-year obligations (\$334,000); (3) debt service (\$7,943,401); (4) permanent and non-expendable funds (\$586,540); (5) contingencies (\$2,894,088); (6) capital outlay (\$1,356,231 and \$1,422,363); (7) Preschool (\$236,064); (8) Student activities (\$516,194); and (9) Cash-in-lieu for capital outlay from the Town of Keenesburg and Weld County (\$817,875.)

The District has four major governmental funds. These are the General Fund, Designated Grants 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 \$15,438,855 as of June 30, 2023. The 2023 fund balance is \$1,423,409 more than the previous year.
2. **Designated Grants Fund.** The Designated Grants Fund accounts for the receipt and spending of state and federal grants restricted for certain educational purposes. The fund balance was \$-0- as of June 30, 2023.
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 \$1,422,363 as of June 30, 2023.
4. **Debt Service Fund.** This is the fund which receives bond redemption property taxes and made bond payments of \$3,005,000 during the year. The fund balance increased \$1,477,934 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.

2023 General Fund

	Actual	Final Budget
Beginning Fund Balance	\$ 14,015,446	\$ 14,015,446
Revenue	33,685,063	32,414,016
Expenditures	31,361,654	29,260,265
Transfers	(900,000)	(900,000)
Ending Fund Balance	\$ 15,438,855	\$ 16,269,197

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District’s investment in capital assets for its governmental type activities as of June 30, 2023 totals \$105.2 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 \$2.9 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, 2023, the District had \$63.4 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 2024 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.
- The budget is prepared with the anticipation of being successful in filling open staffing positions.
- 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, 2023	Governmental Activities	Charter School
<u>ASSETS</u>		
Current Assets:		
Cash and investments	\$ 22,592,074	\$ 2,228,631
Receivables	1,737,676	543
Total Current Assets	24,329,750	2,229,174
Noncurrent Assets:		
Investments - restricted	7,848,874	-
Capital assets	123,048,865	4,506,411
Less: Accumulated depreciation	(26,992,399)	(1,399,741)
Total Noncurrent Assets	103,905,340	3,106,670
TOTAL ASSETS	128,235,090	5,335,844
Deferred Outflows of Resources:		
Pension plan	8,277,369	423,304
Other postemployment benefits	123,339	6,707
Total Deferred Outflows of Resources	8,400,708	430,011
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	1,452,122	31,111
Accrued salaries and benefits	3,440,056	76,115
Unearned revenue	22,862	-
Current portion of long-term debt	3,320,000	30,898
Total Current Liabilities	8,235,040	138,124
Noncurrent Liabilities:		
Bonds payable	60,060,000	101,927
Bonds payable - premium	5,330,867	-
Accrued sick leave	676,016	-
Net postemployment benefits liability	1,347,190	73,483
Net pension liability	39,696,634	2,003,041
Total Liabilities	115,345,747	2,316,575
Deferred Inflows of Resources:		
Pension plan	2,688,163	253,585
Other postemployment benefits	474,484	25,881
Total Deferred Inflows of Resources	3,162,647	279,466
<u>NET POSITION</u>		
Net investment in capital assets	27,345,599	2,973,845
Restricted for:		
Debt service	7,943,401	-
Capital outlay	817,875	-
Emergencies and multi-year obligations	1,515,139	70,791
Preschool	236,064	-
Nonexpendable	586,540	-
Unrestricted	(20,317,214)	125,178
TOTAL NET POSITION (DEFICIT)	\$ 18,127,404	\$ 3,169,814

See Accompanying Notes to Financial Statements

WELD COUNTY SCHOOL DISTRICT RE-3(J)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023	Expenses	Charges for Services
Functions/Programs:		
Governmental activities:		
Instruction	\$ 24,594,361	\$ -
Support services:		
Pupils	1,448,084	-
Instructional support	1,578,955	-
General administration	2,228,741	-
School administration	2,548,608	-
Operations and maintenance	3,854,724	-
Pupil transportation	1,895,026	-
Student activities	454,137	-
Food service	1,221,214	-
Interest and costs on long-term debt	2,430,484	-
Total Support Services	17,659,973	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 42,254,334	\$ -
Component Unit:		
Charter School	1,920,913	-
General Revenues:		
State equalization		
Property taxes		
Specific ownership tax		
Investment earnings		
Changes in Net Position		
Net Position - Beginning		
NET POSITION - Ending		

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
\$	8,407,842	\$ -	\$ (16,186,519)	\$ -
	-	-	(1,448,084)	-
	-	-	(1,578,955)	-
	-	-	(2,228,741)	-
	-	-	(2,548,608)	-
	-	-	(3,854,724)	-
	237,483	-	(1,657,543)	-
	-	-	(454,137)	-
	-	-	(1,221,214)	-
	-	-	(2,430,484)	-
	237,483	-	(17,422,490)	-
\$	8,645,325	\$ -	\$ (33,609,009)	\$ -
	214,603	64,197		(1,642,113)
			3,164,422	1,671,242
			32,518,671	311,378
			1,409,521	-
			405,720	45,351
			37,498,334	2,027,971
			3,889,325	385,858
			14,238,079	2,783,956
			\$ 18,127,404	\$ 3,169,814

WELD COUNTY SCHOOL DISTRICT RE-3(J)

BALANCE SHEET - Governmental Funds

June 30, 2023	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Designated Grants Fund	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 19,179,678	\$ -	\$ 1,319,340	\$ -	\$ 1,969,923	\$ 22,468,941
Bank Certificates of Deposit	-	-	-	-	123,133	123,133
Investments with Trustee	-	7,848,874	-	-	-	7,848,874
Property Taxes Receivable	58,175	23,983	-	-	-	82,158
Interfund Receivables	506,390	70,544	404,721	428,621	512,142	1,922,418
Other Receivables	293,049	-	-	1,220,574	141,895	1,655,518
TOTAL ASSETS	\$ 20,037,292	\$ 7,943,401	\$ 1,724,061	\$ 1,649,195	\$ 2,747,093	\$ 34,101,042
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 712,501	\$ -	\$ 301,698	\$ 161,657	\$ 276,266	\$ 1,452,122
Accrued Salaries and Benefits	3,106,891	-	-	333,165	-	3,440,056
Unearned Revenue	-	-	-	11,000	11,862	22,862
Interfund Payables	779,045	-	-	1,143,373	-	1,922,418
Total Liabilities	4,598,437	-	301,698	1,649,195	288,128	6,837,458
Fund Balances:						
Non-spendable	-	-	-	-	586,540	586,540
Restricted:						
Debt service	-	7,943,401	-	-	-	7,943,401
Capital outlay	817,875	-	-	-	-	817,875
TABOR emergencies	1,181,139	-	-	-	-	1,181,139
TABOR multi-year obligations	334,000	-	-	-	-	334,000
Preschool	236,064	-	-	-	-	236,064
Assigned:						
Capital outlay	-	-	1,422,363	-	1,356,231	2,778,594
Contingencies	2,894,088	-	-	-	-	2,894,088
Student activities	-	-	-	-	516,194	516,194
Unassigned	9,975,689	-	-	-	-	9,975,689
Total Fund Balances	15,438,855	7,943,401	1,422,363	-	2,458,965	27,263,584
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,037,292	\$ 7,943,401	\$ 1,724,061	\$ 1,649,195	\$ 2,747,093	\$ 34,101,042

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

June 30, 2023

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

Total Governmental Funds Fund Balance	\$ 27,263,584
Capital assets used in governmental activities are not financial resources and therefore not reported as net position in governmental funds.	
Cost of capital assets	123,048,865
Accumulated depreciation	(26,992,399)
Deferred inflows and outflows of resources related to pensions and other postemployment benefits	5,238,061
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	(676,016)
Debt payable	(63,380,000)
Bonds payable - premium	(5,330,867)
Net pension liability	(39,696,634)
Net other postemployment benefits liability	(1,347,190)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 18,127,404

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, 2023	General Fund	Debt Service Fund	Capital Reserve Projects Fund	Designated Grants Fund	Other Governmental Funds	Total
Revenue:						
Local sources	\$28,404,759	\$ 7,397,809	\$ -	\$ 4,514	\$ 831,529	\$ 36,638,611
State sources	4,923,565	-	-	57,000	123,873	5,104,438
Federal sources	3,256	-	-	3,245,592	746,042	3,994,890
Other	353,483	50	-	-	52,187	405,720
Total Revenue	33,685,063	7,397,859	-	3,307,106	1,753,631	46,143,659
Expenditures:						
Instruction	18,656,168	-	-	2,791,444	-	21,447,612
Supporting services	12,561,444	-	-	515,662	1,675,456	14,752,562
Capital outlay	144,042	-	582,050	-	161,586	887,678
Debt service	-	5,919,925	268,000	-	-	6,187,925
Total Expenditures	31,361,654	5,919,925	850,050	3,307,106	1,837,042	43,275,777
Revenue Over (Under) Expenditures	2,323,409	1,477,934	(850,050)	-	(83,411)	2,867,882
Other Financing Sources (Uses):						
Operating transfers in (out)	(900,000)	-	900,000	-	-	-
Total Other Financing Sources (Uses)	(900,000)	-	900,000	-	-	-
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses						
	1,423,409	1,477,934	49,950	-	(83,411)	2,867,882
Fund Balances, Beginning of Year	14,015,446	6,465,467	1,372,413	-	2,542,376	24,395,702
Fund Balances, End of Year	\$ 15,438,855	\$ 7,943,401	\$ 1,422,363	\$ -	\$ 2,458,965	\$ 27,263,584

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

Year Ended June 30, 2023

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

Total net change in governmental funds fund balances	\$ 2,867,882
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	354,203
Depreciation expense	(2,807,760)
Net disposals	(398,886)
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	3,757,441
Increase (Decrease) in accrued leave	(74,897)
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	191,342
Change in Net Position of Governmental Activities	\$ 3,889,325

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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.

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 2022-2023 school year was approximately 176 pupils.

The District passed through \$1,671,242 in per pupil funding, \$311,378 in mill levy override, and \$177,016 in other State and Federal grants for a total of \$2,159,636 in other instructional expenditures. Administrative costs of \$109,455 were withheld by the District. The charter school is included in these financial statements as a discretely presented component unit.

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

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.

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.

Designated Grants Fund:

The Designated Grants Fund accounts for the receipt and spending of the proceeds of state and federal grants restricted for certain educational purposes.

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

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.

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, 2023, the liability for accumulated sick leave approximated \$676,016. Long-term liabilities expected to be financed from the proprietary fund would be accounted for in the proprietary fund.

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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).

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.

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, 2023. 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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Property Taxes – Continued:

The original December 2022, levy for the General Fund of the District was 10.845 mills, plus a 2.323 mill override, or approximately \$25.6 million, and 3.829 mills or approximately \$7.4 million in the Debt Service Fund.

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, 2023. The District over-expended budget appropriations in the grants and permanent fund, which may be a violation of state law.

Interfund Transactions:

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

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, 2023 are \$7,943,401.

Restricted for Emergencies and Multi-Year Obligations:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at June 30, 2023 are \$1,181,139. Recorded multi-year obligations reserves at June 30, 2023 are \$334,000.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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, 2023 are \$236,064.

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, 2023 are \$1,356,231.

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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.

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.

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 \$4,233,817.

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, 2023, the General Fund held \$18,358,624 and the Capital Projects fund held \$1,325,689 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, 2023, the Debt Service Fund held debt service tax proceeds of \$7,848,874 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, 6/30/22	Additions	Deletions	Balance, 6/30/23
Land and Improvements	\$ 2,525,954	\$ --	\$ 33,037	\$ 2,492,917
Water Certificates	1,987,855	--	--	1,987,855
Buildings and Improvements	115,274,223	--	691,707	114,582,516
Equipment	1,773,332	60,101	198,110	1,635,323
Transportation Equipment	2,078,190	294,102	22,038	2,350,254
	123,639,554	354,203	944,892	123,048,865
Less Accumulated Depreciation:				
Land and improvements	377,706	29,808	31,385	376,129
Buildings and improvements	22,377,842	2,357,424	369,790	24,365,476
Equipment	1,053,917	233,578	133,812	1,153,683
Transportation equipment	921,180	186,950	11,019	1,097,111
	24,730,645	2,807,760	546,006	26,992,399
Total Capital Assets	\$ 98,908,909	\$ (2,453,557)	\$ 398,886	\$ 96,056,466

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	\$ 2,624,935
Transportation	182,825

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

	Balance, 7/1/22	Additions	Deletions	Transfer	Balance, 6/30/23
Land and Improvements	\$ 115,780	\$ --	\$ --		\$ 115,780
Construction in Progress	15,856	30,000	--	(15,856)	30,000
Building and Improvements	3,688,242	79,189	--	15,856	3,783,287
Furniture and Equipment	583,398	33,296	(39,350)		577,344
	4,403,276	142,485	(39,350)	--	4,506,411
Less:					
Accumulated Depreciation	1,283,375	155,716	(39,350)	--	1,399,741
Total Capital Assets	\$ 3,119,901	\$ (13,231)	\$ --	--	\$ 3,106,670

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, 2023 consist of the following:

June 30, 2023	Interfund Receivables	Interfund Payables
General Fund:		
General Fund	\$ --	\$ 779,045
Cash in Lieu Fund	5,613	--
Insurance Fund	112,576	--
Colorado Preschool	388,201	--
Total General Fund	506,390	779,045
Food Service Fund	410,071	--
Grant Fund	428,621	1,143,373
Bond Redemption Fund	70,544	--
Capital Projects Fund	19,768	--
Capital Reserve Fund	404,721	--
Activity Funds	82,303	--
Total Governmental Funds	\$ 1,922,418	\$ 1,922,418

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, 2023 are as follows:

Governmental Funds:	Transfers In	Transfers Out
General Fund	\$ --	\$ 900,000
Capital Reserve Project Fund	900,000	--
Total	\$ 900,000	\$ 900,000

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, 6/30/22	Additions	Deletions	Balance, 6/30/23	Due Within One Year
2018 Refunding Loan	\$ 2,010,000	\$ --	\$ 175,000	\$ 1,835,000	\$ 200,000
2016 Refunding Bonds	8,360,000	--	2,680,000	5,680,000	2,785,000
2016 Refunding Bonds Premium	688,323	--	229,442	458,881	--
2016 G.O. Bond	56,190,000	--	325,000	55,865,000	335,000
2016 G. O. Bonds Premium	5,219,985	--	347,999	4,871,986	--
2006 Capital Appreciation Bonds	--	--	--	--	--
Accrued compensated absences	601,119	74,897	--	676,016	--
	\$ 73,069,427	\$ 74,897	\$ 3,757,441	\$ 69,386,883	\$ 3,320,000

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
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	4,105,000	2,268,449	6,373,449
2029-2033	22,805,000	8,379,818	31,184,818
2034-2037	21,945,000	2,264,413	24,209,413
Totals	\$ 63,380,000	\$ 23,506,641	\$ 86,886,641

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

June 30	2023
Note payable to a bank in monthly installments of \$3,095, with balance due in June 2027, interest at 5.25%, collateralized by property	\$ 132,825

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

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23
Note Payable	\$ 162,146	\$ --	\$ 29,321	\$ 132,825

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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

Future maturities of long-term debt are as follows:

Year Ending June 30	Annual Maturities
2024	\$ 30,898
2025	32,560
2026	34,311
2027	35,056
Total	\$ 132,825

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, 2023, are estimated to be \$3,440,056.

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

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.

Benefits provided as of December 31, 2022. 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.
- \$15 time the first 10 years of service credit plus \$20 times services credit over 10 years plus a monthly amount equal to the annualized member contribution account balance based on life expectancy and other actuarial factors.

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan - Continued:

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, 2023 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 11% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
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	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the 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 \$3,381,684 for the year ended June 30, 2023.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan – Continued:

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (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. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Weld County School District RE-3J proportion of the net pension liability was based Weld County School District RE-3J contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the Weld County School District RE-3J reported a liability of \$39,696,634 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)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan – Continued:

Weld County School District RE-3J proportionate share of the net pension liability	\$ 39,696,634
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Weld County School District RE-3J	8,957,649
Total	\$ 48,654,283

At December 31, 2022, the Weld County School District RE-3J proportion was .022%, which was a decrease of .02% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023 the Weld County School District RE-3J recognized pension expense of (\$3,141,316) or support from the State as a nonemployer contributing entity. At June 30, 2023, 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, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 375,686	\$ --
Net difference between projected and actual earnings on pension plan investments	5,332,720	--
Changes in assumptions	703,157	--
Change in proportion	--	2,688,163
Contributions subsequent to the measurement date	1,865,806	--
Total	\$ 8,277,369	\$ 2,688,163

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan – Continued:

\$1,865,806 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, 2024. 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
2024	\$ 501,171
2025	(365,582)
2026	753,491
2027	2,834,320
	\$ 3,723,400

Actuarial assumptions. The total pension liability (TPL) in the December 31, 2021 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 ¹	Financed by the AIR

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan – Continued:

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

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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	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

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.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Defined Benefit Pension Plan – Continued:

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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	\$51,949,241	\$39,696,634	\$29,464,455

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

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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

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

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

PERA Benefit Structure

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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

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 \$171,323 for the year ended June 30, 2023.

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

At June 30, 2023, the Weld County School District RE-3J reported a liability of \$1,347,190 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. 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 2022 relative to the total contributions of participating employers to the HCTF.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

At December 31, 2022, the Weld County School District RE-3J proportion was .016%, which is approximately the same as its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Weld County School District RE-3J recognized OPEB expense of (\$43,994). At June 30, 2023, 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, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 175	\$ 325,796
Net difference between projected and actual earnings on pension plan investments	82,284	--
Changes in assumptions	21,653	148,688
Contributions subsequent to the measurement date	19,227	--
Total	\$ 123,339	\$ 474,484

\$19,227 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, 2023. 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
2024	\$ (134,214)
2025	(124,024)
2026	(58,529)
2027	(8,776)
2028	(34,889)
2029	(7,940)
	\$ (370,372)

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

Actuarial assumptions. The TOL in the December 31, 2021 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	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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 at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

Mortality assumptions used in the December 31, 2021, 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 on 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.

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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- 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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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:

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

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$1,561,793	\$1,347,190	\$1,163,636

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, 2022, 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.

WELD COUNTY SCHOOL DISTRICT RE-3(J)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Other Postemployment Benefits – Continued:

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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$1,309,059	\$1,347,190	\$1,388,681

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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-3(J)**BUDGETARY COMPARISON SCHEDULE**

Year Ended June 30, 2023	General Fund			
	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	\$ 28,404,759	\$ 21,914,417	\$ 27,497,544	\$ 907,215
State sources	4,923,565	9,711,778	4,916,472	7,093
Federal sources	3,256	-	-	3,256
Other	353,483	-	-	353,483
Total Revenue	33,685,063	31,626,195	32,414,016	1,271,047
Expenditures:				
Instruction	18,656,168	18,443,849	18,721,918	65,750
Supporting services	12,561,444	12,398,970	12,818,068	256,624
Capital outlay	144,042	195,000	195,000	50,958
Appropriated reserves	-	88,856	148,273	148,273
Total Expenditures	31,361,654	31,126,675	31,883,259	521,605
Revenue Over (Under) Expenditures	2,323,409	499,520	530,757	1,792,652
Other Financing Sources (Uses):				
Operating transfers in (out)	(900,000)	(850,000)	(900,000)	-
Total Other Financing Sources (Uses)	(900,000)	(850,000)	(900,000)	-
Revenue and Other Financing Sources Over (Under)				
Expenditures and Other Financing Uses	1,423,409	(350,480)	(369,243)	1,792,652
Fund Balance, Beginning of Year	14,015,446	14,015,446	14,015,446	-
Fund Balance, End of Year	\$ 15,438,855	\$ 13,664,966	\$ 13,646,203	\$ 1,792,652

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	\$ 4,514	\$ 8,000	\$ 8,000	\$ (3,486)
State sources	57,000	-	-	57,000
Federal sources	3,245,592	3,157,505	3,174,436	71,156
Total Revenue	\$ 3,307,106	\$ 3,165,505	\$ 3,182,436	\$ 124,670

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Instruction				
Salaries	\$ 1,384,502	\$ 1,330,554	\$ 1,160,998	\$ (223,504)
Employee benefits	688,707	497,416	419,102	(269,605)
Purchased services	54,497	46,096	46,096	(8,401)
Supplies and materials	663,738	305,497	427,697	(236,041)
Other	-	-	-	-
Supporting Services				
Salaries	263,479	560,019	491,411	227,932
Employee benefits	100,928	211,491	182,729	81,801
Purchased services	60,595	55,311	113,116	52,521
Supplies and materials	4,000	94,026	275,996	271,996
Other	21,447	-	-	(21,447)
General and Administration				
Salaries	45,910	45,910	45,910	-
Employee benefits	19,303	19,185	19,381	78
Purchased Services	-	-	-	-
Capital Outlay:				
Equipment	-	-	-	-
Total Expenditures	\$ 3,307,106	\$ 3,165,505	\$ 3,182,436	\$ (124,670)

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
2023	\$ 3,212,216	\$ 3,212,216	\$16,132,060	19.9%
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
2023	\$ 164,436	\$ 164,436	\$16,132,060	1.0%
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
2023	0.22%	\$ 39,696,634	\$ 16,132,060	246%	61.8%
2022	0.24%	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
2023	0.16%	\$ 1,347,190	\$ 16,132,060	8%	38.6%
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)
DEBT SERVICE FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local Sources:				
Property taxes, current	\$ 7,276,943	\$ 5,923,125	\$ 7,418,125	\$ (141,182)
Other revenue	120,866	3,500	62,500	58,366
Total Local Sources	7,397,809	5,926,625	7,480,625	(82,816)
Other:				
Interest	50	-	-	50
Total Revenue	\$ 7,397,859	\$ 5,926,625	\$ 7,480,625	\$ (82,766)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Debt Service:				
Principal payments	\$ 3,005,000	\$ 3,005,000	\$ 3,005,000	\$ -
Interest on bonds	2,913,125	2,913,125	2,913,125	-
Debt issuance costs	1,800	5,000	5,000	3,200
Total Expenditures	\$ 5,919,925	\$ 5,923,125	\$ 5,923,125	\$ 3,200

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
State Sources:				
State grants	\$ -	-	\$ -	\$ -
Other:				
Interest	-	-	-	-
Other local revenue	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Original Budget	Final Budget	Variance
Supporting Services	\$ -	\$ -	\$ -
Capital Outlay:			
Land and improvements	111,415	100,000	(11,415)
Buildings	190,283	310,000	119,717
Equipment and vehicles	280,352	275,000	(5,424)
Expenditures:			
Debt Service:			
Principal payments	175,000	268,072	93,072
Issuance cost	-	-	-
Interest on loan	93,000	-	(93,000)
Total Expenditures	\$ 850,050	\$ 953,072	\$ 102,950

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
General Fund	\$ 900,000	\$ 850,000	\$ 900,000	\$ -

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Local Sources:				
Property taxes, current	\$ 25,119,849	\$ 20,429,889	\$ 25,561,103	\$ (441,254)
Delinquent taxes	1,013	30,000	30,000	(28,987)
Specific ownership taxes	1,409,521	1,454,528	1,294,023	115,498
On behalf payment	985,457	-	-	985,457
Other	888,919	-	612,418	276,501
Total Local Sources	28,404,759	21,914,417	27,497,544	907,215
State Sources:				
Vocational education	-	39,595	39,595	(39,595)
State equalization	3,164,422	9,420,011	3,164,487	(65)
Transportation	237,483	252,172	252,172	(14,689)
Other grants	1,521,660	-	1,460,218	61,442
Total State Sources	4,923,565	9,711,778	4,916,472	7,093
Federal Sources:				
Other grants	3,256	-	-	3,256
Total Federal Sources	3,256	-	-	3,256
Other:				
Interest	353,483	-	-	353,483
Total Revenue	\$ 33,685,063	\$ 31,626,195	\$ 32,414,016	\$ 1,271,047

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

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Instruction:				
Current operating:				
Salaries	\$ 10,608,161	\$ 10,815,328	\$ 10,871,240	\$ 263,079
Employee benefits	3,854,881	4,172,089	4,209,624	354,743
Purchased services	529,865	544,042	544,042	14,177
Supplies and materials	677,651	932,865	1,115,365	437,714
Other	2,000,153	1,979,525	1,981,647	(18,506)
On behalf payment	985,457	-	-	(985,457)
Capital outlay	28,766	-	-	(28,766)
Total Instruction	18,684,934	18,443,849	18,721,918	36,984
Supporting Services:				
Pupils:				
Current operating:				
Salaries	826,627	953,713	968,938	142,311
Employee benefits	296,316	362,531	366,010	69,694
Purchased services	314,139	253,437	253,437	(60,702)
Supplies and materials	10,217	17,696	17,696	7,479
Other	785	-	-	(785)
Capital outlay	-	-	-	-
Total Pupils	1,448,084	1,587,377	1,606,081	157,997
Instructional support:				
Current operating:				
Salaries	640,795	664,542	663,160	22,365
Employee benefits	239,747	239,656	239,341	(406)
Purchased services	145,952	113,950	113,950	(32,002)
Supplies and materials	36,694	41,750	41,750	5,056
Other	-	1,650	1,650	1,650
Capital outlay	-	-	-	-
Total Instructional Staff	1,063,188	1,061,548	1,059,851	(3,337)
General administration:				
Current operating:				
Salaries	857,776	905,896	1,106,378	248,602
Employee benefits	324,835	296,892	299,903	(24,932)
Purchased services	760,503	808,852	826,565	66,062
Supplies and materials	256,587	194,566	194,566	(62,021)
Other	29,040	25,250	25,250	(3,790)
Capital outlay	115,276	175,000	175,000	59,724
Total General Administration	2,344,017	2,406,456	2,627,662	283,645

Continued on next page.

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

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2023	Final Budget	Final Budget	Variance
Supporting Services - Continued:			
School administration:			
Current operating:			
Salaries	\$ 1,337,993	1,359,934	1,361,404 \$ 23,411
Employee benefits	474,329	471,094	471,431 (2,898)
Purchased services	17,956	6,030	6,030 (11,926)
Supplies and materials	12,478	-	- (12,478)
Other	1,617	-	- (1,617)
Capital outlay	-	-	- -
Total School Administration	1,844,373	1,837,058	1,838,865 (5,508)
Operations and maintenance:			
Current operating:			
Salaries	1,243,879	1,227,718	1,218,671 (25,208)
Employee benefits	482,053	496,691	494,624 12,571
Purchased services	894,621	799,932	999,932 105,311
Supplies and materials	1,233,476	1,044,500	1,044,500 (188,976)
Other	695	500	500 (195)
Capital outlay	-	5,000	5,000 5,000
Total Operations and Maintenanc	3,854,724	3,574,341	3,763,227 (91,497)
Pupil transportation:			
Current operating:			
Salaries	606,287	659,760	635,591 29,304
Employee benefits	248,727	221,362	215,839 (32,888)
Purchased services	128,136	90,200	90,200 (37,936)
Supplies and materials	434,497	431,100	431,100 (3,397)
Other	452	450	450 (2)
Capital outlay	-	15,000	15,000 15,000
Total Pupil Transportation	1,418,099	1,417,872	1,388,180 (29,919)
Other Supporting Services:			
Current operating:			
Insurance	704,235	709,318	729,202 24,967
Total Supporting Services	12,676,720	12,593,970	13,013,068 336,348
Appropriated Reserves	-	88,856	148,273 148,273
Total Expenditures	\$ 31,361,654	\$ 31,126,675	\$ 31,883,259 \$ 521,605

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

Schedule of Operating Transfers Compared to Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Transfers Out:				
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
Capital Reserve Projects Fund	900,000	850,000	900,000	-
Total Transfers	\$ 900,000	\$ 850,000	\$ 900,000	\$ -

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

COMBINING BALANCE SHEET

June 30, 2023	Capital Projects Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
ASSETS					
Cash	\$ 1,325,689	\$ 77,816	\$ 140,422	\$ 425,996	\$ 1,969,923
Investments and Bank CD's	123,133	-	-	-	123,133
Due From Other Funds	19,768	-	410,071	82,303	512,142
Other Receivables	-	-	124,184	17,711	141,895
TOTAL ASSETS	\$ 1,468,590	\$ 77,816	\$ 674,677	\$ 526,010	\$ 2,747,093
LIABILITIES					
Accounts Payable	\$ 112,359	\$ -	\$ 154,091	\$ 9,816	\$ 276,266
Accrued Salaries and Benefits	-	-	-	-	-
Unearned Revenue	-	-	11,862	-	11,862
Due To Other Funds	-	-	-	-	-
Total Liabilities	112,359	-	165,953	9,816	288,128
FUND BALANCES					
Nonspendable	-	77,816	508,724	-	586,540
Assigned:					
Capital Outlay	1,356,231	-	-	-	1,356,231
Student Activities	-	-	-	516,194	516,194
Total Fund Balances	1,356,231	77,816	508,724	516,194	2,458,965
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,468,590	\$ 77,816	\$ 674,677	\$ 526,010	\$ 2,747,093

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

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023	Capital Projects Fund	Permanent Fund	Food Service Fund	Activity Fund	Total
Revenue:					
Interest	\$ 51,300	\$ 612	\$ 275	\$ -	\$ 52,187
Local sources	-	-	370,672	460,857	831,529
State sources	-	-	123,873	-	123,873
Federal sources	-	-	746,042	-	746,042
Total Revenue	51,300	612	1,240,862	460,857	1,753,631
Expenditures:					
Instruction	-	-	-	-	-
Supporting services	-	105	1,221,214	454,137	1,675,456
Capital outlay	93,352	-	68,234	-	161,586
Non-capital outlay	-	-	-	-	-
Total Expenditures	93,352	105	1,289,448	454,137	1,837,042
Revenue (Under) Over Expenditures	(42,052)	507	(48,586)	6,720	(83,411)
Other Financing Sources (Uses):					
Operating transfers in (out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Fund Balances, Beginning of Year	1,398,283	77,310	557,309	509,474	2,542,376
Fund Balances, End of Year	\$1,356,231	\$ 77,817	\$ 508,723	\$ 516,194	\$ 2,458,965

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Other:				
Interest	\$ 51,300	\$ 2,500	\$ 30,000	\$ 21,300
Other Income	-	-	-	-
Total Revenue and Other Financing Sources	\$ 51,300	\$ 2,500	\$ 30,000	\$ 21,300

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Original Budget	Final Budget	Variance
Supporting Services	\$ -	\$ -	\$ -
Capital Outlay:			
Land and improvements	93,352	550,000	456,648
Buildings	-	-	-
Equipment and vehicles	-	-	-
Appropriated Reserve	-	-	-
Expenditures:			
Other	-	-	-
Debt issuance costs	-	-	-
Total Expenditures	\$ 93,352	\$ 550,000	\$ 456,648

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2023	Original Budget	Final Budget	Variance
Operating Transfers In:			
General Fund	\$ -	\$ -	\$ -

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Miscellaneous Revenue:				
Interest	\$ 612	\$ 300	\$ 300	\$ 312
Total Revenue	\$ 612	\$ 300	\$ 300	\$ 312

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Budget	Budget	Variance
Supporting Services:				
Other	\$ 105	\$ -	\$ -	\$ (105)
Total Expenditures	\$ 105	\$ -	\$ -	\$ (105)

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Revenue:				
Food and milk sales	\$ 370,672	\$ 543,477	\$ 368,642	\$ 2,030
Nonoperating Revenue:				
State grants	123,873	51,000	128,738	(4,865)
Federal grants	664,130	731,957	664,013	117
U.S.D.A. commodities	81,912	77,415	77,415	4,497
Interest	275	200	300	(25)
Total Revenue	\$ 1,240,862	\$ 1,404,049	\$ 1,239,108	\$ 1,754

Schedule of Expenses Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Salaries and benefits	\$ 27,850	\$ 36,821	\$ 36,702	\$ 8,852
Supplies (contractors)	497,796	589,802	567,302	69,506
Purchased Services	695,568	669,151	634,854	(60,714)
Capital Outlay:				
Equipment	68,234	108,025	150,000	81,766
Total Expenses	\$ 1,289,448	\$ 1,403,799	\$ 1,388,858	\$ 99,410

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

Schedule of Additions Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 460,857	\$415,000	\$ 535,000	\$ 74,143
Total Additions	\$ 460,857	\$415,000	\$ 535,000	\$ 74,143

Schedule of Deductions Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Student Activities	\$ 454,137	\$415,000	\$ 535,000	\$ 80,863
Total Deductions	\$ 454,137	\$415,000	\$ 535,000	\$ 80,863

CARDINAL COMMUNITY ACADEMY

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2023	Actual	Original Budget	Amended Budget	Variance
Revenue:				
Weld County School District RE-3(J) PPR	\$ 1,671,242	\$ 1,640,700	\$ 1,674,985	\$ (3,743)
Mill Levy override	311,378	313,059	303,161	8,217
Colorado Department of Education grants	127,380	96,373	101,373	26,007
Federal grants	49,636	24,705	24,705	24,931
Contributions and other	101,784	198,868	198,868	(97,084)
Interest income	45,351	10,000	20,000	25,351
On behalf payment	52,919	-	-	52,919
Total Revenue	2,359,690	2,283,705	2,323,092	36,598
Expenditures:				
Current:				
Instruction:				
Teachers' salaries	550,265	569,635	569,635	19,370
Substitute teachers	24,608	15,000	15,000	(9,608)
Teachers aides	150,348	135,973	135,973	(14,375)
After school staff	10,621	12,339	12,339	1,718
Supplemental contracts	-	8,500	8,500	8,500
Incentives	197,495	186,400	186,400	(11,095)
PERA contributions	148,163	178,207	178,207	30,044
Other benefits	65,147	76,023	76,023	10,876
Special education	10,900	90,000	90,000	79,100
Educational equipment & furniture	27,485	38,000	38,000	10,515
Instructional materials & supplies	55,890	60,000	60,000	4,110
Total Instruction	1,240,922	1,370,077	1,370,077	129,155
Supporting Services:				
RE-3(J) administrative withholding	109,455	95,000	119,000	9,545
Director salary	82,508	75,000	75,000	(7,508)
Office staff salary	89,560	80,313	80,313	(9,247)
Accountability/evaluation	-	4,200	4,200	4,200
PERA contributions	44,865	53,962	53,962	9,097
Custodian	50,719	38,140	38,140	(12,579)
Utilities	51,212	50,000	57,000	5,788
Telephone	3,530	5,000	5,000	1,470
Office expense	12,579	12,000	15,000	2,421
Building expense	19,968	40,000	40,000	20,032
Insurance	45,759	44,000	44,000	(1,759)
Water/wastewater	11,467	12,500	12,500	1,033
Contracted services	51,635	53,000	56,000	4,365
Fundraising expense	61,928	75,000	75,000	13,072
PTO expense	13,627	75,000	75,000	61,373
On behalf payment	52,919	-	-	(52,919)
Miscellaneous expense	98,806	51,373	51,373	(47,433)
Total Supporting Services	800,537	764,488	801,488	951
Capital outlay	110,000	75,000	80,000	(30,000)
Debt service (principal)	29,192	27,000	27,000	(2,192)
Interest expense	7,943	11,000	11,000	3,057
Total Expenditures	2,188,594	2,247,565	2,289,565	100,971
Revenue Over (Under) Expenditures	171,096	36,140	33,527	137,569
Fund Balance, Beginning of Year	1,950,852	1,950,852	1,950,852	-
Fund Balance, End of Year	\$ 2,121,948	\$ 1,986,992	\$ 1,984,379	\$ 137,569

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

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	\$ 81,912
Passed Through Colorado Department of Education:			
National School Lunch Program	4555	10.555	540,725
School Breakfast Program	4553	10.553	122,777
			745,414
<u>Department of Education</u>			
Passed Through Colorado Department of Education:			
Title I Grants to Local Education Agencies	4010	84.010	431,218
Title III Part A ELA	4365	84.365	38,392
Title II Part A Teacher Quality	4367	84.367	73,772
Title IV Part A - Student Support and Enrichment	4424	84.424	36,437
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	4425	84.425D	1,789,397
Education Stabilization Fund - Rapid Response	4425	84.425D	47,750
ARP FL AU	4419	84.425D	11,232
SNAP PEBT	4649	10.649	3,884
ARP Curriculum Grant	4431	84.425U	247,500
Mentor Grant	4436	84.425U	144,000
<u>Total Federal Assistance</u>			\$ 3,568,996

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, 2023

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)
Nutrition Cluster (10.553, 10.555, 10.556, 10.559 and 10.582)
- Dollar threshold between Type A and Type B programs \$750,000
- Low-risk auditee Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

➤ FINDING 2023-1 - ELIGIBILITY

Child Nutrition Cluster: ALN 10.553, 10.555, 10.556, 10.559 and 10.582

Pass-Through Agency: United States Department of Agriculture

Criteria: *Income Eligibility Guidelines* – Families who participate in the program are able to receive free or reduced meals if they qualify based on a number of factors such as number of household members and household income.

Condition: One family was found to be eligible for free meals, however, due to a data entry error the family was receiving reduced priced meals and not free meals.

Questioned Costs: None

Context: At the time of registration, this household applied for free or reduced meals. During the course of registration, RE-3J staff sent in an application which recorded the household as having four members. Based on this information, the family was eligible for reduced price meals. Later on, RE-3J updated its information on this family to record an additional family member who was not properly included with the household due to a manual entry error in the Student Information System. This additional family member, when added to the household, would qualify the family for free meals. The district did not send in a new application to reflect this change, leaving the family on reduced rather than free meals

Effect: This household received reduced rather than free meals.

Cause: Manual data entry in the Student Information System allows for potential entry error. Once the error was fixed, a new application was not sent in to reflect this correction.

Recommendation: We recommend reviewing processes in place to ensure eligibility statuses are properly adjusted when changes are made to household sizes.

Management's Response: Agree

Correction Action:

Contact Person: Lisa Clark, Director of Finance

Corrective Action Plan

Year Ended June 30, 2023

2023-01 Finding: Eligibility

Status: Corrective action in progress

Corrective Action: Training and additional oversight

Person Responsible for Implementing: Lisa Clark, Director of Finance

Implementation Date: January 2024

It was found that an application was identified as *reduced* status when it should have been *free* status. When the parent filled out the application in our online applications system, one of the students listed was not matching. This was due to the student not being in our Student Information System at that point. The secretary processed the application without the match. This resulted in the reduced status based on income and the number of members in the household. The student that did not match remained outstanding in the online application portal. Later when the unmatched student was entered into the Student Information System, matched and processed in the online application portal, the system did not update the original application to add the additional member. With the addition of the additional family member, the application resulted in a free status.

The corrective action will include additional training for the staff members processing the applications. This will be done during January of 2024. We will implement a secondary check after each upload to catch any applications that may have unmatched students and make the corrections. There will be continued oversight and training.

Lisa Clark
Director of Finance

WELD COUNTY SCHOOL DISTRICT RE-3(J)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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, 2023. 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, 2023.

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 22, 2024



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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 22, 2024. The financial statements of Cardinal Community Academy as of June 30, 2023 were not audited in accordance with *Government Auditing Standards*.

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*.

District's Response to Finding

Government Auditing Standards requires to the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 22, 2024



Colorado Department of Education
Auditors Integrity Report
 District: 3090 - Weld County School District RE-3j
 Fiscal Year 2022-23
 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	13,818,623		29,384,741	28,173,212		15,030,152
18 Risk Mgmt Sub-Fund of General Fund	49,100		831,455	707,916		172,639
19 Colorado Preschool Program Fund	147,723		897,625	809,284		236,064
Sub-Total	14,015,446		31,113,821	29,690,412		15,438,856
11 Charter School Fund	1,950,852		2,359,690	2,188,594		2,121,948
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	557,310		1,240,862	1,289,449		508,724
22 Govt Designated-Purpose Grants Fund	0		3,307,107	3,307,107		0
23 Pupil Activity Special Revenue Fund	509,473		460,858	454,137		516,194
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	6,465,467		7,397,860	5,919,925		7,943,402
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	1,398,283		51,300	93,352		1,356,230
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	1,372,413		900,000	850,050		1,422,363
46 Supplemental Cap Const. Tech. Main Fund	0		0	0		0
Totals	26,269,245		46,831,499	43,793,026		29,307,718
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	77,310		612	105		77,817
85 Foundations	0		0	0		0
Totals	77,310		612	105		77,817

FINAL