

***Weld County School District RE-9***  
**Ault, Colorado**

**Financial Statements**

**For the Year Ended June 30, 2021**

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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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021, 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 are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
October 25, 2021

**WELD COUNTY SCHOOL DISTRICT RE-9  
Management's Discussion and Analysis  
June 30, 2021**

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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, 2021. 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 \$931,522 for the 2021 fiscal year.

Outlays for capital assets included: a parking lot renovation project on the Ault campus which included a separate parent and bus loop with overhead lighting and ADA compliance. A 78-passenger bus was purchased for route and activity use. A Chevrolet Silverado pick-up was purchased for use in the agriculture education program. The FFA purchased a stock trailer with activity funds that is compatible with the pick-up listed above. The District decreased its principal long-term debt by \$710,000 for general obligation bonds and \$12,308 for leased business equipment.

The funded student count decreased in 2021 to 949.3 from 962.5 from fiscal year.

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, 2021, the District's total net position was \$7,229,395. The total net position of the District increased from the previous year by \$6,212,124 with the PERA Net Pension Liability increasing by \$2,002,521 for a total PERA Net Pension Liability of \$14,470,083 and an increase to Capital Assets 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, extracurricular activities and food service operations.

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

**Table 1**  
**NET POSITION**

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 11,590,755	\$ 11,167,322
Capital assets	<u>22,503,959</u>	<u>22,000,180</u>
Total assets	34,094,714	33,167,502
Deferred outflows of resources	4,672,443	1,631,356
Long-term debt outstanding	23,737,860	22,632,241
Other liabilities	<u>1,847,210</u>	<u>2,336,291</u>
Total liabilities	25,585,070	24,968,532
Deferred inflows of resources	5,952,692	8,813,055
Net position		
Net investment in capital assets	13,909,562	12,598,541
Restricted	1,915,721	1,918,076
Unrestricted (deficit)	<u>(8,595,888)</u>	<u>(13,499,346)</u>
<b>Total net position</b>	<b><u>\$ 7,229,395</u></b>	<b><u>\$ 1,017,271</u></b>



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>2021</u>	<u>2020</u>
Program revenues		
Charges for services	\$ 33,917	\$ 159,190
Operating grants	2,682,457	1,140,386
Capital grants	140,674	-
General revenues		
Taxes	7,295,953	5,569,259
State equalization	2,697,297	4,826,403
Earnings on investments	37,009	99,520
Sale of assets	-	-
Other	641,638	551,814
Total revenues	<u>13,528,945</u>	<u>12,346,572</u>
Expenses		
Instruction	3,480,161	4,793,119
Supporting services	3,043,337	3,627,893
Unallocated depreciation	565,970	575,025
Interest on long-term debt	227,353	249,605
Total expenses	<u>7,316,821</u>	<u>9,245,642</u>
Change in net position	6,212,124	3,100,930
Net position at beginning of year	<u>1,017,271</u>	<u>(2,083,659)</u>
<b>Net position at end of year</b>	<b><u>\$ 7,229,395</u></b>	<b><u>\$ 1,017,271</u></b>

The major source of the District's revenue is from local property taxes and State Equalization. The District received \$8,367 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, 2021, the District's governmental funds reported a combined fund balance of \$9,721,613. The following is additional information, by fund, which contributed to the total.

General Fund showed an increase to fund balance of \$936,493. 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 \$18,310 in ending fund balance to \$1,160,548. Capital Reserve Capital Projects Fund showed a decrease of \$139,082 in fund balance to \$353,214 which was due primarily to capital outlays.

The 2021 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 an \$82,770 increase in fund balance to \$170,019. The General Fund transfer of \$40,000 has continued for fiscal year 2021.

The District's Pupil Activity Fund showed a \$33,031 increase in fund balance to \$180,722.

### Capital Assets

As of June 30, 2021, the District had \$22,503,959 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. This amount represents an increase (including additions, deletions, and depreciation) of \$503,779 from last year. A summary of the District's Capital Assets is as follows:

Capital assets, not being depreciated	
Land	\$ <u>455,977</u>
Total capital assets, not being depreciated	455,977
Capital assets, being depreciated	
Land improvements	3,821,889
Buildings and improvements	23,946,586
Food service equipment	103,608
Equipment	686,087
Transportation equipment	<u>1,835,319</u>
Total capital assets, being depreciated	<u>30,393,489</u>
Total capital assets	30,849,466
Less accumulated depreciation	
Land improvements	(1,191,422)
Buildings and improvements	(5,817,917)
Food service equipment	(48,663)
Equipment	(293,786)
Transportation equipment	<u>(993,719)</u>
Total accumulated depreciation	<u>(8,345,507)</u>
<b>Capital assets, net</b>	<b><u>\$ 22,503,959</u></b>

### Debt Administration

As of June 30, 2021, the District had total outstanding long-term debt as follows:

Compensated absences	\$ 147,334
Capital lease	50,340
Bonds payable	7,645,000
Bond premium	<u>899,057</u>
<b>Total</b>	<b><u>\$ 8,741,731</u></b>

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 31<sup>st</sup>. The majority of changes from the original budget, which is adopted by June 30<sup>th</sup>, 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. The student count has increased from 893 students in 2020 to 1008 in October 2021. Residential development continues throughout the district.

The district preliminary assessed valuation for 2021 increased to \$323,620,710. 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. With the increased student population, it is likely the district will need an additional bus route which will include salary and benefits as well an additional vehicle.

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.

Current district initiatives include: The baseball complex renovation which is currently underway and it is anticipated the project will be completed in 2022. The baseball project is being funded using general fund dollars. ESSER III dollars are federal dollars that the district was awarded due to the Covid-19 pandemic. Primarily these funds have been used for student learning loss including, new curriculum at the elementary school and chromebooks at the secondary level to utilize for remote learning. Additional salary and benefits for faculty to help students recover learning loss due to the pandemic has also been expensed. A contract with North Range Behavioral Health was executed to provide additional mental health services.

In summary, Weld Re-9 has remained in stable financial condition through the Covid-19 pandemic with the support of federal stimulus dollars. Enrollment loss has been recovered and our economic factors are trending positive.

**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.

## **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, 2021**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 6,244,065
Cash with fiscal agent	50,676
Investments	4,699,607
Receivables	594,251
Inventory	2,156
Capital assets, net of depreciation	<u>22,503,959</u>
Total assets	34,094,714
<b>Deferred outflows of resources</b>	
Pension benefit deferrals	4,630,698
Other post-employment benefit deferrals	<u>41,745</u>
Total deferred outflows of resources	<u>4,672,443</u>
Total assets and deferred outflows of resources	<u><u>\$ 38,767,157</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 81,648
Accrued salaries and benefits	906,896
Unearned grant revenue	833,799
Accrued interest	24,867
Noncurrent liabilities	
Due within one year	748,031
Due in more than one year	7,993,700
Net pension liability	14,470,083
Net OPEB liability	<u>526,046</u>
Total liabilities	25,585,070
<b>Deferred inflows of resources</b>	
Pension benefit deferrals	5,761,127
Other post-employment benefit deferrals	169,156
Prepaid items	<u>22,409</u>
Total deferred inflows of resources	5,952,692
<b>Net position</b>	
Net investment in capital assets	13,909,562
Restricted for:	
Emergencies	295,000
Land dedication	292,310
Debt service	1,160,548
Food service	167,863
Unrestricted (deficit)	<u>(8,595,888)</u>
Total net position	<u>7,229,395</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 38,767,157</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, 2021**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 3,480,161	\$ 8,270	\$ 1,987,345	
Supporting services				
Students	159,427			
Instructional staff	164,221			
General administration	126,074			
School administration	296,700			
Business services	151,830			
Operations and maintenance	1,057,291		7,500	
Student transportation	468,188	5,366	135,071	\$ 140,674
Central support services	52,639			
Other support services	28,848			
Food service operations	538,119	20,281	552,541	
Unallocated depreciation *	565,970			
Interest and fiscal charges	227,353			
Total governmental activities	<u>\$ 7,316,821</u>	<u>\$ 33,917</u>	<u>\$ 2,682,457</u>	<u>\$ 140,674</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 at beginning of year

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.

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Net (Expenses)  
Revenues and  
Changes in  
Net Position

Total  
Governmental  
Activities

\$ (1,484,546)

(159,427)  
(164,221)  
(126,074)  
(296,700)  
(151,830)  
(1,049,791)  
(187,077)  
(52,639)  
(28,848)  
34,703  
(565,970)  
(227,353)

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(4,459,773)

5,937,157  
1,048,912  
307,265  
2,619  
2,697,297  
37,009  
641,638

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10,671,897

6,212,124

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1,017,271

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\$ 7,229,395

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 5,853,252		\$ 390,813	\$ 6,244,065
Cash with fiscal agent	46,954	\$ 3,722		50,676
Investments	3,263,619	1,143,678	292,310	4,699,607
Property taxes receivable	97,276	16,854		114,130
Due from other funds	104		3,183	3,287
Grants receivable	394,770		63,582	458,352
Other receivables	21,769			21,769
Inventory			2,156	2,156
<b>Total assets</b>	<b>\$ 9,677,744</b>	<b>\$ 1,164,254</b>	<b>\$ 752,044</b>	<b>\$ 11,594,042</b>
<b>Liabilities</b>				
Accounts payable	\$ 81,648			\$ 81,648
Due to other funds	3,183	\$ 104		3,287
Accrued salaries and benefits	881,216		\$ 25,680	906,896
Deferred grant revenues	833,799			833,799
<b>Total liabilities</b>	<b>1,799,846</b>	<b>104</b>	<b>25,680</b>	<b>1,825,630</b>
<b>Deferred inflows of resources</b>				
Deferred property tax revenues	20,788	3,602		24,390
Prepaid items			22,409	22,409
<b>Total deferred inflows of resources</b>	<b>20,788</b>	<b>3,602</b>	<b>22,409</b>	<b>46,799</b>
<b>Fund balance</b>				
Nonspendable inventory			2,156	2,156
Restricted for emergencies	295,000			295,000
Restricted for land dedication			292,310	292,310
Restricted for debt service		1,160,548		1,160,548
Restricted to food service			167,863	167,863
Committed to pupil activities			180,722	180,722
Assigned to insurance costs	103,611			103,611
Assigned to capital projects			60,904	60,904
Unassigned	7,458,499			7,458,499
<b>Total fund balance</b>	<b>7,857,110</b>	<b>1,160,548</b>	<b>703,955</b>	<b>9,721,613</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 9,677,744</b>	<b>\$ 1,164,254</b>	<b>\$ 752,044</b>	<b>\$ 11,594,042</b>

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

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

Total fund balance - governmental funds	\$ 9,721,613
Capital assets, net used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	22,503,959
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.	24,390
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.	(24,867)
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	4,672,443
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.	(23,737,860)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	<u>(5,930,283)</u>
Net position of the governmental activities	<u><u>\$ 7,229,395</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local sources	\$ 6,383,662	\$ 1,039,213	\$ 474,611	\$ 7,897,486
Intermediate sources	150,037			150,037
State sources	3,209,980		4,266	3,214,246
Federal sources	1,608,343		548,275	2,156,618
<b>Total revenues</b>	<b>11,352,022</b>	<b>1,039,213</b>	<b>1,027,152</b>	<b>13,418,387</b>
<b>Expenditures</b>				
Instruction	5,918,100		258,989	6,177,089
Supporting services	3,657,351		530,060	4,187,411
Capital outlay	747,450		338,443	1,085,893
Debt service				
Principal retirement		710,000	12,308	722,308
Interest and fiscal charges		310,903	3,261	314,164
<b>Total expenditures</b>	<b>10,322,901</b>	<b>1,020,903</b>	<b>1,143,061</b>	<b>12,486,865</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,029,121</b>	<b>18,310</b>	<b>(115,909)</b>	<b>931,522</b>
<b>Other financing sources (uses)</b>				
Transfers in			92,628	92,628
Transfers out	(92,628)			(92,628)
<b>Total other financing sources (uses)</b>	<b>(92,628)</b>	<b>-</b>	<b>92,628</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>936,493</b>	<b>18,310</b>	<b>(23,281)</b>	<b>931,522</b>
Fund balance at beginning of year	6,920,617	1,142,238	727,236	8,790,091
Fund balance at end of year	<u>\$ 7,857,110</u>	<u>\$ 1,160,548</u>	<u>\$ 703,955</u>	<u>\$ 9,721,613</u>

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

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

Net change in fund balances - governmental funds	\$ 931,522
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 capital outlays exceeded depreciation in the current period.	503,779
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.	(30,116)
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).	4,084,631
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>722,308</u>
Change in net position of governmental activities	<u><u>\$ 6,212,124</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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 \$6,597,901, of which \$250,000 was insured and \$6,347,901 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 Colostrust (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, 2021, the District had invested \$3,555,929 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, 2021, 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 Colostrust	<u>\$ 3,555,929</u>	<u>\$ 3,555,929</u>	<u>\$ -</u>	<u>\$ -</u>

The investments in Colostrust 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 Colostrust was rated AAA by Standard and Poor’s.



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**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	\$ 6,243,845
Cash on hand	220
Cash with fiscal agent	50,676
Investments – Colotrust	3,555,929
Investments – UMB (Third party custodian)	<u>1,143,678</u>
Total	<u>\$ 10,944,348</u>
 <u>Statement of net position</u>	
Cash	\$ 6,244,065
Cash with fiscal agent	50,676
Investments	<u>4,699,607</u>
Total	<u>\$ 10,994,348</u>

**Note C – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 114,130
Grants receivable	458,352
Other receivables	<u>21,769</u>
Total	<u>\$ 594,251</u>

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. 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**

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**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	\$ 104	\$ 3,183
Bond Redemption Fund	-	104
Other Governmental Funds	<u>3,183</u>	<u>-</u>
Total	<u>\$ 3,287</u>	<u>\$ 3,287</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	\$ -	\$ 92,628
Other governmental funds	<u>92,628</u>	<u>-</u>
Total	<u>\$ 92,628</u>	<u>\$ 92,628</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 \$92,628 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 (\$52,628).

**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>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 455,977	\$ -	\$ -	\$ 455,977
Construction in progress	<u>262,326</u>	<u>1,025,151</u>	<u>(1,287,477)</u>	<u>-</u>
Total capital assets, not being depreciated	718,303	1,025,151	(1,287,477)	455,977
Capital assets, being depreciated:				
Land improvements	2,534,412	-	1,287,477	3,821,889
Buildings and improvements	23,946,586	-	-	23,946,586
Food service equipment	103,608	-	-	103,608
Equipment	677,092	8,995	-	686,087
Transportation equipment	<u>1,628,343</u>	<u>206,976</u>	<u>-</u>	<u>1,835,319</u>
Total capital assets, being depreciated	<u>28,890,041</u>	<u>215,971</u>	<u>1,287,477</u>	<u>30,393,489</u>
Total capital assets	29,608,344	1,241,122	-	30,849,466
Less accumulated depreciation for:				
Land improvements	(1,090,207)	(101,215)	-	(1,191,422)
Buildings and improvements	(5,353,162)	(464,755)	-	(5,817,917)
Food service equipment	(40,488)	(8,175)	-	(48,663)
Equipment	(242,362)	(51,424)	-	(293,786)
Transportation equipment	<u>(881,945)</u>	<u>(111,774)</u>	<u>-</u>	<u>(993,719)</u>
Total accumulated depreciation	<u>(7,608,164)</u>	<u>(737,343)</u>	<u>-</u>	<u>(8,345,507)</u>
Governmental activities capital assets, net	<u>\$ 22,000,180</u>	<u>\$ 503,779</u>	<u>\$ -</u>	<u>\$ 22,503,959</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:

<b>Governmental activities</b>	
Instruction	\$ 12,887
Operations and maintenance	31,779
Student transportation	111,774
Central supporting services	6,758
Food services	8,175
Unallocated	<u>565,970</u>
Total depreciation expense	<u>\$ 737,343</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 \$906,896. 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>
<b>Governmental activities</b>					
Compensated absences	\$ 150,058	\$ -	\$ (2,724)	\$ 147,334	\$ -
Capital lease	62,648	-	(12,308)	50,340	13,031
Bonds payable	8,355,000	-	(710,000)	7,645,000	735,000
Bond premium	<u>983,991</u>	<u>-</u>	<u>(84,934)</u>	<u>899,057</u>	<u>-</u>
Total	<u>\$ 9,551,697</u>	<u>\$ -</u>	<u>\$ (809,966)</u>	<u>\$ 8,741,731</u>	<u>\$ 748,031</u>

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 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.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note G – Long-term debt (Continued)**

**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 15<sup>th</sup> 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 <sup>st</sup> and December 1 <sup>st</sup> .	\$ 6,025,000
\$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 <sup>st</sup> and June 1 <sup>st</sup> .	<u>1,620,000</u>
Total general obligation bonds	<u>\$ 7,645,000</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>
2022	\$ 13,031	\$ 2,538	\$ 735,000	\$ 286,738
2023	13,794	1,775	755,000	262,262
2024	14,604	965	780,000	236,200
2025	8,911	170	810,000	206,750
2026	-	-	840,000	173,750
2027-2030	-	-	<u>3,725,000</u>	<u>322,025</u>
Totals	<u>\$ 50,340</u>	<u>\$ 5,448</u>	<u>\$ 7,645,000</u>	<u>\$ 1,487,725</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 (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2020.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 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**

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**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, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. Section 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. 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, 2021.* 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 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

	July 1, 2020 Through <u>June 30, 2021</u>
Employer contribution rate	10.90%
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	9.88%
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>19.88%</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 (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State’s 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,034,106 for the year ended June 30, 2021.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District’s proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

**Note H – Defined benefit pension plan (Continued)**

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. Section 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At year end, the District reported a liability of \$14,470,083 for its proportionate share of the net pension liability. 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	\$ 14,470,083
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	_____ -
Total	<u>\$ 14,470,083</u>

At December 31, 2020, the District's proportion was 0.0957 percent, which was an increase of 0.0122 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$2,920,364) and revenue of \$0 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 746,097	\$ -
Changes of assumptions or other inputs	1,391,978	2,130,857
Net difference between projected and actual earnings on pension plan investments	-	3,090,043
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,963,704	540,227
Contributions subsequent to the measurement date	<u>528,919</u>	_____ -
Total	<u>\$ 4,630,698</u>	<u>\$ 5,761,127</u>

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

\$528,919 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</u> <u>June 30, ___</u>	<u>Amount</u>
2022	\$ (1,966,140)
2023	978,836
2024	(169,563)
2025	<u>(502,481)</u>
Totals	<u>\$ (1,659,348)</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

Healthy mortality assumptions for active members 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.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

Post-retirement non-disabled mortality assumptions 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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%–11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06:	Financed by the AIR

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

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

1 The Opportunity Fund’s name changed to Alternatives, effective January 1, 2020.

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include 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, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

*Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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	\$ 19,738,379	\$ 14,470,083	\$ 10,079,857

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

**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 Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding policy* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. 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 \$22,077 for the Voluntary Investment Program.



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**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 (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

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 maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. 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 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.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 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 \$53,058 for the year ended June 30, 2021.

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

At year-end, the District reported a liability of \$526,046 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0553 percent, which was an increase of 0.0008 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$12,432. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,376	\$ 114,401
Changes of assumptions or other inputs	3,870	32,257
Net difference between projected and actual earnings on OPEB plan investments	-	21,391
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,361	1,107
Contributions subsequent to the measurement date	<u>27,138</u>	<u>-</u>
Total	<u>\$ 41,745</u>	<u>\$ 169,156</u>

\$27,138 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:

<u>Year Ended June 30, ___</u>	<u>Amount</u>
2022	\$ (36,640)
2023	(33,677)
2024	(37,101)
2025	(34,333)
2026	(12,039)
2027	<u>(759)</u>
Total	<u>\$ (154,549)</u>

*Actuarial assumptions.* The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Initial Costs for Members without Medicare Part A

<u>Medicare Plan</u>	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates 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>
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019 to December 31, 2020.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A

<sup>1</sup> C.R.S. Section 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA’s 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

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

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



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

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

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives <sup>1</sup>	<u>6.00%</u>	4.70%
Total	<u>100.00%</u>	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 512,450	\$ 526,046	\$ 541,874

*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:

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ <u>602,596</u>	\$ <u>526,046</u>	\$ <u>460,641</u>

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://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 \$195,570. 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.

**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.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Financial Statements**

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**Note L – Commitments and contingencies (Continued)**

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.

**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 \$25,407.

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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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 4,689,219	\$ 6,147,681	\$ 6,383,662	\$ 235,981
Intermediate sources	140,000	150,036	150,037	1
State sources	4,699,028	3,819,447	3,209,980	(609,467)
Federal sources	744,314	1,371,480	1,608,343	236,863
Total revenues	10,272,561	11,488,644	11,352,022	(136,622)
Expenditures				
Instruction	6,624,910	6,449,023	5,918,100	530,923
Supporting services	5,511,474	5,455,365	3,657,351	1,798,014
Capital outlay	1,000	1,000	747,450	(746,450)
Reserve for contingency	4,301,031	6,448,303		6,448,303
Total expenditures	16,438,415	18,353,691	10,322,901	8,030,790
Excess of revenues over (under) expenditures	(6,165,854)	(6,865,047)	1,029,121	7,894,168
Other financing uses				
Transfers out	(55,569)	(55,569)	(92,628)	(37,059)
Net change in fund balance	\$ (6,221,423)	\$ (6,920,616)	936,493	\$ 7,857,109
Fund balance at beginning of year			6,920,617	
Fund balance at end of year			\$ 7,857,110	

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**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of the District's Proportionate Share of the Net Pension Liability <sup>1</sup>**  
**PERA's School Division Trust Fund**  
**June 30, 2021**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
District's proportion of the net pension liability	0.0957%	0.0835%	0.0839%	0.0959%
District's proportionate share of the net pension liability	\$ 14,470,083	\$ 12,467,562	\$ 14,847,767	\$ 31,022,516
State's proportionate share of the net pension liability	-	1,581,352	2,030,226	-
Total	<u>\$ 14,470,083</u>	<u>\$ 14,048,914</u>	<u>\$ 16,877,993</u>	<u>\$ 31,022,516</u>
District's covered payroll	\$ 5,119,411	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.65%	254.25%	322.09%	701.00%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%

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

<sup>1</sup> 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.

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<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
0.0960%	0.0948%	0.0976%	0.1011%
\$ 28,678,529	\$ 14,498,600	\$ 13,226,131	\$ 12,896,242
-	-	-	-
<u>\$ 28,678,529</u>	<u>\$ 14,498,600</u>	<u>\$ 13,226,131</u>	<u>\$ 12,896,242</u>
\$ 4,323,065	\$ 4,131,251	\$ 4,088,138	\$ 4,075,968
663.38%	350.95%	323.52%	316.40%
43.10%	59.20%	62.84%	64.06%

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of District Contributions <sup>1</sup>**  
**PERA's School Division Trust Fund**  
**June 30, 2021**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 1,034,106	\$ 982,777	\$ 905,579	\$ 848,504
Contributions in relation to the contractually required contribution	<u>(1,034,106)</u>	<u>(982,777)</u>	<u>(905,579)</u>	<u>(848,504)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,201,717	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%

<sup>1</sup> 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.

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<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
\$ 807,307	\$ 750,723	\$ 683,234	\$ 654,850
<u>(807,307)</u>	<u>(750,723)</u>	<u>(683,234)</u>	<u>(654,850)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,388,422	\$ 4,232,436	\$ 4,046,014	\$ 4,095,281
18.40%	17.74%	16.89%	15.99%

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2021**

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	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
District's proportion of the net OPEB liability	0.0553%	0.0545%	0.0545%	0.0545%
District's proportionate share of the net OPEB liability	\$ 526,046	\$ 612,982	\$ 741,555	\$ 708,423
District's covered payroll	\$ 5,119,411	\$ 4,903,639	\$ 4,609,808	\$ 4,425,446
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%

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

<sup>1</sup> 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.

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June 30, 2017

0.0548%

\$ 709,853

\$ 4,323,039

16.42%

16.72%



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of District Contributions <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2021**

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	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 53,058	\$ 51,725	\$ 48,285	\$ 45,830
Contributions in relation to the contractually required contribution	<u>(53,058)</u>	<u>(51,725)</u>	<u>(48,285)</u>	<u>(45,830)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,201,717	\$ 5,071,077	\$ 4,733,815	\$ 4,493,126
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

<sup>1</sup> 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.

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June 30, 2017

\$ 44,762

(44,762)

\$ -

\$ 4,388,422

1.02%

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

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**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](http://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, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
<b>Local sources</b>				
Property taxes	\$ 4,244,267	\$ 5,744,656	\$ 5,981,032	\$ 236,376
Specific ownership taxes	264,596	233,846	303,663	69,817
Delinquent taxes and interest	2,600	2,600	2,161	(439)
Transportation	3,500		5,366	5,366
Earnings on investments	42,700	26,842	36,485	9,643
Other local revenue	131,556	139,737	54,955	(84,782)
<b>Total local sources</b>	<b>4,689,219</b>	<b>6,147,681</b>	<b>6,383,662</b>	<b>235,981</b>
<b>Intermediate sources</b>	<b>140,000</b>	<b>150,036</b>	<b>150,037</b>	<b>1</b>
<b>State sources</b>				
State equalization	4,172,319	2,563,794	2,697,297	133,503
ELPA professional development	35,000	58,964	9,131	(49,833)
English language proficiency	19,000	24,969	24,970	1
Vocational education	7,500	14,740	14,740	-
Transportation	90,000	128,090	135,071	6,981
READ Act	40,270	47,951	47,952	1
Library grant	4,500	4,500	3,500	(1,000)
Small rural funding	150,000	788,731	96,834	(691,897)
At risk funding			5,762	5,762
Kindergarten capital construction	5,000	8,506	8,506	-
State on-behalf payment	160,000	160,000		(160,000)
Other agency state grants	4,000	3,310	3,310	-
Services within the BOCES	11,439	15,892	162,907	147,015
<b>Total state sources</b>	<b>4,699,028</b>	<b>3,819,447</b>	<b>3,209,980</b>	<b>(609,467)</b>

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Federal sources				
Title I	139,843	164,346	149,420	(14,926)
Coronavirus relief fund	554,609	510,102	510,101	(1)
Title IIA	29,586	40,469	33,629	(6,840)
ESSER III 90% allocation			246,871	246,871
ESSER II 9.5% state reserve			20,251	20,251
ESSER II distribution 90%		464,331	464,331	-
Title IV	10,539	11,754	11,503	(251)
Education stabilization fund		114,017	114,017	-
Coronavirus relief fund at risk		48,009	48,010	1
Coronavirus relief fund - SSRG		7,500	7,500	-
Services within the BOCES	9,737	10,952	2,710	(8,242)
Total federal sources	744,314	1,371,480	1,608,343	236,863
Total revenues	<u>\$ 10,272,561</u>	<u>\$ 11,488,644</u>	<u>\$ 11,352,022</u>	<u>\$ (136,622)</u>



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	\$ 3,939,447	\$ 3,790,550	\$ 3,671,784	\$ 118,766
Employee benefits	1,638,803	1,480,876	1,306,072	174,804
Purchased services	670,373	777,957	607,391	170,566
Supplies and materials	245,999	297,302	259,229	38,073
Property	125,858	97,408	72,564	24,844
Other	4,430	4,930	1,060	3,870
<b>Total instruction</b>	<b>6,624,910</b>	<b>6,449,023</b>	<b>5,918,100</b>	<b>530,923</b>
<b>Supporting services</b>				
<b>Students</b>				
Salaries	219,521	210,246	215,710	(5,464)
Employee benefits	92,804	90,624	76,013	14,611
Purchased services	13,926	15,270	10,566	4,704
Supplies and materials	7,190	17,418	13,648	3,770
Property	1,850	1,550	1,269	281
Other	665	665	729	(64)
<b>Total students</b>	<b>335,956</b>	<b>335,773</b>	<b>317,935</b>	<b>17,838</b>
<b>Instructional staff</b>				
Salaries	200,768	205,552	187,608	17,944
Employee benefits	60,040	58,443	52,538	5,905
Purchased services	128,000	110,861	32,074	78,787
Supplies and materials	7,344	9,189	3,808	5,381
Property	36,700	36,700	25,812	10,888
Other	350	589	239	350
<b>Total instructional staff</b>	<b>433,202</b>	<b>421,334</b>	<b>302,079</b>	<b>119,255</b>
<b>General administration</b>				
Salaries	128,009	125,109	122,304	2,805
Employee benefits	61,029	66,029	60,747	5,282
Purchased services	34,350	34,152	13,140	21,012
Supplies and materials	16,350	17,350	8,437	8,913
Property	200	700	586	114
Other	12,000	11,000	10,731	269
<b>Total general administration</b>	<b>251,938</b>	<b>254,340</b>	<b>215,945</b>	<b>38,395</b>

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	470,755	482,526	478,493	4,033
Employee benefits	189,136	186,836	152,668	34,168
Purchased services	3,600	3,500	870	2,630
Supplies and materials	8,620	8,720	7,629	1,091
Property	5,350	9,350	7,135	2,215
Other	2,600	2,600	1,510	1,090
Total school administration	680,061	693,532	648,305	45,227
Business services				
Salaries	169,494	171,638	173,564	(1,926)
Employee benefits	66,815	62,815	49,098	13,717
Purchased services	64,240	65,240	49,427	15,813
Supplies and materials	3,800	4,000	2,592	1,408
Property	3,000	5,000	4,417	583
Other	1,800	1,100	270	830
Total business services	309,149	309,793	279,368	30,425
Operations and maintenance				
Salaries	293,455	276,473	245,511	30,962
Employee benefits	126,722	127,172	100,248	26,924
Purchased services	675,070	725,070	545,343	179,727
Supplies and materials	286,900	309,587	299,023	10,564
Property	1,302,000	1,237,000	21,353	1,215,647
Total operations and maintenance	2,684,147	2,675,302	1,211,478	1,463,824
Student transportation				
Salaries	364,652	340,767	328,193	12,574
Employee benefits	135,268	129,459	99,225	30,234
Purchased services	39,050	39,950	35,367	4,583
Supplies and materials	149,100	144,451	125,733	18,718
Property	8,000	12,000	9,059	2,941
Total student transportation	696,070	666,627	597,577	69,050

(continued)

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2021**

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Salaries			1,500	(1,500)
Employee benefits			332	(332)
Purchased services	74,150	56,663	42,177	14,486
Supplies and materials	50	2,750	1,845	905
Other	250	1,250	1,130	120
Total central support services	74,450	60,663	46,984	13,679
Other support services				
Salaries	6,000	6,000	12,177	(6,177)
Employee benefits	1,800	1,800	213	1,587
Purchased services	34,601	28,601	25,406	3,195
Total other support services	42,401	36,401	37,796	(1,395)
Food services operations				
Purchased services	4,100	1,600	(116)	1,716
Total food service operations	4,100	1,600	(116)	1,716
Total supporting services	5,511,474	5,455,365	3,657,351	1,798,014
Capital outlay				
Facilities acquisition				
Property	1,000	1,000	747,450	(746,450)
Total capital outlay	1,000	1,000	747,450	(746,450)
Reserve for contingency	4,301,031	6,448,303		6,448,303
Total expenditures	<u>\$ 16,438,415</u>	<u>\$ 18,353,691</u>	<u>\$ 10,322,901</u>	<u>\$ 8,030,790</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, 2021**

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Total
<b>Assets</b>				
Cash	\$ 149,187	\$ 180,722	\$ 60,904	\$ 390,813
Due from other funds	3,183			3,183
Investments			292,310	292,310
Grants receivable	63,582			63,582
Inventory	2,156			2,156
<b>Total assets</b>	<b>\$ 218,108</b>	<b>\$ 180,722</b>	<b>\$ 353,214</b>	<b>\$ 752,044</b>
<b>Liabilities</b>				
Accrued salaries and benefits	\$ 25,680			\$ 25,680
<b>Deferred inflows of resources</b>				
Prepaid items	22,409			22,409
<b>Fund balance</b>				
Nonspendable inventory	2,156			2,156
Restricted for land dedication			\$ 292,310	292,310
Restricted to food service	167,863			167,863
Committed to pupil activities		\$ 180,722		180,722
Assigned to capital projects			60,904	60,904
<b>Total fund balance</b>	<b>170,019</b>	<b>180,722</b>	<b>353,214</b>	<b>703,955</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 218,108</b>	<b>\$ 180,722</b>	<b>\$ 353,214</b>	<b>\$ 752,044</b>

**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, 2021**

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Total
<b>Revenues</b>				
Local sources	\$ 20,289	\$ 292,020	\$ 162,302	\$ 474,611
State sources	4,266			4,266
Federal sources	548,275			548,275
<b>Total revenues</b>	<b>572,830</b>	<b>292,020</b>	<b>162,302</b>	<b>1,027,152</b>
<b>Expenditures</b>				
Instruction		258,989		258,989
Supporting services	530,060			530,060
Capital outlay			338,443	338,443
Debt service				
Principal retirement			12,308	12,308
Interest and fiscal charges			3,261	3,261
<b>Total expenditures</b>	<b>530,060</b>	<b>258,989</b>	<b>354,012</b>	<b>1,143,061</b>
Excess of revenues over (under) expenditures	42,770	33,031	(191,710)	(115,909)
<b>Other financing sources</b>				
Transfers in	40,000		52,628	92,628
<b>Net change in fund balances</b>	<b>82,770</b>	<b>33,031</b>	<b>(139,082)</b>	<b>(23,281)</b>
Fund balance at beginning of year	87,249	147,691	492,296	727,236
Fund balance at end of year	<u>\$ 170,019</u>	<u>\$ 180,722</u>	<u>\$ 353,214</u>	<u>\$ 703,955</u>

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Food Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 174,765	\$ 21,655	\$ 20,289	\$ (1,366)
State sources	10,550	4,266	4,266	-
Federal sources	303,000	470,850	548,275	77,425
Total revenues	488,315	496,771	572,830	76,059
Expenditures				
Supporting services				
Salaries	226,952	219,054	210,676	8,378
Employee benefits	70,330	63,830	54,371	9,459
Purchased services	4,100	3,500	1,584	1,916
Supplies and materials	277,750	277,890	260,239	17,651
Property	2,000	2,000	2,285	(285)
Other	450	910	905	5
Appropriated reserves	30,817	56,836		56,836
Total expenditures	612,399	624,020	530,060	93,960
Excess of revenues over (under) expenditures	(124,084)	(127,249)	42,770	(17,901)
Other financing sources				
Transfers in	40,000	40,000	40,000	-
Net change in fund balance	\$ (84,084)	\$ (87,249)	82,770	\$ 170,019
Fund balance at beginning of year			87,249	
Fund balance at end of year			\$ 170,019	

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Pupil Activity Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Fundraising and other events	\$ 490,000	\$ 490,000	\$ 292,020	\$ (197,980)
Total revenues	490,000	490,000	292,020	(197,980)
Expenditures				
Instruction				
Purchased services	115,500	115,500	80,131	35,369
Supplies and materials	335,000	335,000	152,677	182,323
Property	17,500	17,500	18,976	(1,476)
Other	17,500	17,500	7,205	10,295
Appropriated reserves	210,710	152,191		152,191
Total expenditures	696,210	637,691	258,989	378,702
Excess of revenues over (under) expenditures	\$ (206,210)	\$ (147,691)	33,031	\$ 180,722
Fund balance at beginning of year			147,691	
Fund balance at end of year			\$ 180,722	



**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Capital Reserve Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments			\$ 516	\$ 516
Other local revenue	\$ 43,000	\$ 164,347	161,786	(2,561)
Total revenues	43,000	164,347	162,302	(2,045)
Expenditures				
Capital outlay				
Property	15,569	316,953	338,443	(21,490)
Debt service				
Principal retirement			12,308	(12,308)
Interest and fiscal charges			3,261	(3,261)
Appropriated reserves	503,887	355,259		355,259
Total expenditures	519,456	672,212	354,012	318,200
Excess of revenues over (under) expenditures	(476,456)	(507,865)	(191,710)	316,155
Other financing sources				
Transfers in	15,569	15,569	52,628	37,059
Net change in fund balance	\$ (460,887)	\$ (492,296)	(139,082)	\$ 353,214
Fund balance at beginning of year			492,296	
Fund balance at end of year			\$ 353,214	

## **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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 1,033,400	\$ 1,033,400	\$ 1,038,755	\$ 5,355
Delinquent taxes and interest	700	700	458	(242)
Total revenues	1,034,100	1,034,100	1,039,213	5,113
Expenditures				
Debt service				
Purchased services	4,400	2,400	1,241	1,159
Principal retirement	710,000	710,000	710,000	-
Interest and fiscal charges	309,663	309,663	309,662	1
Appropriated reserves	1,027,593	1,154,275		1,154,275
Total expenditures	2,051,656	2,176,338	1,020,903	1,155,435
Net change in fund balance	<u>\$ (1,017,556)</u>	<u>\$ (1,142,238)</u>	18,310	<u>\$ 1,160,548</u>
Fund balance at beginning of year			1,142,238	
Fund balance at end of year			<u>\$ 1,160,548</u>	

## **Single Audit Section**

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Child Nutrition Cluster			
Pass-through program from:			
Colorado Department of Human Services Donated Commodities	10.555	4555	\$ 30,251
Colorado Department of Education COVID-19 National School Lunch Program	10.555	4555	74,508
Summer Food Service Program for Children	10.559	4559	<u>443,516</u>
Total Child Nutrition Cluster/U.S. Department of Agriculture			548,275
<b>U.S. Department of Education</b>			
Pass-through programs from:			
Colorado Department of Education:			
Title I Grants to local Educational Agencies	84.010	4010	149,420
Supporting Effective Instruction State Grants	84.367	4367	33,629
Student Support and Academic Enrichment Program	84.424	4424	11,503
COVID-19 Education Stabilization Fund	84.425U	4414	246,871
COVID-19 Education Stabilization Fund	84.425D	4419	20,251
COVID-19 Education Stabilization Fund	84.425D	4420	464,331
COVID-19 Education Stabilization Fund	84.425D	4425	<u>114,017</u>
Total CFDA Number 84.425D			<u>598,599</u>
Total U.S. Department of Education			1,040,022
<b>U.S. Department of the Treasury</b>			
Pass-through program from:			
Colorado Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	4012	510,101
COVID-19 Coronavirus Relief Fund	21.019	5012	48,010
COVID-19 Coronavirus Relief Fund	21.019	6012	<u>7,500</u>
Total CFDA Number 21.019/Total U.S. Department of the Treasury			<u>565,611</u>
Total expenditures of federal awards			<u>\$ 2,153,908</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Notes to Schedule of Expenditures of Federal Awards**

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Weld County School District RE-9 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Weld County School District RE-9, it is not intended to and does not present the financial position, changes in net position, or cash flows of Weld County School District RE-9.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

Weld County School District RE-9 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D – Subrecipients**

Weld County School District RE-9 did not pass through any federal grants to subrecipients.

**Note E – Nonmonetary assistance**

Federal nonmonetary assistance is reported in the Schedule at the fair value of the items received and disbursed during the year. Weld County School District RE-9 received nonmonetary assistance for the year as follows:

CFDA No. 10.555	National School Lunch Program	\$ <u>30,251</u>
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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-9 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2021.

**Internal Control over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
October 25, 2021

**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Program**

We have audited the Weld County School District RE-9's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Lauer, Szabo & Associates, P. C.*

Sterling, Colorado  
October 25, 2021

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Summary of audit results**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Weld County School District RE-9 (the District).
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings relative to the major federal award programs of the District.
7. The programs tested as major were:

Coronavirus Relief Fund	CFDA No. 21.019
Educational Stabilization Fund	CFDA Nos. 84.425D and 84.425U
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The District did not qualify as a low-risk auditee.

**Findings – Financial statement audit**

We noted no findings that are required to be reported under *Government Auditing Standards*.

**Findings and Questioned Costs**

We noted no findings or questioned costs that are required to be reported in accordance with the Uniform Guidance.

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**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, 2021, and our report thereon dated October 25, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. 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 25, 2021





**Colorado Department of Education**

**Auditors Integrity Report**  
 District: 3145 - Ault-Highland RE-9  
 Fiscal Year 2020-21  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>	+		-	=
10 General Fund	6,817,159	11,063,670	10,127,331	7,753,499
18 Risk Mgmt Sub-Fund of General Fund	103,457	195,724	195,570	103,611
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub-Total</b>	<b>6,920,617</b>	<b>11,259,394</b>	<b>10,322,901</b>	<b>7,857,110</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	87,249	612,830	530,060	170,019
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	147,691	292,020	258,989	180,722
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,142,238	1,039,213	1,020,903	1,160,548
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	492,296	214,930	354,012	353,214
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>8,790,090</b>	<b>13,418,387</b>	<b>12,486,866</b>	<b>9,721,611</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

## Debt Compliance Schedules

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

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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
2020/2021	16.880	3.004	3.449	0.023	23.356

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**

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<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%
2020/2021	299,668,750	50.99%

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**

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<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%
2020/2021	1,366,476,713	24.97%

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

**WELD COUNTY SCHOOL DISTRICT RE-9**  
**Historical Property Tax Collections**

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Levy/Collection Year	Taxes Levied (1)	Current Collections (2)	Collection Rate
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%
2020/2021	6,992,171	6,967,805	99.65%

(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**

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<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%
2020/21	901	-4.45%

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,			
	2012	2013	2014	2015
<b>Revenues</b>				
Local sources	\$ 4,187,474	\$ 4,104,019	\$ 4,206,961	\$ 4,362,308
Intermediate sources	74,682	96,223	106,426	106,927
State sources	2,917,947	2,802,553	2,902,754	2,789,637
Federal sources,	216,271	276,454	199,778	212,086
<b>Total revenues</b>	<b>7,396,374</b>	<b>7,279,249</b>	<b>7,415,919</b>	<b>7,470,958</b>
<b>Expenditures</b>				
Instruction	4,088,702	3,927,174	4,052,924	3,899,975
Supporting services	2,508,522	3,081,392	2,829,883	2,945,285
Capital outlay	50,739	260,983	337,562	-
Debt service	139,004	-	-	-
<b>Total expenditures</b>	<b>6,786,967</b>	<b>7,269,549</b>	<b>7,220,369</b>	<b>6,845,260</b>
Excess of revenues over (under) expenditures	609,407	9,700	195,550	625,698
<b>Other financing sources (uses)</b>				
Transfers in (out), net	(137,395)	(117,272)	(82,272)	(125,850)
<b>Net change in fund balance</b>	<b>472,012</b>	<b>(107,572)</b>	<b>113,278</b>	<b>499,848</b>
Fund balance at beginning of year	3,712,877	3,896,041	3,788,470	3,901,748
Prior period adjustment	(288,848)	-	-	-
<b>Fund balance at beginning of year, as restated</b>	<b>3,424,029</b>	<b>3,896,041</b>	<b>3,788,470</b>	<b>3,901,748</b>
<b>Fund balance, ending</b>	<b>\$ 3,896,041</b>	<b>\$ 3,788,469</b>	<b>\$ 3,901,748</b>	<b>\$ 4,401,596</b>

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
\$ 4,482,193	\$ 4,725,034	\$ 4,601,919	\$ 4,644,074	\$ 4,697,273	\$ 6,383,662
124,210	163,929	137,455	147,676	150,037	150,037
3,330,262	3,779,309	4,214,358	5,070,418	5,420,428	3,209,980
211,849	200,069	218,025	199,610	281,941	1,608,343
8,148,514	8,868,341	9,171,757	10,061,778	10,549,679	11,352,022
4,368,460	4,576,551	4,801,735	5,312,087	5,769,357	5,918,100
3,012,759	3,108,453	3,222,871	3,525,703	3,845,462	3,657,351
-	-	-	1,485,628	331,073	747,450
-	-	-	-	-	-
7,381,219	7,685,004	8,024,606	10,323,418	9,945,892	10,322,901
767,295	1,183,337	1,147,151	(261,640)	603,787	1,029,121
(185,905)	(65,423)	(205,562)	(407,249)	(56,769)	(92,628)
581,390	1,117,914	941,589	(668,889)	547,018	936,493
4,401,597	4,982,987	6,100,901	7,042,488	6,373,599	6,920,617
-	-	-	-	-	-
4,401,597	4,982,987	6,100,901	7,042,488	6,373,599	6,920,617
\$ 4,982,987	\$ 6,100,901	\$ 7,042,490	\$ 6,373,599	\$ 6,920,617	\$ 7,857,110