

Weld County School District RE-9
Ault, Colorado

Financial Statements

For the Year Ended June 30, 2020

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Independent Auditors' Report

Board of Education
Weld County School District RE-9
Ault, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-9 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension and other post-employment benefit plan information listed in the table of contents 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The debt compliance schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 23, 2020

**WELD COUNTY SCHOOL DISTRICT RE-9
Management's Discussion and Analysis
June 30, 2020**

The discussion and analysis of Weld County School District RE-9's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The fund balance for Governmental Funds increased by \$601,558 for the 2020 fiscal year.

Outlays for capital assets included: development of a student plaza, additional athletic complex bleachers, an aquaponics system for the agriculture education department, a forklift and tractor for the facility department and new copy machines throughout the district. The District decreased its principal long-term debt by \$690,000 for general obligation bonds and increased it by \$52,589 for leased business equipment.

The funded student count increased in 2020 to 962.5 from 924.4 from fiscal year 2019 which is a positive development to have when determining budgets and staffing projections.

The District's fund balance continues to remain sufficient to accommodate cash flow needs.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

As of June 30, 2020, the District's total net position was \$1,017,271. The total net position of the District increased from the previous year by \$3,100,930 with the PERA Net Pension Liability decreasing by \$2,380,205 for a total PERA Liability of \$12,467,562 and an increase to Capital Assets not being depreciated.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is made up of Governmental Activities:

Governmental Activities – The District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

A condensed summary of the Districts net position is as follows:

Table 1
NET POSITION

	2020	2019
Current and other assets	\$ 11,167,322	\$ 9,606,572
Capital assets	22,000,180	22,119,256
Total assets	33,167,502	31,725,828
Deferred outflows of resources	1,631,356	6,296,683
Long-term debt outstanding	22,632,241	25,859,120
Other liabilities	2,336,291	1,187,437
Total liabilities	24,968,532	27,046,557
Deferred inflows of resources	8,813,055	13,249,469
Net position		
Net investment in capital assets	12,598,541	11,995,273
Restricted	1,918,076	1,739,078
Unrestricted (deficit)	(13,499,346)	(16,007,866)
Total net position	\$ 1,017,271	\$ (2,273,515)

Most of the District's net position is invested in capital assets (buildings, land, equipment and vehicles). The remaining unrestricted net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside for the repayment of debt, or set aside as required by Colorado statutes for emergencies.

A condensed Statement of Activities and Changes in Net Position is as follows:

Table 2
CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>
Program revenues		
Charges for services	\$ 159,190	\$ 278,551
Operating grants	1,140,386	1,080,398
Capital grants	-	104,061
General revenues		
Taxes	5,569,259	5,358,794
State equalization	4,826,403	4,492,655
Earnings on investments	99,520	169,079
Sale of assets	-	2,000
Other	551,814	287,795
Total revenues	<u>12,346,572</u>	<u>11,773,333</u>
Expenses		
Instruction	4,793,119	4,056,290
Supporting services	3,627,893	3,344,183
Unallocated depreciation	575,025	557,482
Interest on long-term debt	249,605	272,138
Total expenses	<u>9,245,642</u>	<u>8,230,093</u>
Change in net position	3,100,930	3,543,240
Net position at beginning of year	<u>(2,083,659)</u>	<u>(5,816,755)</u>
Net position at end of year	<u>\$ 1,017,271</u>	<u>\$ (2,273,515)</u>

The major source of the District's revenue is from local property taxes and State Equalization. The District received \$8,726 per funded pupil. Overall, the District's revenue exceeded expenses for the governmental activities of the year.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 16. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General and Bond Redemption Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Projects, Food Service, Pupil Activity and Bond Redemption. The General Fund accounts for the majority of the District's instruction and support operations. The Food Service Fund accounts for financial transactions related to the food service operations. The Pupil Activity Fund accounts for financial transactions related to school-sponsored pupil organizations and activities. The Capital Projects Fund accounts for the District's funding for capital needs, and the Bond Redemption Fund accounts for the repayment of the District's general obligation debt.

Fund Financial Statements

As of June 30, 2020, the District's governmental funds reported a combined fund balance of \$8,790,091. The following is additional information, by fund, which contributed to the total.

General Fund showed an increase to fund balance of \$547,018. Information regarding the District's General Fund is shown below. The District also has four other governmental funds, the Capital Projects Fund, the Bond Redemption Fund, the Food Service Fund and the Pupil Activity Fund. The Bond Redemption Fund showed an increase of \$357 in ending fund balance to \$1,142,238. Capital Reserve Capital Projects Fund showed an increase of \$110,900 in fund balance to \$492,296 which was due primarily to payments in lieu of land dedication.

The 2020 Capital Projects Fund carryover will be held in reserve to use for future student transportation fleet upgrades and school expansion.

The District's Food Service Fund showed a \$14,552 decrease in fund balance to \$87,249. The General Fund transfer of \$40,000 has continued for fiscal year 2020.

The District's Pupil Activity Fund showed a \$42,165 decrease in fund balance to \$147,691.

The projects funded by the bond using the building fund have been completed and the building fund has a balance of zero dollars.

Capital Assets

As of June 30, 2020, the District had \$22,000,180 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. This amount represents a decrease (including additions, deletions, and depreciation) of \$119,077 from last year. A summary of the District's Capital Assets is as follows:

Capital assets, not being depreciated	
Land	\$ 455,977
Construction in progress	<u>262,326</u>
Total capital assets, not being depreciated	718,303
Capital assets, being depreciated	
Land improvements	2,534,412
Buildings and improvements	23,946,586
Food service equipment	103,608
Equipment	677,092
Transportation equipment	<u>1,628,343</u>
Total capital assets, being depreciated	<u>28,890,041</u>
Total capital assets	29,608,344
Less accumulated depreciation	
Land improvements	(1,090,207)
Buildings and improvements	(5,353,162)
Food service equipment	(40,488)
Equipment	(242,362)
Transportation equipment	<u>(881,945)</u>
Total accumulated depreciation	<u>(7,608,164)</u>
Capital assets, net	<u>\$ 22,000,180</u>

Debt Administration

As of June 30, 2020, the District had total outstanding long-term debt as follows:

Compensated absences	\$ 150,058
Net pension liability	12,467,562
Net OPEB liability	612,982
Capital lease	62,648
Bonds payable	8,355,000
Bond premium	<u>983,991</u>
Total	<u>\$ 22,632,241</u>

The capital leases represent extended obligations for the purchase of copier equipment, the bonds payable were utilized for building improvements, and the accrued compensated absences represent the liability for earned but unused sick leave and severance pay. Additional information related to the District's debt can be found in Note G to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes may be made prior to January 31st. The majority of changes from the original budget, which is adopted by June 30th, and the final January budget is mainly due to the student count and state equalization funding, actual teachers' contracts, any special needs of students that may impact the budget and final grant allocations.

Economic Factors and Next Year's Budget

Student enrollment is a major factor in funding. Enrollment is calculated using the higher count of either current or an average of previous years. As a result of the Covid-19 pandemic, a decrease in enrollment has occurred. The student count has decreased from 935.5 students in 2019 to 893 in October 2020. Residential development continues throughout the district.

The district preliminary assessed valuation for 2020 increased to \$300,327,220. Successful tax collections at the local level and responsible spending practices have resulted in an acceptable general fund balance.

The district continues to work on ways to increase salaries for faculty and staff in an effort to attract and retain high quality teachers for our students. The board of education has approved financial bonuses for teacher retention and has awarded funds for the Snow Hook scholarship program.

The student transportation department continues to replace outdated vehicles with new vehicles to improve safety. Significant funds were expensed to construct a new parking lot including a bus loop and parent loop. This construction enhances student safety by separating the drop off zones. The new parking lot is used by staff and visitors and includes security cameras and lighting.

Weld Re-9 has a financial agreement with ABC Child Development Centers who leases district building to provide pre-school, after-school and daycare services. The district has increased funding to 50 students for the Colorado Preschool Program (CPP).

The district continues to foster a positive relationship with the local fire district. The two entities share ownership of property adjacent to the school campus in Ault. There is no immediate need for the construction of a new school, yet the property acquired is important to the district's future.

Plans for future projects include renovation of the baseball complex as well as renovation of the old maintenance building. Implementing current technology infrastructure and devices is an ongoing expense. During the fall semester of 2020, students in grades 9-12 were provided Chromebooks by the district for use during their high school experience. In order to keep this program viable, the district will need to purchase Chromebooks for incoming 9th graders each year.

In summary, the Covid-19 pandemic has placed the district in an uncertain financial position. Weld Re-9 has been the recipient of federal relief dollars. However, enrollment, local and state economic factors are volatile.

Requests for Information

This financial report is designed to provide a general overview of Weld County School District RE-9's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Weld County School District RE-9, Box 1390, Ault Colorado, 80610.

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Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Cash	\$ 6,022,989
Cash with fiscal agent	35,581
Investments	4,783,249
Receivables	316,943
Inventory	8,560
Capital assets, net of depreciation	<u>22,000,180</u>
Total assets	33,167,502
Deferred outflows of resources	
Pension and other post-employment benefit deferrals	<u>1,631,356</u>
Total assets and deferred outflows of resources	<u><u>\$ 34,798,858</u></u>
Liabilities	
Accounts payable	\$ 273,260
Accrued salaries and benefits	899,296
Unearned grant revenue	1,136,991
Accrued interest	26,744
Noncurrent liabilities	
Due within one year	722,308
Due in more than one year	<u>21,909,933</u>
Total liabilities	24,968,532
Deferred inflows of resources	
Pension and other post-employment benefit deferrals	8,799,877
Prepaid items	<u>13,178</u>
Total deferred inflows of resources	8,813,055
Net position	
Net investment in capital assets	12,598,541
Restricted for:	
Emergencies	295,000
Land dedication	402,149
Debt service	1,142,238
Food service	78,689
Unrestricted (deficit)	<u>(13,499,346)</u>
Total net position	<u>1,017,271</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 34,798,858</u></u>

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

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WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Activities
For the Year Ended June 30, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 4,793,119	\$ 26,899	\$ 711,402	
Supporting services				
Students	219,466			
Instructional staff	288,054			
General administration	181,328			
School administration	447,314			
Business services	176,405			
Operations and maintenance	931,850			
Student transportation	625,104		122,320	
Central support services	44,007			
Other support services	49,875			
Food service operations	503,492	132,291	306,664	
Facilities acquisition	160,998			
Unallocated depreciation *	575,025			
Interest and fiscal charges	249,605			
Total governmental activities	<u>\$ 9,245,642</u>	<u>\$ 159,190</u>	<u>\$ 1,140,386</u>	<u>\$ -</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Specific ownership taxes

Delinquent taxes, interest and abatements

State categorical aid

Earnings on investments

Other

Total general revenues

Change in net position

Net position (deficit) at beginning of year, as restated

Net position at end of year

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

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

Net (Expenses)
Revenues and
Changes in
Net Position

Total
Governmental
Activities

\$ (4,054,818)

(219,466)

(288,054)

(181,328)

(447,314)

(176,405)

(931,850)

(502,784)

(44,007)

(49,875)

(64,537)

(160,998)

(575,025)

(249,605)

(7,946,066)

4,251,007

1,018,485

294,094

5,673

4,826,403

99,520

551,814

11,046,996

3,100,930

(2,083,659)

\$ 1,017,271

WELD COUNTY SCHOOL DISTRICT RE-9
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 5,690,349		\$ 332,640	\$ 6,022,989
Cash with fiscal agent	32,729	\$ 2,852		35,581
Investments	3,258,780	1,122,320	402,149	4,783,249
Property taxes receivable	120,284	29,145		149,429
Due from other funds	1,448		3,183	4,631
Grants receivable	115,972		17,504	133,476
Other receivables	34,038			34,038
Inventory			8,560	8,560
Total assets	\$ 9,253,600	\$ 1,154,317	\$ 764,036	\$ 11,171,953
Liabilities				
Accounts payable	\$ 267,375		\$ 163	\$ 267,538
Construction contracts payable	5,722			5,722
Due to other funds	3,183	\$ 1,448		4,631
Accrued salaries and benefits	875,837		23,459	899,296
Deferred grant revenues	1,136,991			1,136,991
Total liabilities	2,289,108	1,448	23,622	2,314,178
Deferred inflows of resources				
Deferred property tax revenues	43,875	10,631		54,506
Prepaid items			13,178	13,178
Total deferred inflows of resources	43,875	10,631	13,178	67,684
Fund balance				
Nonspendable inventory			8,560	8,560
Restricted for emergencies	295,000			295,000
Restricted for land dedication			402,149	402,149
Restricted for debt service		1,142,238		1,142,238
Restricted to food service			78,689	78,689
Committed to pupil activities			147,691	147,691
Assigned to insurance costs	103,457			103,457
Assigned to capital projects			90,147	90,147
Unassigned	6,522,160			6,522,160
Total fund balance	6,920,617	1,142,238	727,236	8,790,091
Total liabilities, deferred inflows of resources and fund balance	\$ 9,253,600	\$ 1,154,317	\$ 764,036	\$ 11,171,953

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

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

Total fund balance - governmental funds	\$ 8,790,091
Capital assets, net used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	22,000,180
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	54,506
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(26,744)
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	1,631,356
Long-term liabilities, including bonds payable, capital lease obligations, net pension and OPEB liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(22,632,241)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	<u>(8,799,877)</u>
Net position (deficit) of the governmental activities	<u>\$ 1,017,271</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 4,697,273	\$ 1,024,935	\$ 508,355	\$ 6,230,563
Intermediate sources	150,037			150,037
State sources	5,420,428		8,957	5,429,385
Federal sources	281,941		297,708	579,649
Total revenues	10,549,679	1,024,935	815,020	12,389,634
Expenditures				
Instruction	5,769,357		307,301	6,076,658
Supporting services	3,845,462		493,536	4,338,998
Capital outlay	331,073		67,573	398,646
Debt service				
Principal retirement		690,000	14,983	704,983
Interest and fiscal charges		334,578	1,786	336,364
Total expenditures	9,945,892	1,024,578	885,179	11,855,649
Excess of revenues over (under) expenditures	603,787	357	(70,159)	533,985
Other financing sources (uses)				
Proceeds from capital lease			67,573	67,573
Transfers in			56,769	56,769
Transfers out	(56,769)			(56,769)
Total other financing sources (uses)	(56,769)	-	124,342	67,573
Net change in fund balances	547,018	357	54,183	601,558
Fund balance at beginning of year	6,373,599	1,141,881	673,053	8,188,533
Fund balance at end of year	<u>\$ 6,920,617</u>	<u>\$ 1,142,238</u>	<u>\$ 727,236</u>	<u>\$ 8,790,091</u>

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

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

Net change in fund balances - governmental funds	\$ 601,558
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 annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(60,326)
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered to be "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	21,658
In the statement of activities, certain expenses related to the pension and OPEB liabilities and related deferred outflows and inflows, compensated absences, interest, and amortization are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	1,959,380
In the statement of activities, the net loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(58,751)
Capital lease proceeds are reported as revenue in the governmental funds, however, they are reported as a long-term liability in the statement of activities.	(67,573)
Repayment of principal on general obligation bonds and capital lease obligations are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	<u>704,984</u>
Change in net position of governmental activities	<u><u>\$ 3,100,930</u></u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Weld County School District RE-9’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District’s accounting policies are described below.

A.1 – Reporting entity

The Weld County School District RE-9 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.” The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District’s major governmental funds:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Expenditures include all costs associated with the daily operation of the schools, except for certain programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations and pupil activities.

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

The following are the District's nonmajor governmental funds:

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

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

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

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

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

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

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year's budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.7 – Inventories

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

A.8 – Capital assets

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

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

Interest is capitalized on assets reported in the governmental activities that are acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized in the current period.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	20 years
Buildings and improvements	10-50 years
Food service equipment	8-15 years
Equipment	5-20 years
Transportation equipment	6-15 years

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Personal leave benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. The District permits full-time employees with ten years or more of continuous service to receive severance pay upon retirement in the amount of \$125 for each year of service. Employees working less than full-time receive a reduced benefit as outlined in the policies. The District will pay professional staff half the daily rate of substitute pay for all accumulated sick leave over ten days upon separation of employment from the District. For support staff, the District pays \$30 per day for accumulated sick leave over ten days upon separation of employment from the District. Compensated absences also include accrued vacation carryover for eligible employees.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums and discounts, and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method.

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

A.11 – Fund balance

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

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

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.12 – Net Position

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

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

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Act (PDPA) for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$6,180,759, of which \$250,000 was insured and \$5,930,759 was collateralized with securities held by the pledging institution's trust department or agent but not in the District's name.

Investments

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

- Obligations of the U.S. Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note B – Cash and investments (Continued)

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2020, the District had invested \$3,660,929 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

As of June 30, 2020, the District had invested in COLOTRUST PLUS+.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	<u>\$ 3,660,929</u>	<u>\$ 3,660,929</u>	<u>\$ -</u>	<u>\$ -</u>

The investments in Colotrust are maintained in the General and Capital Reserve Capital Projects funds.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colotrust was rated AAA by Standard and Poor’s.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note B – Cash and investments (Continued)

The following table provides a reconciliation of cash, cash with fiscal agent, and investments on the statement of net position:

Cash	\$ 6,022,769
Cash on hand	220
Cash with fiscal agent	35,581
Investments – Colotrust	3,660,929
Investments – UMB (Third party custodian)	<u>1,122,320</u>
Total	<u>\$ 10,841,819</u>

Statement of net position

Cash	\$ 6,022,989
Cash with fiscal agent	35,581
Investments	<u>4,783,249</u>
Total	<u>\$ 10,841,819</u>

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 149,429
Grants receivable	133,476
Other receivables	<u>34,038</u>
Total	<u>\$ 316,943</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Weld County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the District in the subsequent month.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note D – Interfund transactions

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ 1,448	\$ 3,183
Bond Redemption Fund	-	1,448
Other Governmental Funds	<u>3,183</u>	<u>-</u>
Total	<u>\$ 4,631</u>	<u>\$ 4,631</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ -	\$ 56,769
Other governmental funds	<u>56,769</u>	<u>-</u>
Total	<u>\$ 56,769</u>	<u>\$ 56,769</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred \$56,769 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District's food service operations (\$40,000) and to set aside funds for capital acquisitions (\$16,769).

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 455,977	\$ -	\$ -	\$ 455,977
Construction in progress	<u>-</u>	<u>262,326</u>	<u>-</u>	<u>262,326</u>
Total capital assets, not being depreciated	455,977	262,326	-	718,303
Capital assets, being depreciated:				
Land improvements	2,407,448	126,964	-	2,534,412
Buildings and improvements	23,861,247	170,075	(84,736)	23,946,586
Food service equipment	103,608	-	-	103,608
Equipment	612,342	131,405	(66,655)	677,092
Transportation equipment	<u>1,688,778</u>	<u>-</u>	<u>(60,435)</u>	<u>1,628,343</u>
Total capital assets, being depreciated	<u>28,673,423</u>	<u>428,444</u>	<u>(211,826)</u>	<u>28,890,041</u>
Total capital assets	29,129,400	690,770	(211,826)	29,608,344
Less accumulated depreciation for:				
Land improvements	(979,794)	(110,413)	-	(1,090,207)
Buildings and improvements	(4,920,090)	(464,612)	31,540	(5,353,162)
Food service equipment	(32,313)	(8,175)	-	(40,488)
Equipment	(247,340)	(56,122)	61,100	(242,362)
Transportation equipment	<u>(830,606)</u>	<u>(111,774)</u>	<u>60,435</u>	<u>(881,945)</u>
Total accumulated depreciation	<u>(7,010,143)</u>	<u>(751,096)</u>	<u>153,075</u>	<u>(7,608,164)</u>
Governmental activities capital assets, net	<u>\$ 22,119,257</u>	<u>\$ (60,326)</u>	<u>\$ (58,751)</u>	<u>\$ 22,000,180</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	\$ 21,402
Operations and maintenance	31,341
Student transportation	111,774
Central supporting services	3,379
Food services	8,175
Unallocated	<u>575,025</u>
Total depreciation expense	<u>\$ 751,096</u>

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$899,296. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

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

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 145,815	\$ 4,243	\$ -	\$ 150,058	\$ -
Net pension liability	14,847,767	-	(2,380,205)	12,467,562	-
Net OPEB liability	741,555	-	(128,573)	612,982	-
Capital lease	10,059	67,573	(14,984)	62,648	12,308
Bonds payable	9,045,000	-	(690,000)	8,355,000	710,000
Bond premium	<u>1,068,924</u>	<u>-</u>	<u>(84,933)</u>	<u>983,991</u>	<u>-</u>
Total	<u>\$ 25,859,120</u>	<u>\$ 71,816</u>	<u>\$ (3,298,695)</u>	<u>\$ 22,632,241</u>	<u>\$ 722,308</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note G – Long-term debt (Continued)

Payments on the capital lease and bonds payable are made in the Capital Reserve Capital Projects and Bond Redemption Funds, respectively, while the compensated absences, net pension and OPEB liabilities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Capital lease obligation

Office equipment obligation – In November 2019, the District entered into an agreement Konica Minolta Premier Finance to finance the costs of acquiring nine digital copiers. The agreement called for a lease term of one year with annual renewal options. Monthly payments of \$1,297 are due on the 15th of each month, with a final payment due on January 15, 2025. The average interest rate over the lease term is 5.70%. The District has capitalized \$67,573 of assets under this capital lease.

The agreement contains a provision that, in the event of default, the lessor may (1) declare the entire balance of the unpaid lease payments for the then current original term or renewal term immediately due and payable, (2) sue for and receive all lease payments and any other payments then accrued or accelerated under this lease, (3) charge the District interest on all monies due at the rate of eighteen percent per year from the date of default until paid, (4) require the District return the equipment, and (5) require the District to pay all expenses incurred in connection with the enforcement of any remedies, including reasonable attorneys' fees.

Bonds payable

General obligation bonds payable consist of the following individual issues:

\$8,500,000 general obligation bonds, dated December 10, 2014, due in annual installments beginning in fiscal year 2016 ranging from \$265,000 to \$780,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1 st and December 1 st .	\$ 6,580,000
\$2,200,000 general obligation bonds, dated January 14, 2015, due in annual installments ranging from \$80,000 to \$210,000; varying annual interest rates ranging from 2.00% to 5.00%, payable semi-annually on December 1 st and June 1 st .	<u>1,775,000</u>
Total general obligation bonds	<u>\$ 8,355,000</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note G – Long-term debt (Continued)

The following schedule represents the District’s debt service requirements to maturity for the outstanding long-term debt at year-end:

Year Ending June 30,	<u>Capital Lease Payable</u>		<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 12,308	\$ 3,261	\$ 710,000	\$ 309,663
2022	13,030	2,539	735,000	286,738
2023	13,795	1,774	755,000	262,263
2024	14,604	965	780,000	236,200
2025	8,911	170	810,000	206,750
2026-2030	-	-	4,565,000	495,775
Totals	<u>\$ 62,648</u>	<u>\$ 8,709</u>	<u>\$ 8,355,000</u>	<u>\$ 1,797,389</u>

Note H – Defined benefit pension plan

Summary of significant accounting policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

General information about the pension plan

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

Benefits provided as of December 31, 2019. 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. Section 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. Section 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. Section 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 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, 2020. Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

	July 1, 2019 Through <u>June 30, 2020</u>
Employer contribution rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>5.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>19.38%</u></u>

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

As specified in C.R.S. Section 24-51-414, the State is required to contribute \$225 million 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. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$982,777 for the year.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At year-end, the District reported a liability of \$12,467,562 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 12,467,562
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>1,581,352</u>
Total	<u>\$ 14,048,914</u>

At December 31, 2019, the District's proportion was 0.0835 percent, which was a decrease of 0.0004 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension income of \$810,329 and revenue of \$69,752 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 688,746	\$ -
Changes of assumptions or other inputs	409,177	5,682,285
Net difference between projected and actual earnings on pension plan investments	-	1,588,575
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,414,148
Contributions subsequent to the measurement date	<u>499,665</u>	<u>-</u>
Total	<u>\$ 1,597,588</u>	<u>\$ 8,685,008</u>

\$499,665 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30, ___</u>	<u>Amount</u>
2021	\$ (4,171,404)
2022	(2,929,128)
2023	15,847
2024	<u>(502,400)</u>
Totals	<u>\$ (7,587,085)</u>

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

₁ For 2019, the annual increase was 0.00 percent.

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. equity – large cap	21.20%	4.30%
U.S. equity – small cap	7.42%	4.80%
Non U.S. equity – developed	18.55%	5.20%
Non U.S. equity – emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	<u>1.00%</u>	0.20%
Total	<u>100.00%</u>	

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease _____ (6.25%)	Current Discount Rate _____ (7.25%)	1% Increase _____ (8.25%)
Proportionate share of the net pension liability	\$ 16,534,656	\$ 12,467,562	\$ 9,052,881

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note I – Defined contribution pension plan

Voluntary Investment Program

Plan description. Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended, program members contributed \$20,214 for the Voluntary Investment Program.

Note J – Defined benefit other post-employment benefit (OPEB) plan

Summary of significant accounting policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("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.

General information about the OPEB plan

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

PERA Benefit Structure

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (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. Section 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$51,725 for the year ended.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At year-end, the District reported a liability of \$612,982 for its proportionate share of the net OPEB liability. The net pension OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District’s proportion was 0.0545 percent, which was the same as its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$37,718. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,034	\$ 103,004
Changes of assumptions or other inputs	5,083	-
Net difference between projected and actual earnings on OPEB plan investments	-	10,235
Changes in proportion and differences between contributions recognized and proportionate share of contributions	353	1,630
Contributions subsequent to the measurement date	<u>26,298</u>	<u>-</u>
Total	<u>\$ 33,768</u>	<u>\$ 114,869</u>

\$26,298 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Year Ended June 30, ___	<u>Amount</u>
2021	\$ (22,202)
2022	(22,202)
2023	(19,240)
2024	(22,663)
2025	(19,896)
2026	<u>(1,196)</u>
Total	<u>\$ (107,399)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

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

<u>Medicare Plan</u>	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<u>Medicare Plan</u>	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, 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 that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as show below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
U.S. equity – large cap	21.20%	4.30%
U.S. equity – small cap	7.42%	4.80%
Non U.S. equity – developed	18.55%	5.20%
Non U.S. equity – emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	<u>1.00%</u>	0.20%
Total	<u>100.00%</u>	

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 598,421	\$ 612,982	\$ 629,809

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019 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 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 693,100	\$ 612,982	\$ 544,465

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note K – 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 participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was \$174,424. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note L – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation.

The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$295,000 for the emergency reserve.

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to Financial Statements

Note M – Joint venture

The District participates in the Centennial Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES is:

- financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District, has a separate management which is responsible for day to day operations and is accountable to the separate governing board,
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility, including budgetary responsibility, and reporting to state agencies and controls fiscal management.

This is a jointly governed organization with twelve other school districts with the District being represented by one member on the governing board of the cooperative. This board has final authority for all budgeting and financing of the joint venture. Separate financial statements of the BOCES are available by contacting their administrative office in Greeley, Colorado.

For the year, the District's financial contribution to the BOCES was \$39,185.

Note N – Prior period restatement

The District previously reported the activity of the Pupil Activity Fund in a fiduciary fund. Beginning in fiscal year 2020, such activity has been more appropriately reported in a special revenue fund. Accordingly, the governmental activities reports a restated beginning net position of \$(2,083,659).

Beginning governmental activities net position as originally reported	\$ (2,273,515)
Pupil activity fund reclassification	<u>189,856</u>
Beginning net position, as restated	<u>\$ (2,083,659)</u>

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 5,018,661	\$ 4,751,577	\$ 4,697,273	\$ (54,304)
Intermediate sources	134,000	150,036	150,037	1
State sources	4,694,950	5,626,393	5,420,428	(205,965)
Federal sources	196,230	210,285	281,941	71,656
Total revenues	10,043,841	10,738,291	10,549,679	(188,612)
Expenditures				
Instruction	6,248,905	6,241,390	5,769,357	472,033
Supporting services	4,154,538	4,671,963	3,845,462	826,501
Capital outlay	6,000	331,082	331,073	9
Reserve for contingency	5,054,989	5,810,687		5,810,687
Total expenditures	15,464,432	17,055,122	9,945,892	7,109,230
Excess of revenues over (under) expenditures	(5,420,591)	(6,316,831)	603,787	6,920,618
Other financing uses				
Transfers out	(70,767)	(56,769)	(56,769)	-
Net change in fund balance	\$ (5,491,358)	\$ (6,373,600)	547,018	\$ 6,920,618
Fund balance at beginning of year			6,373,599	
Fund balance at end of year			\$ 6,920,617	

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WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of the District's Proportionate Share of the Net Pension Liability ¹
PERA's School Division Trust Fund
June 30, 2020

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net pension liability	0.0835%	0.0839%	0.0959%	0.0960%
District's proportionate share of the net pension liability	\$ 12,467,562	\$ 14,847,767	\$ 31,022,516	\$ 28,678,529
State's proportionate share of the net pension liability	<u>1,581,352</u>	<u>2,030,226</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,048,914</u>	<u>\$ 16,877,993</u>	<u>\$ 31,022,516</u>	<u>\$ 28,678,529</u>
District's covered payroll	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446	\$ 4,323,065
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.25%	322.09%	701.00%	663.38%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.10%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
0.0948%	0.0976%	0.1011%
\$ 14,498,600	\$ 13,226,131	\$ 12,896,242
-	-	-
<u>\$ 14,498,600</u>	<u>\$ 13,226,131</u>	<u>\$ 12,896,242</u>
\$ 4,131,251	\$ 4,088,138	\$ 4,075,968
350.95%	323.52%	316.40%
59.20%	62.84%	64.06%

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of District Contributions ¹
PERA's School Division Trust Fund
June 30, 2020

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 982,777	\$ 905,579	\$ 848,504	\$ 807,307
Contributions in relation to the contractually required contribution	<u>(982,777)</u>	<u>(905,579)</u>	<u>(848,504)</u>	<u>(807,307)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126	\$ 4,388,422
Contributions as a percentage of covered payroll	19.38%	19.13%	18.88%	18.40%

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
\$ 750,723	\$ 683,234	\$ 654,850
<u>(750,723)</u>	<u>(683,234)</u>	<u>(654,850)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,232,436	\$ 4,046,014	\$ 4,095,281
17.74%	16.89%	15.99%

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of the District's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
June 30, 2020

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net OPEB liability	0.0545%	0.0545%	0.0545%	0.0548%
District's proportionate share of the net OPEB liability	\$ 612,982	\$ 741,555	\$ 708,423	\$ 709,853
District's covered payroll	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446	\$ 4,323,039
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

WELD COUNTY SCHOOL DISTRICT RE-9
Schedule of District Contributions ¹
PERA's Health Care Trust Fund
June 30, 2020

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 51,725	\$ 48,285	\$ 45,830	\$ 44,762
Contributions in relation to the contractually required contribution	<u>(51,725)</u>	<u>(48,285)</u>	<u>(45,830)</u>	<u>(44,762)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126	\$ 4,388,422
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

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

WELD COUNTY SCHOOL DISTRICT RE-9
Notes to the Required Supplementary Information

Note A – Budgetary data

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

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
7. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

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

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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General Fund

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

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 4,548,160	\$ 4,181,125	\$ 4,224,048	\$ 42,923
Specific ownership taxes	309,911	318,911	294,094	(24,817)
Delinquent taxes and interest	5,000	5,000	4,524	(476)
Transportation	2,500	5,730	18,829	13,099
Earnings on investments	86,100	92,758	93,824	1,066
Other local revenue	66,990	148,053	61,954	(86,099)
Total local sources	5,018,661	4,751,577	4,697,273	(54,304)
Intermediate sources	134,000	150,036	150,037	1
State sources				
State equalization	4,321,292	4,829,717	4,826,403	(3,314)
ELPA professional development	15,000	30,200	14,386	(15,814)
English language proficiency	9,750	19,754	19,755	1
CPP tax check off		868	868	-
Vocational education	13,000	8,336	8,336	-
Transportation	105,000	117,752	122,320	4,568
READ Act	62,969	57,065	49,492	(7,573)
Library grant	3,500	4,500	4,500	-
Small rural funding	150,000	371,613	135,032	(236,581)
At risk funding			5,754	5,754
Kindergarten capital construction		21,144	20,756	(388)
AP exam			636	636
State on-behalf payment		148,000	119,772	(28,228)
Other agency state grants	3,000	6,005	6,006	1
Services within the BOCES	11,439	11,439	86,412	74,973
Total state sources	4,694,950	5,626,393	5,420,428	(205,965)
Federal sources				
Title I	141,359	145,336	140,390	(4,946)
Coronavirus relief fund			88,922	88,922
Title IIA	26,990	34,910	27,502	(7,408)
Title IV	10,903	10,842	10,087	(755)
Services within the BOCES	16,978	19,197	15,040	(4,157)
Total federal sources	196,230	210,285	281,941	71,656
Total revenues	\$ 10,043,841	\$ 10,738,291	\$ 10,549,679	\$ (188,612)

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WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Instruction				
Salaries	\$ 3,873,167	\$ 3,741,289	\$ 3,489,817	\$ 251,472
Employee benefits	1,476,479	1,451,567	1,342,536	109,031
Purchased services	500,044	652,479	565,735	86,744
Supplies and materials	215,900	202,775	175,369	27,406
Property	177,920	188,405	192,142	(3,737)
Other	5,395	4,875	3,758	1,117
Total instruction	6,248,905	6,241,390	5,769,357	472,033
Supporting services				
Students				
Salaries	219,378	205,549	207,476	(1,927)
Employee benefits	84,181	79,507	76,178	3,329
Purchased services	13,050	12,511	5,537	6,974
Supplies and materials	9,015	10,192	4,973	5,219
Property	1,415	1,940	1,931	9
Other	465	580	640	(60)
Total students	327,504	310,279	296,735	13,544
Instructional staff				
Salaries	187,644	179,641	178,346	1,295
Employee benefits	57,238	57,144	54,206	2,938
Purchased services	87,638	116,463	65,345	51,118
Supplies and materials	4,450	7,672	1,838	5,834
Property	15,700	73,700	52,279	21,421
Other	600	750	2,460	(1,710)
Total instructional staff	353,270	435,370	354,474	80,896
General administration				
Salaries	136,960	127,735	124,983	2,752
Employee benefits	56,812	62,278	60,443	1,835
Purchased services	37,150	34,350	21,761	12,589
Supplies and materials	17,850	16,350	9,911	6,439
Property			86	(86)
Other	12,000	11,200	10,691	509
Total general administration	260,772	251,913	227,875	24,038

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	470,327	471,978	449,070	22,908
Employee benefits	165,049	174,548	148,187	26,361
Purchased services	7,500	3,700	4,474	(774)
Supplies and materials	9,200	9,114	6,704	2,410
Property	4,550	7,136	5,662	1,474
Other	2,700	2,420	460	1,960
Total school administration	659,326	668,896	614,557	54,339
Business services				
Salaries	165,769	151,623	151,410	213
Employee benefits	49,828	52,893	46,996	5,897
Purchased services	62,200	43,900	28,537	15,363
Supplies and materials	4,500	4,550	3,196	1,354
Property	4,000	3,500	2,454	1,046
Other	750	750	200	550
Total business services	287,047	257,216	232,793	24,423
Operations and maintenance				
Salaries	294,166	286,908	253,923	32,985
Employee benefits	109,106	122,599	108,699	13,900
Purchased services	706,850	789,611	731,659	57,952
Supplies and materials	288,700	292,880	267,514	25,366
Property	78,550	460,382	76,902	383,480
Total operations and maintenance	1,477,372	1,952,380	1,438,697	513,683
Student transportation				
Salaries	328,044	350,411	309,031	41,380
Employee benefits	109,927	118,513	97,796	20,717
Purchased services	49,250	38,679	39,708	(1,029)
Supplies and materials	136,000	152,100	124,267	27,833
Property	21,000	15,000	13,567	1,433
Other	100	100		100
Total student transportation	644,321	674,803	584,369	90,434

(continued)

WELD COUNTY SCHOOL DISTRICT RE-9
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Purchased services	93,250	63,750	44,021	19,729
Supplies and materials		100		100
Other	100	500	285	215
Total central support services	93,350	64,350	44,306	20,044
Other support services				
Salaries	7,125	11,690	9,875	1,815
Employee benefits	2,351	2,801	2,415	386
Purchased services	38,000	38,000	37,585	415
Total other support services	47,476	52,491	49,875	2,616
Food services operations				
Purchased services	4,100	4,265	1,781	2,484
Total food service operations	4,100	4,265	1,781	2,484
Total supporting services	4,154,538	4,671,963	3,845,462	826,501
Capital outlay				
Facilities acquisition				
Purchased services	6,000	158,172	158,165	7
Supplies and materials		368	368	-
Property		172,542	172,540	2
Total capital outlay	6,000	331,082	331,073	9
Reserve for contingency	5,054,989	5,810,687		5,810,687
Total expenditures	<u>\$ 15,464,432</u>	<u>\$ 17,055,122</u>	<u>\$ 9,945,892</u>	<u>\$ 7,109,230</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to record financial transactions related to the District's food service operations.
- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.

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

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

WELD COUNTY SCHOOL DISTRICT RE-9
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Total
Assets				
Cash	\$ 94,802	\$ 147,691	\$ 90,147	\$ 332,640
Due from other funds	3,183			3,183
Investments			402,149	402,149
Grants receivable	17,504			17,504
Inventory	8,560			8,560
Total assets	\$ 124,049	\$ 147,691	\$ 492,296	\$ 764,036
Liabilities				
Accounts payable	\$ 163			\$ 163
Accrued salaries and benefits	23,459			23,459
Total liabilities	23,622	\$ -	\$ -	23,622
Deferred inflows of resources				
Prepaid items	13,178			13,178
Fund balance				
Nonspendable inventory	8,560			8,560
Restricted for land dedication			402,149	402,149
Restricted to food service	78,689			78,689
Committed to pupil activities		147,691		147,691
Assigned to capital projects			90,147	90,147
Total fund balance	87,249	147,691	492,296	727,236
Total liabilities, deferred inflows of resources and fund balance	\$ 124,049	\$ 147,691	\$ 492,296	\$ 764,036

WELD COUNTY SCHOOL DISTRICT RE-9
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2020

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Total
Revenues				
Local sources	\$ 132,319	\$ 265,136	\$ 110,900	\$ 508,355
State sources	8,957			8,957
Federal sources	297,708			297,708
Total revenues	438,984	265,136	110,900	815,020
Expenditures				
Instruction		307,301		307,301
Supporting services	493,536			493,536
Capital outlay			67,573	67,573
Debt service				
Principal retirement			14,983	14,983
Interest and fiscal charges			1,786	1,786
Total expenditures	493,536	307,301	84,342	885,179
Excess of revenues over (under) expenditures	(54,552)	(42,165)	26,558	(70,159)
Other financing sources				
Proceeds from capital lease			67,573	67,573
Transfers in	40,000		16,769	56,769
Total other financing sources	40,000	-	84,342	124,342
Net change in fund balances	(14,552)	(42,165)	110,900	54,183
Fund balance at beginning of year	101,801	189,856	381,396	673,053
Fund balance at end of year	<u>\$ 87,249</u>	<u>\$ 147,691</u>	<u>\$ 492,296</u>	<u>\$ 727,236</u>

WELD COUNTY SCHOOL DISTRICT RE-9
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 164,395	\$ 170,570	\$ 132,319	\$ (38,251)
State sources	9,725	10,355	8,957	(1,398)
Federal sources	287,000	292,000	297,708	5,708
Total revenues	461,120	472,925	438,984	(33,941)
Expenditures				
Supporting services				
Salaries	202,196	222,196	196,179	26,017
Employee benefits	68,522	63,800	55,365	8,435
Purchased services	3,100	3,100	1,008	2,092
Supplies and materials	273,100	275,350	239,609	35,741
Property	4,000	2,000	968	1,032
Other	700	450	407	43
Appropriated reserves	23,418	47,830		47,830
Total expenditures	575,036	614,726	493,536	121,190
Excess of revenues over (under) expenditures	(113,916)	(141,801)	(54,552)	(155,131)
Other financing sources				
Transfers in	40,000	40,000	40,000	-
Net change in fund balance	\$ (73,916)	\$ (101,801)	(14,552)	\$ 87,249
Fund balance at beginning of year			101,801	
Fund balance at end of year			\$ 87,249	

WELD COUNTY SCHOOL DISTRICT RE-9
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Fundraising and other events	\$ 485,000	\$ 485,000	\$ 265,136	\$ (219,864)
Total revenues	485,000	485,000	265,136	(219,864)
Expenditures				
Instruction				
Purchased services			111,811	(111,811)
Supplies and materials			161,888	(161,888)
Property			15,767	(15,767)
Other	475,000	475,000	17,835	457,165
Appropriated reserves	186,336	199,856		199,856
Total expenditures	661,336	674,856	307,301	367,555
Excess of revenues over (under) expenditures	\$ (176,336)	\$ (189,856)	(42,165)	\$ 147,691
Fund balance at beginning of year			189,856	
Fund balance at end of year			\$ 147,691	

WELD COUNTY SCHOOL DISTRICT RE-9
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 6,600	\$ 6,500	\$ 5,667	\$ (833)
Other local revenue	21,980	137,602	105,233	(32,369)
Total local sources	28,580	144,102	110,900	(33,202)
Federal sources				
School bus replacement grant	70,000	140,674	-	(140,674)
Total federal sources	70,000	140,674	-	(140,674)
Total revenues	98,580	284,776	110,900	(173,876)
Expenditures				
Capital outlay				
Property	85,000	237,491	67,573	169,918
Debt service				
Principal retirement	14,983	14,983	14,983	-
Interest and fiscal charges	784	1,786	1,786	-
Appropriated reserves	394,184	428,681	-	428,681
Total expenditures	494,951	682,941	84,342	598,599
Excess of revenues over (under) expenditures	(396,371)	(398,165)	26,558	424,723
Other financing sources				
Proceeds from capital lease	-	-	67,573	67,573
Transfers in	30,767	16,769	16,769	-
Total other financing sources	30,767	16,769	84,342	67,573
Net change in fund balance	\$ (365,604)	\$ (381,396)	110,900	\$ 492,296
Fund balance at beginning of year			381,396	
Fund balance at end of year			\$ 492,296	

Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

WELD COUNTY SCHOOL DISTRICT RE-9
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 1,025,925	\$ 1,027,925	\$ 1,023,786	\$ (4,139)
Delinquent taxes and interest	1,500	1,500	1,149	(351)
Total revenues	1,027,425	1,029,425	1,024,935	(4,490)
Expenditures				
Debt service				
Purchased services	3,500	4,100	2,703	1,397
Principal retirement	690,000	690,000	690,000	-
Interest and fiscal charges	331,875	331,875	331,875	-
Appropriated reserves	1,139,160	1,145,331		1,145,331
Total expenditures	2,164,535	2,171,306	1,024,578	1,146,728
Net change in fund balance	<u>\$ (1,137,110)</u>	<u>\$ (1,141,881)</u>	357	<u>\$ 1,142,238</u>
Fund balance at beginning of year			<u>1,141,881</u>	
Fund balance at end of year			<u>\$ 1,142,238</u>	

**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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Independent Auditors' Report on Auditors' Integrity Report

Board of Education
Weld County School District RE-9
Ault, Colorado

We have audited financial statements of the Weld County School District RE-9 (the District) as of and for the year ended June 30, 2020, and our report thereon dated October 23, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 23, 2020



Colorado Department of Education
Auditors Integrity Report
 District: 3145 - Ault-Highland RE-9
 Fiscal Year 2019-20
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	6,271,867	10,316,762	9,771,469	6,817,159
18 Risk Mgmt Sub-Fund of General Fund	101,733	176,148	174,424	103,457
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	6,373,599	10,492,910	9,945,893	6,920,617
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	101,801	478,984	493,535	87,249
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	189,856	265,136	307,301	147,691
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,141,881	1,024,935	1,024,579	1,142,238
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	381,396	195,243	84,342	492,296
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	8,188,532	12,457,207	11,855,650	8,790,090
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Debt Compliance Schedules

WELD COUNTY SCHOOL DISTRICT RE-9
History of District Mill Levies

Levy/Collection Year	Mill Levies				
	General Operating	Override	Bond	Abatement	Total
2009/2010	16.880	3.259	6.003	0.020	26.162
2010/2011	16.880	3.104	5.747	0.292	26.023
2011/2012	16.880	2.905	5.402	0.018	25.205
2012/2013	16.880	2.953	5.431	0.021	25.285
2013/2014	16.880	2.950	5.535	0.030	25.395
2014/2015	16.880	4.997	6.605	0.074	28.556
2015/2016	16.880	4.904	6.457	0.457	28.698
2016/2017	16.880	5.048	6.649	0.007	28.584
2017/2018	16.880	4.811	5.500	0.022	27.213
2018/2019	16.880	5.056	5.801	0.077	27.814
2019/2020	16.880	4.535	5.194	0.021	26.630

Source: State of Colorado Department of Education and the District.

WELD COUNTY SCHOOL DISTRICT RE-9
History of Assessed Valuations and Mill Levies for the District

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2009/2010	\$ 149,932,460	0.00%
2010/2011	156,615,480	4.46%
2011/2012	166,596,580	6.37%
2012/2013	165,720,317	-0.53%
2013/2014	162,597,078	-1.88%
2014/2015	180,102,740	10.77%
2015/2016	183,498,400	1.89%
2016/2017	178,286,130	-2.84%
2017/2018	187,088,320	4.94%
2018/2019	178,014,970	-4.85%
2019/2020	198,467,300	11.49%

Source: State of Colorado Department of Education and Weld County Assessor's Office.

WELD COUNTY SCHOOL DISTRICT RE-9
History of District's Actual Valuation

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2009/2010	\$ 701,788,774	0.00%
2010/2011	732,633,711	4.40%
2011/2012	746,190,863	1.85%
2012/2013	727,088,212	-2.56%
2013/2014	722,700,020	-0.60%
2014/2015	740,453,040	2.46%
2015/2016	805,310,858	8.76%
2016/2017	822,242,788	2.10%
2017/2018	948,076,954	15.30%
2018/2019	937,416,457	-1.12%
2019/2020	1,093,480,294	16.65%

Source: State of Colorado Department of Education and Weld County Assessor's Office.

WELD COUNTY SCHOOL DISTRICT RE-9
Historical Property Tax Collections

<u>Levy/Collection Year</u>	<u>Taxes Levied (1)</u>	<u>Current Collections (2)</u>	<u>Collection Rate</u>
2009/2010	\$ 3,922,533	\$ 3,920,327 (3)	99.94%
2010/2011	4,075,605	4,057,840	99.56%
2011/2012	4,199,067	4,187,023	99.71%
2012/2013	4,190,238	4,171,566	99.55%
2013/2014	4,129,153	4,078,037 (4)	98.76%
2014/2015	5,143,014	5,077,076	98.72%
2015/2016	5,266,037	5,254,456	99.78%
2016/2017	5,096,131	5,031,201	98.73%
2017/2018	5,091,234	5,030,162	98.80%
2018/2019	4,936,355	4,920,061	99.67%
2019/2020	5,281,016	5,150,219	97.52%

(1) Levies do not include abatements or other adjustments.

(2) The Weld County Treasurer's collection fees have not been deducted from these amounts.

(3) Includes delinquent taxes and interest on current and delinquent taxes.

(4) Includes abatement adjustment processed in December 2014.

Source: Weld County Treasurer's Office and the District.

WELD COUNTY SCHOOL DISTRICT RE-9
District Enrollment

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2010/11	846	0.00%
2011/12	795	-6.03%
2012/13	770	-3.14%
2013/14	765	-0.65%
2014/15	761	-0.52%
2015/16	829	8.94%
2016/17	853	2.90%
2017/18	912	6.92%
2018/19	935	2.52%
2019/20	943	0.86%

Source: The District.

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WELD COUNTY SCHOOL DISTRICT RE-9
General Fund Revenues, Expenditures and Changes in Fund Balance (GAAP Basis)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Revenues				
Local sources	\$ 3,998,581	\$ 4,187,474	\$ 4,104,019	\$ 4,206,961
Intermediate sources	92,537	74,682	96,223	106,426
State sources	3,319,070	2,917,947	2,802,553	2,902,754
Federal sources,	397,007	216,271	276,454	199,778
Total revenues	7,807,195	7,396,374	7,279,249	7,415,919
Expenditures				
Instruction	3,760,634	4,088,702	3,927,174	4,052,924
Supporting services	2,676,518	2,508,522	3,081,392	2,829,883
Capital outlay	59,770	50,739	260,983	337,562
Debt service	-	139,004	-	-
Total expenditures	6,496,922	6,786,967	7,269,549	7,220,369
Excess of revenues over (under) expenditures	1,310,273	609,407	9,700	195,550
Other financing sources (uses)				
Transfers in (out), net	(316,000)	(137,395)	(117,272)	(82,272)
Net change in fund balance	994,273	472,012	(107,572)	113,278
Fund balance at beginning of year	2,718,604	3,712,877	3,896,041	3,788,470
Prior period adjustment	-	(288,848)	-	-
Fund balance at beginning of year, as restated	2,718,604	3,424,029	3,896,041	3,788,470
Fund balance, ending	\$ 3,712,877	\$ 3,896,041	\$ 3,788,469	\$ 3,901,748

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$ 4,362,308	\$ 4,482,193	\$ 4,725,034	\$ 4,601,919	\$ 4,644,074	\$ 4,697,273
106,927	124,210	163,929	137,455	147,676	150,037
2,789,637	3,330,262	3,779,309	4,214,358	5,070,418	5,420,428
212,086	211,849	200,069	218,025	199,610	281,941
7,470,958	8,148,514	8,868,341	9,171,757	10,061,778	10,549,679
3,899,975	4,368,460	4,576,551	4,801,735	5,312,087	5,769,357
2,945,285	3,012,759	3,108,453	3,222,871	3,525,703	3,845,462
-	-	-	-	1,485,628	331,073
-	-	-	-	-	-
6,845,260	7,381,219	7,685,004	8,024,606	10,323,418	9,945,892
625,698	767,295	1,183,337	1,147,151	(261,640)	603,787
(125,850)	(185,905)	(65,423)	(205,562)	(407,249)	(56,769)
499,848	581,390	1,117,914	941,589	(668,889)	547,018
3,901,748	4,401,597	4,982,987	6,100,901	7,042,488	6,373,599
-	-	-	-	-	-
3,901,748	4,401,597	4,982,987	6,100,901	7,042,488	6,373,599
\$ 4,401,596	\$ 4,982,987	\$ 6,100,901	\$ 7,042,490	\$ 6,373,599	\$ 6,920,617