FINANCIAL REPORT

Year Ended June 30, 2022

TABLE OF CONTENTS

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Board of Education
Weld County School District RE-5(J)
Milliken, Colorado

Opinions

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component units and the aggregate remaining fund information of Weld County School District RE-5(J) (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Weld County School District RE-5(J) as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of CIVICA Colorado, whose assets totaled $9,639,847 and whose revenues totaled $3,991,092 of the discretely presented component units and remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CIVICA Colorado, is based solely on the report of the other auditors.

Basis for Opinions

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

5801 West 11th Street • Suite 300
Greeley, Colorado 80634-4813
(970) 352-7990
www.awhitney.com

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

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

Accounting principles generally accepted in the United States require that management discussion and analysis, budgetary comparisons, and pension and OPEB information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023 on our consideration of the Weld County School District RE-5(J) internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Weld County School District RE-5(J)'s internal control over financial reporting and compliance.

Anderson & Whitney, P.C.

February 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Weld County School District RE-5(J) (the District) for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceed liabilities and deferred inflows by $10,308,932 at June 30, 2022 (Net Position).
- The General Fund balance was $7,507,864 as of June 30, 2022. Of this amount, $1,353,713 million is reserved for emergencies.
- The June 30, 2022 General Fund balance is $761,632 more than the previous year-end. The total fund balance is 19% of 2022 General Fund operating expenditures plus operating transfers.
- The Bond Redemption Fund has a fund balance of $14,506,920 as of June 30, 2022. This balance is a debt service reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

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

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

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

The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 54 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on pages 60 to 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2022, assets exceeded liabilities by $10.3 million.

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

June 30	2022 Governmental Activities	2021 Governmental Activities
Assets		
Current and other assets	$ 150,131,847	$ 202,732,764
Capital assets	102,951,602	28,337,141
Total Assets	253,083,449	231,069,905
Deferred Outflows of Resources	10,312,086	23,216,752
Liabilities		
Current and other liabilities	22,812,348	4,227,177
Long-term liabilities	216,384,873	243,857,335
Total Liabilities	239,197,221	248,084,512
Deferred Inflows of Resources	13,889,382	20,788,002
Net Position		
Net investment in capital assets	55,726,334	14,859,620
Restricted	17,068,051	19,357,901
Unrestricted	(62,485,453)	(48,803,378)
Total Net Position (Deficit)	$ 10,308,932	$ (14,585,857)

A significant portion of the District's net position represents an unrestricted net deficit of $(62,485,453) which may be used to meet the District's ongoing obligations to students and patrons.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to students; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The long-term debt includes the bonds issued for construction of District schools.

An additional $17,068,051 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserves of $1,353,713, $14,506,920 in reserves for debt service, $1,167,265 in nonspendable, and $40,153 for preschool.

The following table indicates the changes in net position:

Years Ended June 30	2022 Governmental Activities	2021 Governmental Activities
Revenues:		
Program revenues:		
Charges for services	$ 807,519	$ 230,586
Operating grants	8,608,318	6,647,789
Capital grants	8,714,998	516,192
General revenues:		
Property taxes levied for general purpose	13,882,426	13,732,667
Property taxes levied for debt service	10,600,318	10,336,013
Specific ownership	1,311,487	818,463
Delinquent taxes and interest	19,105	78,393
State categorical aid	22,498,567	19,168,803
Unrestricted grants and contributions	250,223	160,471
Earnings on investments	260,127	41,315
Mineral leases	--	171,540
Other	974,180	946,534
Total Revenues	67,927,268	52,848,766
Expenses:		
Instruction	14,770,682	9,892,175
Students	2,816,268	926,271
Instructional staff	2,015,696	855,360
General administration	711,593	545,638
School administration	2,086,560	869,175
Business services	622,001	214,612
Operations and maintenance	3,571,813	3,361,609
Student transportation	1,504,032	827,294
Central support services	1,497,336	1,399,366
Community Services	--	43,170
Food Service operations	1,836,248	1,197,135
Debt issuance cost	--	--
Payments to component unit	6,219,003	3,538,341
Unallocated depreciation	--	894,193
Interest and fiscal charges	5,381,247	3,795,449
Total Expenses	43,032,479	28,359,788
Increase in Net Position	$ 24,894,789	$ 24,488,978

Governmental Activities. Governmental activities increased the District's net position by $24,894,789 in 2022. Key elements of this increase are as follows:

- Increase in revenue from capital grants from the District's utilization of BEST grant awards for new school construction.
- Increase in State categorical aid from a per pupil revenue increase of over 10%.
- Increase in operating grants from federal revenue for COVID-19 pandemic mitigation.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2022, the total fund balances of the District's governmental funds were $132,435,971. Approximately 3% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is reserved or assigned to indicate that it is not available for new spending because it is for the following purposes: (1) a state-constitution mandated emergency reserve ($1,353,713); (2) debt service ($14,506,920); (3) non-expendable funds ($1,167,265); (4) capital outlay ($106,713,099) and ($2,115,811); (5) preschool ($40,153), (6) board assigned ($1,720,422), (7) student activities ($647,890) and (8) risk management ($284,729).

The District has four major governmental funds. These are the General Fund, Building Fund, Capital Reserve Projects Fund and the Bond Redemption Fund.

1. **General Fund.** This is the primary operating fund of the District. It accounts for the District's core services, such as instruction and student services. The General Fund balance was $7,507,864 as of June 30, 2022. The 2022 fund balance is $761,632 more than the previous year.

2. **Bond Redemption Fund.** This is the fund which receives bond redemption property taxes and made bond payments of $14,506,920 during the year. The fund balance increased $48,967 during the year.

3. **Capital Reserve Projects Fund.** The Capital Reserve Projects Fund accounts for the financial resources that have been designated for capital outlay acquisition or construction of major facilities and other capital assets. The fund balance increased $700,255 from construction projects to $2,115,811.

4. **Building Fund.** The Building fund is used to account for the resources accumulated for the fund of the District's school improvements and construction of new school buildings.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

2022 General Fund

	Actual	Final Budget
Beginning Fund Balance	$ 6,746,232	$ 6,746,232
Revenue	45,123,766	45,431,225
Expenditures	37,931,870	39,875,656
Transfers	(6,430,264)	(7,468,866)
Ending Fund Balance	$ 7,507,864	$ 4,832,935

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental type activities as of June 30, 2022 totals $103.0 million (net of accumulated depreciation). This investment includes all land, buildings, and equipment. The total increase in investment in capital assets for the current year was $40.8 million, due to various large construction projects largely ending last year and limited additions for the current fiscal year.

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

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

Long-term Debt. At June 30, 2022, the District had $149.2 million of bonds payable, primarily funded from a bond redemption property tax. The district also had lease obligations of $3.8 million and certificates of participation debt of $860 thousand. Additional information on the District's debt can be found in Note 5.

OTHER MATTERS

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

- Increase of per pupil funding from the State to $9,044 per student in 2022-23 up from $8,528 per student in 2021-22.
- The District is budgeting for flat student growth in 2022-23.
- The District will complete the sale of its Educational Broadband Spectrum and receive net proceeds of $990,000.
- An increase in the base rate for the District's Certified Salary Schedule to $41,500 with a step increase granted to all district staff. These increases will result in approximately a 6.37% salary increase for 2022-23.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Weld County School District RE-5(J) finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 110 S. Centennial Drive #A, Milliken, Colorado 80534.

WELD COUNTY SCHOOL DISTRICT RE-5(J)

STATEMENTS OF NET POSITION

June 30, 2022	Primary Government Governmental Activities	Component Units Knowledge Quest Academy	Component Units CIVICA Colorado
ASSETS			
Current Assets:			
Cash	$ 55,820,404	$ 3,987,191	$ 2,988,244
Cash with fiscal agent	73,490	-	-
Local government investment pools	90,131,523	-	-
Due from primary government	-	108,932	134,915
Property taxes receivable	462,330	-	-
Prepaid assets	250,920	494	7,944
Grants receivable	1,734,046	24,000	-
Other receivables	1,659,134	699,076	12,509
Total Current Assets	150,131,847	4,819,693	3,143,612
Noncurrent Assets:			
Capital assets	128,505,098	6,696,398	6,521,339
Less: Accumulated depreciation	(25,553,496)	(1,731,562)	(25,104)
Total Noncurrent Assets	102,951,602	4,964,836	6,496,235
TOTAL ASSETS	253,083,449	9,784,529	9,639,847
Deferred Outflows of Resources:			
Deferred loss on refunding	542,541	-	-
Other postemployment benefits	255,614	22,510	47,917
Pension plan	9,513,931	842,150	989,756
Total Deferred Outflows of Resources	$ 10,312,086	$ 864,660	$ 1,037,673

Continued on next page

STATEMENTS OF NET POSITION

June 30, 2022	Primary Government Governmental Activities	Component Units Knowledge Quest Academy	Component Units CIVICA Colorado
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 14,493,514	$ 671,566	$ 62,636
Due to component units	243,847	-	-
Accrued salaries and benefits	1,918,824	199,176	-
Unearned revenue	1,039,691	26,153	-
Accrued interest	528,223	10,251	75,510
Current portion of long-term debt	4,588,249	222,372	-
Total Current Liabilities	22,812,348	1,129,518	138,146
Noncurrent Liabilities:			
Long-term debt	149,350,118	3,551,128	7,990,000
Bond premiums	29,505,138	-	-
Accrued sick leave	481,388	-	7,259
Net postemployment benefits liability	1,744,068	153,102	36,473
Net pension liability	35,304,161	3,099,147	753,872
TOTAL LIABILITIES	239,197,221	7,932,895	8,925,750
Deferred Inflows of Resources:			
Other postemployment benefits	616,072	54,081	12,884
Pension plan	13,273,310	1,165,187	283,433
Total Deferred Inflows of Resources	13,889,382	1,219,268	296,317
NET POSITION			
Net investment in capital assets	55,726,334	1,191,336	1,742,150
Restricted:			
Debt service	14,506,920	584,327	414,545
Preschool	40,153	-	-
Emergencies	1,353,713	-	46,586
National school lunch	-	-	8,252
Nonexpendable	1,167,265	132,437	-
Unrestricted	(62,485,453)	(411,074)	(756,080)
TOTAL NET POSITION (DEFICIT)	$ 10,308,932	$ 1,497,026	$ 1,455,453

See Accompanying Notes to Financial Statements

WELD COUNTY SCHOOL DISTRICT RE-5(J)

STATEMENTS OF ACTIVITIES

		Program Revenues	
Year Ended June 30, 2022	Expenses	Charges for Services	Operating Grants and Contributions
Functions/Programs:			
Governmental Activities:			
Instruction	$ 14,770,682	$ -	$ 5,948,252
Support services:			
Students	2,816,268	698,172	94,596
Instructional staff	2,015,696	-	254,446
General administration	711,593	-	-
School administration	2,086,560	-	-
Business services	622,001	-	-
Operations and maintenance	3,571,813	-	-
Student transportation	1,504,032		188,044
Central support services	1,497,336	-	-
Food service operations	1,836,248	109,347	2,122,980
Debt issuance costs	-	-	-
Payments to component unit	6,219,003	-	-
Interest and fiscal charges	5,381,247	-	-
Total governmental activities/primary government	28,261,797	807,519	2,660,066
TOTAL GOVERNMENTAL ACTIVITIES	$ 43,032,479	$ 807,519	$ 8,608,318
Component Units:			
Knowledge Quest Academy	2,954,217	26,159	283,485
CIVICA Colorado	2,425,401	101,907	420,725

General Revenues:
Taxes:
Property taxes
Specific ownership taxes
State categorical aid
Unrestricted grants and contributions
Earnings on investments
Other
Receipts from primary government

Changes in Net Position

Net Position - Beginning

NET POSITION - Ending

See Accompanying Notes to Financial Statements.

	Net (Expense) Revenue and Changes in Net Position		
Capital Grants and Contributions	Governmental Activities	Knowledge Quest Academy	CIVICA Colorado
$ -	$ (8,822,430)	$ -	$ -
-	(2,023,500)	-	-
-	(1,761,250)	-	-
-	(711,593)	-	-
-	(2,086,560)	-	-
-	(622,001)	-	-
8,714,998	5,143,185	-	-
-	(1,315,988)	-	-
-	(1,497,336)	-	-
-	396,079	-	-
-	-	-	
-	(6,219,003)	-	-
-	(5,381,247)	-	-
8,714,998	(16,079,214)	-	-
$ 8,714,998	$ (24,901,644)	$ -	$ -
1,143,092	-	(1,501,481)	-
1,873,890	-	-	(28,879)
	24,501,849	-	-
	1,311,487	-	-
	22,498,567	-	-
	250,223	-	-
	260,127	-	-
	974,180	100,982	250,589
	-	3,948,206	1,343,981
	49,796,433	4,049,188	1,594,570
	24,894,789	2,547,707	1,565,691
	(14,585,857)	(1,050,681)	(110,238)
	$ 10,308,932	$ 1,497,026	$ 1,455,453

WELD COUNTY SCHOOL DISTRICT RE-5(J)

BALANCE SHEET - Governmental Funds

June 30, 2022	General Fund	Bond Redemption Fund	Capital Reserve Projects Fund	Building Fund	Other Governmental Funds	Total
ASSETS						
Cash and Investments	$ 8,083,675	$ 14,319,208	$ 2,095,927	$ 30,137,692	$ 1,183,902	$ 55,820,404
Cash with Fiscal Agent	70,947	2,543	-	-	-	73,490
Local Government Investment Pools	230,641	-	-	89,900,882	-	90,131,523
Property Taxes Receivable	277,161	185,169	-	-	-	462,330
Prepaid Assets	222,878	-	-	7,926	20,116	250,920
Grants Receivables	1,289,872	-	7,183	-	436,991	1,734,046
Interfund Receivables	-	-	-	-	-	-
Other Receivables	55,560	-	13,102	1,576,025	14,447	1,659,134
TOTAL ASSETS	$ 10,230,734	$ 14,506,920	$ 2,116,212	$ 121,622,525	$ 1,655,456	$ 150,131,847
LIABILITIES AND FUND BALANCES						
Accounts Payable	$ 482,242	$ -	$ -	$ 14,227,104	$ 28,015	$ 14,737,361
Accrued Salaries and Benefits	1,918,824	-	-	-	-	1,918,824
Unearned Revenue	321,804	-	401	682,322	35,164	1,039,691
Interfund Payables	-	-		-	-	-
Total Liabilities	2,722,870	-	401	14,909,426	63,179	17,695,876
Fund Balances:						
Non-spendable	222,878	-	-	-	944,387	1,167,265
Restricted:						
Debt service	-	14,506,920	-	-	-	14,506,920
Capital outlay	-	-	-	106,713,099	-	106,713,099
TABOR emergencies	1,353,713	-	-	-	-	1,353,713
Preschool	40,153	-	-	-	-	40,153
Assigned:						
Capital outlay	-	-	2,115,811	-	-	2,115,811
Student activities	-	-	-	-	647,890	647,890
Board assigned	1,720,422	-	-	-	-	1,720,422
Risk management	284,729	-	-	-	-	284,729
Unassigned	3,885,969	-	-	-	-	3,885,969
Total Fund Balances	7,507,864	14,506,920	2,115,811	106,713,099	1,592,277	132,435,971
TOTAL LIABILITIES AND FUND BALANCES	$ 10,230,734	$ 14,506,920	$ 2,116,212	$ 121,622,525	$ 1,655,456	$ 150,131,847

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-5(J)

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

June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Funds Fund Balance	$	132,435,971
Capital assets used in governmental activities are not financial resources and therefore not reported as net position in governmental funds.		
Cost of capital assets		128,505,098
Accumulated depreciation		(25,553,496)
The deferred loss on refunding is not available to satisfy current obligations, and, therefore, is not reported as deferred outflows of resources in the fund financial statements		542,541
Deferred inflows and outflows of resources related to pensions and other postemployment benefits		(4,119,837)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated absences - long-term portion		(481,388)
Debt payable		(153,938,367)
Bonds payable - premium		(29,505,138)
Accrued interest		(528,223)
Net pension liability		(35,304,161)
Net other postemployment benefits liability		(1,744,068)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$	10,308,932

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-5(J)

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

Year Ended June 30, 2022	General Fund	Bond Redemption Fund	Capital Reserve Projects Fund	Building Fund	Other Governmental Funds	Total
Revenue:						
Local sources	$16,146,468	$10,612,433	$ -	$ -	$ 807,519	$ 27,566,420
State sources	25,930,591	-	7,182	8,714,998	14,260	34,667,031
Federal sources	3,046,132	-	-	-	2,108,720	5,154,852
Other	575	-	282,111	256,279	-	538,965
Total Revenue	45,123,766	10,612,433	289,293	8,971,277	2,930,499	67,927,268
Expenditures:						
Instruction	23,466,656	-	-	-	-	23,466,656
Supporting services	13,889,951	-	116,810	103,661	2,387,331	16,497,753
Capital outlay	361,041	-	62,704	76,308,223	1,849	76,733,817
Debt service	214,222	10,563,466	620,785	340,137	-	11,738,610
Total Expenditures	37,931,870	10,563,466	800,299	76,752,021	2,389,180	128,436,836
Revenue Over (Under) Expenditures	7,191,896	48,967	(511,006)	(67,780,744)	541,319	(60,509,568)
Other Financing Sources (Uses):						
Payments to charter schools	(5,219,003)	-	-	(1,000,000)	-	(6,219,003)
Operating transfers in (out)	(1,211,261)	-	1,211,261	-	-	-
Total Other Financing Sources (Uses)	(6,430,264)	-	1,211,261	(1,000,000)	-	(6,219,003)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	761,632	48,967	700,255	(68,780,744)	541,319	(66,728,571)
Fund Balances, Beginning of Year	6,746,232	14,457,953	1,415,556	175,493,843	1,050,958	199,164,542
Fund Balances, End of Year	$ 7,507,864	$14,506,920	$2,115,811	$106,713,099	$1,592,277	$132,435,971

See Accompanying Notes to Financial Statements.

WELD COUNTY SCHOOL DISTRICT RE-5(J)

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

Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Total net change in governmental funds fund balances	$	(66,728,571)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities:		
Capital Outlay		75,914,081
Depreciation Expense		(1,299,620)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities		5,383,048
Accretion and addition of the bond premium is included in the statement of activities against interest expense, but not reflected on the statement of revenues, expenditures and changes in fund balance		754,903
Increase in accrued leave		(75,225)
Amortization of deferred loss on refunding is included in the statement of activities as interest expense, but is not reflected on the statement of revenues, expenditures and changes in fund balances.		(67,551)
Decrease in accrued interest payable is reflected against interest expense on the stat met of activities, but not reflected on the governmental fund statement of revenues, expenditures and changes in fund balances.		130,732
The governmental funds report District pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned, net of employee contributions, is reported as pension and OPEB expense		10,882,992
Change in Net Position of Governmental Activities	$	24,894,789

See Accompanying Notes to Financial Statements.

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Weld County School District RE-5(J) (the District) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

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

In 2001, the District entered into an agreement with Knowledge Quest Academy to operate a charter school. The Academy receives 100% of the applicable per-pupil funding from the District, less applicable administrative charges. Funded enrollment for the 2021-2022 school year was approximately 407 pupils.

The District passed through $3,470,729 in per pupil funding, $477,477 in mill levy override, and $353,993 in other State and Federal grants for a total of $4,302,199 in other instructional expenditures. Administrative costs of $25,130 were withheld by the District. Knowledge Quest Academy is included in these financial statements as a discretely presented component unit.

In 2021, the District entered into an agreement with CIVICA Colorado to operate a charter school. The School receives 100% of the applicable per-pupil funding from the District, less applicable administrative charges. Funded enrollment for the 2021-2022 school year was approximately 131 pupils.

The District passed through $1,117,113 in per pupil funding, $153,684 in mill levy override, and $466,111 in other State and Federal grants for a total of $1,736,908 in other instructional expenditures. Administrative costs of $8,089 were withheld by the District. CIVICA Colorado is included in these financial statements as a discretely presented component unit.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation:

Government-wide Financial Statements:

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

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

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

Fund Financial Statements:

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

The District reports the following major funds:

General Fund:

The General Fund is the general operating fund of the District and accounts for all financial resources of the District that are not properly accounted for in other funds. Major revenue sources include local property taxes, specific ownership taxes, 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 capital outlay expenditures, risk-related transactions, debt service, food service operations and pupil activities.

Bond Redemption Fund:

The Debt Service Fund accounts for the revenues from a specific tax levy for the purpose of the repayment of long-term debt principal, interest and other fiscal charges.

Capital Reserve Projects Fund:

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

Building Fund:

This Capital Projects Fund is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings.

The following are the District's nonmajor funds:

Food Service Fund:

This Special Revenue fund is used to account for the financial activities associated with the District's food service operations.

Pupil Activity Fund:

This Special Revenue fund is used to record transactions related to school-sponsored pupil organization and activities.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fixed Assets and Long-Term Obligations:

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

Fixed Assets:

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

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

Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	5-10 years

Long-Term Obligations:

The District reports compensated absences in accordance with provisions of GASB statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the district will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave benefits are paid to employees upon termination of employment.

All full-time employees receive up to ten days sick leave each year (5 days for employees with less than two years of service), which can be accumulated up to eighty days. At the end of each school year, accumulated sick leave days beyond eighty are reimbursed at a rate of 50 % of the current rate of pay for substitutes. Employees Retiring from the school district with an accumulated sick leave balance and who are eligible for PERA benefits shall be paid at the same rate. Employees with less than eighty days are entitled to no benefit whatsoever.

The entire compensated absence liability is reported on the government-wide financial statements.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

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 noncurrent portion of the liability is not reported.

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.

Employee Vacation Leave:

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

Measurement Focus:

Governmental-wide Statements:

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

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

Fund Financial Statements:

Basis of Accounting:

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

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

Property Taxes:

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

The original January 1, 2021, levy for the General Fund of the District was 19.414 mills or approximately $9.3 million plus a 9.385 mill override, or approximately $4.5 million. The levy for the Debt Service Fund of the District was 22.028 mills or approximately $10.6 million.

Budget:

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

The Superintendent is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board of Education through a supplemental appropriation ordinance. There was a supplemental appropriation in the year ended June 30, 2022.

Interfund Transactions:

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity:

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

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

Restricted for Debt Service:

These restrictions are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded amounts at June 30, 2022 are $14,300,049.

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at June 30, 2022 are $1,341,036.

Restricted for Preschool:

These restrictions are established to comply with the Colorado Preschool and Kindergarten Act. Recorded amounts at June 30, 2022 are $40,153.

Restricted for Capital Projects Fund:

The Capital Projects fund accounts for proceeds of bonds issues restricted for capital needs, such as site acquisition, building additions and equipment purchases. Recorded amounts at June 30, 2022 are $2,115,811.

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

Net Position:

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Deferred Outflows and Inflows of Resources:

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

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

Pensions:

Weld County School District RE-5(J) participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits:

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - Cash and Investments:

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

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

Cash resources of the General Fund, Food Service Fund, Pupil Activity Fund, Building Fund and Capital Reserve Projects Funds are combined and deposited into an interest-bearing checking account. All interest earned on the pooled account is credited to the General Fund.

Custodial credit risk is the risk that, in the event of 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 June 30, 2022 the District had total deposits of $26,191,980, of which $750,000 was insured and $25,441,980 was collateralized with securities held by the pledging institution’s trust department or agent in the District’s name.

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

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

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

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

NOTE 2 - Cash and Investments continued:

At June 30, 2022, the General Fund held $230,641 and the Building Fund held $89,900,882 in COLOTRUST, a 2a-7 like local government investment pool. The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at $1.00. The investment is rated AAAm by Standard & Poor's. The District's interest is valued at NAV.

NOTE 3 - Changes in Capital Assets:

Capital asset activity for the year for the District was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital Assets:				
Land	$ 1,055,411	$ --	$ --	$ 1,055,411
Construction in Progress	3,378,706	75,324,031	(289,985)	78,412,752
Land improvements	2,249,918	--	--	2,249,918
Building and improvements	40,135,074	--	289,985	40,425,059
Furniture and equipment	3,058,963	155,063	--	3,214,026
Licensed vehicles	3,087,099	434,987	(374,154)	3,147,932
Total Capital Assets	52,965,171	75,914,081	(374,154)	128,505,098
Accumulated Depreciation:				
Land improvements	(1,724,098)	(81,688)	--	(1,805,786)
Building and improvements	(18,372,193)	(816,174)	--	(19,188,367)
Furniture and equipment	(2,113,534)	(116,119)	--	(2,229,653)
Licensed vehicles	(2,418,205)	(285,639)	374,154	(2,329,690)
Total Accumulated Depreciation	(24,628,030)	(1,299,620)	374,154	(25,553,496)
Capital Assets, Net	$ 28,337,141	$74,614,461	$ --	$102,951,602

At June 30, 2022, the District has capitalized $5,184,419 of assets under leases. Of that amount, $4,600,723 is classified as buildings and improvements and $583,696 is classified licensed vehicles.

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

Governmental Activities:	
Instruction	$ 970,718
General administration	3,023
Operations and maintenance	55,029
Student transportation	227,120
Central support service	14,190
Food service operations	29,541
Total	$ 1,299,620

NOTE 3 - Changes in Capital Assets – Continued:

Capital asset activity for the year for Knowledge Quest Academy was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital Assets:				
CIP	$ --	$ 978,830	$ --	$ 978,830
Land	260,000	-	--	260,000
Building and improvements	5,244,796	9,980	--	5,254,776
Equipment	202,791	--	--	202,791
Total Capital Assets	5,707,587	988,810	--	6,696,397
Accumulated Depreciation:				
Buildings and improvements	(1,482,030)	(107,434)	--	(1,589,464)
Equipment	(134,948)	(7,150)	--	(142,098)
Total Accumulated Depreciation	(1,616,978)	(114,584)	--	(1,731,562)
Capital Assets, Net	$4,090,609	$ 874,226	$ --	$ 4,964,835

Capital asset activity for the year for CIVICA Colorado's governmental activities was as follows:

	Beginning Balance (as restated)	Additions	Deletions/ Transfers	Ending Balance
Capital Assets:				
Land and improvements	$ --	$1,869,600	$ --	$1,869,600
Building and improvements	7,102,823	--	(7,102,823)	--
Total Capital Assets	7,102,823	1,869,600	(7,102,823)	1,869,600
Accumulated Depreciation:				
Buildings and improvements	--	(266,356)	266,356	--
Total Accumulated Depreciation	--	(266,356)	266,356	--
Capital Assets, Net	$7,102,823	$1,603,244	$(6,836,467)	$1,869,600

The building and improvements were right-of-use leased assets.

Capital asset activity for the year for CIVICA Colorado's business-type activities was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital Assets:				
Land and improvements	$ --	$ 635,054	$ --	$ 635,054
Building and improvements	--	4,016,685	--	4,016,685
Total Capital Assets	--	4,651,739	--	4,651,739
Accumulated Depreciation:			--	
Buildings and improvements	--	(25,104)	--	(25,104)
Total Accumulated Depreciation	--	(25,104)	--	(25,104)
Capital Assets, Net	$ --	$ 4,626,635	$ --	$4,626,635

NOTE 4 – Interfund Transfers:

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

Governmental Funds:	Transfers In	Transfers Out
General Fund	$ --	$ 1,211,261
Capital Projects Reserve Fund	1,211,261	--
Total	$ 1,211,261	$ 1,211,261

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

NOTE 5 - Changes in Long-Term Debt

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

	Beginning Balance	Additions	Reductions/ Amortization	Ending Balance	Due Within One Year
Governmental Activities:					
G.O Bonds:					
Series 2011, Refunding	$ 4,750,000	$ --	$ 460,000	$ 4,290,000	$ 475,000
Series 2011, Premium	149,935	--	14,520	135,415	--
Series 2021	124,445,000	--	3,060,000	121,385,000	2,300,000
Series 2021 Premium	30,110,106	--	740,383	29,369,723	--
BEST Bond	24,553,305	--	987,728	23,565,577	998,122
Lease Obligations	4,653,110	--	815,320	3,837,790	755,127
COPs	920,000	--	60,000	860,000	60,000
Compensated Absences	406,163	159,900	84,675	481,388	--
Total Long-Term Obligations	$189,987,619	$159,900	$ 6,222,626	$183,924,893	$4,588,249

Payments on the lease obligations are made in the Capital Reserve Projects Fund and the General Fund, while payments on the bond and certificates of participation are made in the Bond Redemption Fund and Capital Reserve Projects Fund, respectively. The compensated absences and net position on OPEB liabilities attributable to the governmental activities 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.

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

Lease Obligations

Facility Renovation Obligations

In February 2014, the District entered into an agreement with NBH Capital Finance, a division of NBH Bank, N.A., to finance the costs of improvements to Pioneer Ridge Elementary, which serve as collateral for the agreement, and to refinance one existing capital lease obligation. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments of $98,276 are due on July 15th and January 15th of each year, with a final payment due in fiscal year 2029. The average interest rate over the lease term is 3.36%. The District has capitalized $1,921,388 of assets under this capital lease.

In May 2015, the District entered into an agreement with NBH Capital Finance, a division of NBH Bank, N.A., to finance the costs of improvements to Roosevelt High School, which serve as collateral for the agreement. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments of $54,934 are due on November 1st and May 1st of each year, with a final payment due in fiscal year 2035. The average interest rate over the lease term is 3.30%. The District capitalized $1,507,305 of assets under this capital lease.

In May 2019, the District entered into an agreement with Zions Bancorporation, N.A., to finance the costs of acquiring four modular buildings, which serve as collateral for the agreement. The agreement called for a lease term of one year with annual renewal options. Semi-annual payments ranging from $1,529 to $111,529 are due on January 15th and July 15th of each year, with a final payment due in fiscal year 2029. The average interest rate over the lease term is 2.780%. The District capitalized $654,903 of assets under this capital lease.

Each of the lease agreements above contain a provision that, in the event of default, the lessor may take one or any combination of the following remedial steps (a) terminate the lease term and give notice to the District to vacate and surrender possession of the leased property within ten business days of such notice (b) proceed to foreclose through the courts on or otherwise sell, trade-in, repossess or liquidate the District's interest in the leased property, however the lessor may not recover from the District any deficiency which may exist following the liquidation of the District's interest in the leased property in excess of base rentals and additional rentals for the current fiscal year and in excess of amounts payable under the agreement (c) the lessor may recover the portion of base rentals and additional rentals which would have otherwise been due and payable hereunder, during any period in which the District continues to occupy, use or possess the lease property and base rentals and additional rentals which would have otherwise been payable by the District hereunder during the remainder, after the District vacates and surrenders possession of the leased property, of the fiscal year in which such event of default occurs.

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

Additionally, if the lessor employs attorneys or incurs other expenses for the collection of base rentals and additional rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the District herein contained, the District agrees that it shall on demand therefor pay the lessor the fees of such attorneys and such other expenses so incurred by the lessor, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction.

Transportation Vehicle Lease Obligations

In May 2016, the District entered into an agreement with First National Bank of Omaha to purchase two 2015 Thomas school buses, which serve as collateral for the agreement. The agreement called for a lease term of six years with a annual renewal options. Annual payments of $36,625 are due on September 15th of each year, with a final payment due in fiscal year 2022. The average interest rate over the lease of the term is 2.788%. The District has capitalized $200,400 of assets under this capital lease.

In March 2017, the District entered into an agreement with First National Bank of Omaha to purchase two 2018 Bluebird school buses, which serve as collateral for the agreement. The agreement called for a lease term of 74 months with annual renewal options. Annual payments of $49,478 are due on June 1st of each year, with a final payment due in fiscal year 2022. The average interest rate over the lease term is 3.10%. The District has capitalized $270,936 of assets under this capital lease.

In July 2019, the District entered into an agreement with First National Bank of Omaha to purchase two 2021 Bluebird school buses, which serve as collateral for the agreement. The agreement called for a lease term of 63 months with annual renewal options. Annual payments of $39,431 are due on October 12th of each year, with the final payment due in fiscal year 2025. The average interest rate over the lease term is 4%. The District has capitalized $212,560 of assets under this capital lease.

Each of the lease agreements above contain a provision that, in the event of default, the lessor shall have the right, as its option, to take one or any combination of the following remedial steps (a) retake possession of the equipment, holding the District liable for the unpaid rental payments through the end of the current fiscal year, which rental payments to the District agrees to pay immediately on demand unless such amounts are paid in full upon such demand, such unpaid rental payments shall bear interest at a rate equal to the interest rate applicable to the lease transaction plus 4% per annum (b) collect all costs incurred by the lessor in enforcing its rights hereunder, including court costs and reasonable attorneys' fees (c) require the District to pay all out-of-pocket costs and expenses incurred by the lessor as a result (directly or indirectly) of the event of default, including, without limitation, any attorneys' fee and expenses and any costs related to the repossession, safe-keeping, storage, repair, reconditing or disposition of any equipment.

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

Technology Lease Obligation

In July 2019, the District entered into an agreement with Apple, Inc. to purchase technology equipment, which serves as collateral or the agreement. The agreement called for a lease term of five years. Annual payments of $398,128 are due on July 15th of each year, with a final payment due in fiscal year 2024. The average interest rate over the lease term is 3.59%. the District has not capitalized any assets under this capital lease as none of the assets acquired met the District's capitalization threshold.

The lease agreement above contain a provision that in the event of default, the lessor may, at its sole discretion, do any or all of the following (a) declare due and payable any and all amounts which may be due and payable under the lease, plus all lease payments remaining through the end of the then current fiscal period (b) enter the premises and take possession of the equipment or require the District at the District's expense to promptly return any or all of such equipment (c) sell or lease the equipment, for the account of the District, sublease such equipment, continuing to hold the District liable for the difference between the lease payment payable by the District pursuant to the terms of such lease to the end of the current fiscal period and the net proceeds of any such sale, lease or sublease. In the event the lessor sells or otherwise liquidates the equipment following an event of default and realizes net proceeds (after payment of costs) in excess of total lease payments under the related lease that would have been paid during the related scheduled lease term plus any other amounts then due under the related leases, the lessor shall immediately pay the amount of any such excess to the District.

The following is a schedule by years of future minimum lease payments under the capital leases above, together with the present value of the net minimum lease payments at year-end:

Fiscal Year Ending June 30,	Amount
2023	$ 853,578
2024	856,076
2025	460 307
2026	481,096
2027	420,316
2028-2032	1,068,205
2033-2035	329,606
Total minimum lease payments	4,469,184
Less interest:	631,394
Present value of minimum lease payments	$ 3,837,790

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

Bonds Payable

General obligation bonds payable consist of the following individual issues:

	June 30, 2022 Balance
$7,765,000 general obligation refunding bonds, dated October 2011, due in annual installments beginning in fiscal year 2012 ranging from zero to $605,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on May 15th and November 15th.	$ 4,290,000
$124,445,000 general obligation refunding bonds, dated February 2021, due in annual installments beginning in fiscal year 2022 ranging from $3,060,000 to $9,360,000; varying annual interest rates ranging from 4.00% to 5.00%, payable semi-annually on June 1st and December 31st.	121,385,000
Total General Obligation Bonds	$125,675,000

Certificates of Participation

In June 2020, the District issued $985,000 Certificates of Participation. Principal payments are due in annual installments beginning in fiscal year 2021 ranging from $60,000 to $75,000;fixed interest rate of 1.95%, payable semi-annually on May 15th and November 15th.

The following schedule represents the District's debt service requirements to maturity for the outstanding bond and certificates of participation indebtedness at year-end:

	Bonds Payable		Certificates of Participation	
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest
2023	$ 3,773,122	$ 5,881,531	$ 60,000	$ 16,185
2024	3,931,588	5,722,902	60,000	15,015
2025	4,090,650	5,557,190	60,000	13,845
2026	4,260,187	5,384,169	60,000	12,675
2027	4,435,348	5,203,488	65,000	11,456
2028-2032	25,150,336	2,972,867	335,000	38,074
2033-2037	31,004,229	17,049,241	220,000	6,533
2038-2042	37,260,162	10,704,546	--	--
2043-2047	35,335,000	2,896,100	--	--
Total	$149,240,622	$61,372,034	$ 860,000	$ 113,783

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

Prior-Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, $8,440,000 of bonds outstanding are considered defeased.

Knowledge Quest Academy:

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

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
2016 Charter School Refunding Revenue Bonds	$ 3,985,000	$ --	$ 3,985,000	$ --	$ --
2022 Refunding Revenue Bonds	--	3,790,000	16,500	3,773,500	222,372
Total long-term obligations	$ 3,985,000	$ 3,790,000	$ 4,001,500	$3,773,500	$ 222,372

Bonds Payable

In August 2005, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $5,840,000 in Charter School Revenue Bonds, Series 2005, bearing interest at a rate of 6.50% with a final payment due May 1, 2036. The proceeds of the bonds were loaned to the KQA Building Corporation under a lease agreement to construct the Charter School's school facility. The Charter School is obligated under a lease agreement to make monthly lease payments to the KQA Building Corporation for use of the building. The KQA Building Corporation is required to make semi-annual payments to the Trustee for payment of the bonds. The CECFA issued $4,715,000 in Charter School Refunding Revenue Bonds, Series 2020, due in annual installments beginning the fiscal year 2020 ranging from $175,000 to $310,000 bearing interest at a rate of 2.990%, payable semi-annually on January 1st and July 1st. On April 15, 2022 KQA Refinanced this debt and issued $3,790,000 of CECFA Revenue Bond series 2022 Reissuance. This debt requires monthly payments ranging from $5,491 to $29,262 ending on July 2036 with a base coupon rate of 3.26% through maturity.

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

The following schedule represents the Charter School's debt service requirements to maturity for all outstanding bonded indebtedness:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2023	$ 222,372	$ 121,395	$ 343,768
2024	228,980	114,226	343,206
2025	233,686	106,278	339,964
2026	243,041	98,419	341,460
2027	248,124	90,303	338,426
2028-2032	1,353,650	322,006	1,675,657
2033-2037	1,243,647	87,334	1,330,981
Total	$ 3,773,500	$ 939,961	$ 4,713,462

CIVICA Colorado:

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

	Beginning Balance (as restated)	Additions	Reductions/ Amortizations	Ending Balance	Due Within One Year
Governmental Activities:					
Lease liability	$ 7,102,823	$ --	$(7,102,823)	$ --	$ --
Note payable	--	345,000	(345,000)	--	--
Compensated absences	--	10,584	(3,325)	7,259	7,259
Total long-term obligations Governmental Activities	$ 7,102,823	$ 355,584	$(7,451,148)	$ 7,259	$ 7,259
Business-Type Activities:					
Revenue Bonds, Series 2022	$ --	$ 7,990,000	$ --	$ 7,990,000	$ --
Total long-term obligations Business-Type Activities	$ --	$ 7,990,000	$ --	$ 7,990,000	$ --

The balance as of July 1, 2021, has been restated due to implementation of GASB No. 87, *Leases.* The revenue bonds are liquidated by the CIVICA Building Corporation Fund.

The following schedule represents the Charter School's debt service requirements to maturity:

Fiscal Year Ending June 30,	Principal	Interest
2023	$ --	$ 302,041
2024	--	381,525
2025	--	381,525
2026	20,000	380,950
2027	85,000	377,931
2028-2030	7,885,000	921,144
Total	$ 7,990,000	$ 2,745,116

NOTE 6 - Accrued Salaries:

Salaries of certain personnel are paid over a twelve-month period from September to August, but are earned during a School year of approximately nine to eleven months. The salaries and benefits earned, but unpaid, as of June 30, 2022, are estimated to be $1,918,824.

NOTE 7 – Defined Benefit Pension Plan:

Plan description. Eligible employees of the Weld County School District RE-5J are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan – Continued*:*

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

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

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

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

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

Contributions provisions as of June 30, 2022: Eligible employees of Weld County School District RE-5J and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022.

NOTE 7 – Defined Benefit Pension Plan – Continued:

Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-5J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Weld County School District RE-5J were $4,031,573 for the year ended June 30, 2022.

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

NOTE 7 – Defined Benefit Pension Plan – Continued:

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

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Weld County School District RE-5J proportion of the net pension liability was based on Weld County School District RE-5J contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022 , the Weld County School District RE-5J reported a liability of $35,304,161 for its proportionate share of the net pension liability that reflected reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Weld County School District RE-5J as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Weld County School District RE-5J were as follows:

Weld County School District's proportionate share of the net pension liability	$ 35,304,161
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Weld County School District	3,630,927
Total	$ 38,935,088

At December 31, 2021, the Weld County School District RE-5J proportion was .3066%, which was a decrease of .0656% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Weld County School District RE-5J recognized pension expense of $(6,795,915) and revenue of $436,712 for support from the State as a nonemployer contributing entity. At June 30, 2022, the Weld County School District RE-5J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 7 – Defined Benefit Pension Plan – Continued:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,351,585	$ --
Net difference between projected and actual earnings on pension plan investments	--	13,273,310
Changes in assumptions	2,695,209	--
Change in proportion	3,390,430	--
Contributions subsequent to the measurement date	2,076,707	--
Total	$ 9,513,931	$ 13,273,310

$2,076,707 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Amount
2023	$ 675,018
2024	(1,616,059)
2025	(2,748,124)
2026	(2,146,921)
	$ (5,836,086)

Actuarial assumptions. The total pension liability (TPL) in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTE 7 – Defined Benefit Pension Plan – Continued:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%–11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

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

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

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

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan – Continued:

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan – Continued:

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTE 7 – Defined Benefit Pension Plan – Continued:

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Weld County School District RE-5J *proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	51,964,837	35,304,161	21,401,448

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

NOTE 8 – Other Postemployment Benefits:

Plan description. Eligible employees of the Weld County School District RE-5J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-5J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Weld County School District RE-5J were $41,122 for the year ended June 30, 2022.

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

At June 30, 2022, the Weld County School District RE-5J reported a liability of $1,744,068 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Weld County School District RE-5J proportion of the net OPEB liability was based on Weld County School District RE-5J contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Weld County School District RE-5J proportion was .2002%, which was an increase of .0015% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Weld County School District RE-5J recognized OPEB expense of $(24,775). At June 30, 2022, the Weld County School District RE 5J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,658	$ 413,518
Net difference between projected and actual earnings on pension plan investments	--	107,953
Changes in assumptions	36,107	94,601
Change in proportionate share	195,666	--
Contributions subsequent to the measurement date	21,183	--
Total	$ 255,614	$ 616,072

NOTE 8 – Other Postemployment Benefits – Continued:

$21,183 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2023	$ (108,560)
2024	(122,987)
2025	(118,479)
2026	(47,960)
2027	16,300
Thereafter	45
	$ (381,641)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

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

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

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

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

December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

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

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

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

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

scale MP-2019.

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

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Sensitivity of the Weld County School District'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:

NOTE 8 – Other Postemployment Benefits – Continued:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$2,025,447	$1,744,068	$1,503,553

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

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

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

Sensitivity of the Weld County School District RE-5J *proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated

NOTE 8 – Other Postemployment Benefits – Continued:

using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$2,025,447	$1,744,068	$1,503,553

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

NOTE 9 – Defined Contribution Pension Plan:

Voluntary Investment Program

Plan Description - Employees of the Weld County School District RE-5J 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 ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

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

NOTE 10 - Commitments and Contingencies:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-5(J)

BUDGETARY COMPARISON SCHEDULE

	General Fund			
Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	$ 16,146,468	$ 14,984,700	$ 15,138,046	$ 1,008,422
State sources	25,930,591	24,982,037	25,385,021	545,570
Federal sources	3,046,132	3,951,869	4,911,158	(1,865,026)
Other	575	1,000	1,000	(425)
Total Revenue	45,123,766	43,919,606	45,435,225	(311,459)
Expenditures:				
Instruction	23,466,656	24,426,108	24,962,567	1,495,911
Supporting services	13,889,951	14,200,652	14,406,680	516,729
Capital outlay	361,041	-	108,281	(252,760)
Debt Service	214,222	398,127	398,128	183,906
Appropriated reserves	-	-	-	-
Total Expenditures	37,931,870	39,024,887	39,875,656	1,943,786
Revenue Over (Under) Expenditures	7,191,896	4,894,719	5,559,569	1,632,327
Other Financing Sources (Uses):				
Payments to Knowledge Quest Academy	(3,948,206)	(3,434,384)	(3,918,625)	(29,581)
Payments to Civica	(1,270,797)	(1,700,000)	(1,261,277)	(9,520)
Operating transfers in (out)	(1,211,261)	(1,138,766)	(1,211,261)	-
Total Other Financing Sources (Uses)	(6,430,264)	(6,273,150)	(6,391,163)	(39,101)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	761,632	(1,378,431)	(831,594)	1,593,226
Fund Balance, Beginning of Year	6,746,232	6,746,232	6,746,232	-
Fund Balance, End of Year	$ 7,507,864	$ 5,367,801	$ 5,914,638	$ 1,593,226

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2022	$ 4,123,472	$ 4,123,472	$19,729,507	20.9%
2021	3,576,010	3,576,010	17,987,976	19.9%
2020	3,306,820	3,306,820	17,063,941	19.4%
2019	3,079,605	3,079,605	16,096,693	19.1%
2018	2,826,857	2,826,857	14,965,880	18.9%
2017	2,580,352	2,580,352	14,035,144	18.4%
2016	2,456,366	2,456,366	13,851,915	17.7%
2015	2,242,104	2,242,104	13,275,337	16.9%

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

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

Year Ended June 30	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2022	$ 201,241	$ 201,241	$19,729,507	1.02%
2021	183,477	183,477	17,987,976	1.02%
2020	174,052	174,052	17,063,941	1.02%
2019	164,186	164,186	16,096,693	1.02%
2018	152,652	152,652	14,965,880	1.02%
2017	143,158	143,158	14,035,144	1.02%

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

WELD COUNTY SCHOOL DISTRICT RE-5(J)

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

Year Ended June 30	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net Pension Liability
2022	0.31%	$ 35,304,161	$ 19,729,507	179%	74.9%
2021	0.37%	51,981,250	18,376,864	283%	67.0%
2020	0.28%	41,770,173	16,428,917	254%	64.5%
2019	0.28%	50,309,337	15,619,613	322%	57.1%
2018	0.31%	101,648,058	14,500,368	701%	44.0%
2017*	0.31%	91,930,053	13,857,737	663%	43.1%
2016	0.31%	47,894,728	13,647,184	351%	59.2%
2015	0.31%	41,354,558	12,783,103	323.5%	62.8%

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

* Significant changes in assumptions made by Colorado PERA.

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

Year Ended June 30	Cumulative Proportion of Net OPEB Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as a % of Net OPEB Liability
2022	0.20%	$ 1,744,068	$ 19,729,507	8.84%	39.4%
2021	0.20%	1,888,466	18,376,864	10.28%	32.8%
2020	0.18%	2,053,686	16,428,617	12.50%	24.5%
2019	0.18%	2,512,645	15,619,613	16.09%	17.0%
2018	0.18%	2,321,212	14,500,368	16.01%	17.5%
2017	0.18%	2,275,460	13,857,737	16.42%	16.7%

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

OTHER SUPPLEMENTARY INFORMATION

WELD COUNTY SCHOOL DISTRICT RE-5(J)
GENERAL FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Local Sources:				
Property taxes	$ 13,882,426	$ 13,885,339	$ 13,823,257	$ 59,169
Specific ownership taxes	1,310,662	600,000	700,000	610,662
Delinquent taxes and interest	10,912	-	-	10,912
Charter school revenue	184,567	-	-	184,567
Other local revenue	757,901	499,361	614,789	143,112
Total Local Sources	16,146,468	14,984,700	15,138,046	1,008,422
State Sources:				
Equalization	22,498,567	22,261,503	22,224,844	273,723
Vocational education	108,036	85,000	108,447	(411)
ECEA	1,030,496	750,000	830,798	199,698
Gifted and talented	61,538	65,000	86,719	(25,181)
Transportation	188,044	125,000	184,131	3,913
School health professional	94,596	94,596	94,596	-
Small rural schools funding	859,345	957,038	1,022,046	(162,701)
READ act	146,410	164,000	151,410	(5,000)
CON enroll	40,502	-	40,903	(401)
Other state grants through CDE	466,345	479,900	641,127	(174,782)
State on-behalf payment	436,712	-	-	436,712
Total State Sources	25,930,591	24,982,037	25,385,021	545,570
Federal Sources:				
Title I, Part A	221,226	258,777	301,943	(80,717)
IDEA	515,469	654,000	830,076	(314,607)
Title III ELA	30,024	28,528	27,562	2,462
Title II-A	66,767	66,295	66,767	-
Title IV-A	12,408	19,129	31,455	(19,047)
ESSER	1,386,096	2,823,390	2,704,217	(1,318,121)
IDEA revenue	147,489	-	157,777	(10,288)
CCSP revenue	379,926	-	520,971	(141,045)
21st century grant revenue	124,446	-	150,000	(25,554)
Perkins revenue	21,504	11,750	23,890	(2,386)
School climate grant	87,340	90,000	90,000	(2,660)
Other federal sources	53,437	-	6,500	46,937
Total Federal Sources	3,046,132	3,951,869	4,911,158	(1,865,026)
Other:				
Interest	575	1,000	1,000	(425)
Total Other	575	1,000	1,000	(425)
Total Revenue	$ 45,123,766	$ 43,919,606	$ 45,435,225	$ (311,459)

WELD COUNTY SCHOOL DISTRICT RE-5(J)
GENERAL FUND

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Instruction:				
Salaries	$ 14,575,685	$ 14,490,955	$ 14,283,547	$ (292,138)
Employee benefits	5,630,857	5,557,485	5,488,273	(142,584)
Purchased services	1,964,715	1,690,517	2,757,222	792,507
Supplies and materials	687,590	2,505,015	2,230,205	1,542,615
Capital outlay	158,396	165,000	190,000	31,604
State on-behalf payment	436,712	-	-	(436,712)
Other	12,701	17,136	13,320	619
Total Instruction	23,466,656	24,426,108	24,962,567	1,495,911
Supporting Services:				
Pupils:				
Salaries	1,416,090	1,639,244	1,480,851	64,761
Employee benefits	498,191	468,869	491,059	(7,132)
Purchased services	281,587	231,769	360,413	78,826
Supplies and materials	24,251	27,912	51,319	27,068
Other	4,614	250	4,609	(5)
Total Pupils	2,224,733	2,368,044	2,388,251	163,518
Instructional Support:				
Salaries	1,433,261	1,312,467	1,387,895	(45,366)
Employee benefits	563,059	644,084	570,723	7,664
Purchased services	2,138	17,873	4,368	2,230
Supplies and materials	16,989	3,250	9,250	(7,739)
Capital outlay	-	-	-	-
Other	249	600	600	351
Total Instructional Staff	2,015,696	1,978,274	1,972,836	(42,860)
General Administration:				
Salaries	243,224	186,850	246,720	3,496
Employee benefits	28,947	52,609	26,777	(2,170)
Purchased services	376,008	348,680	325,850	(50,158)
Supplies and materials	35,944	-	43,395	7,451
Capital outlay	17,916	-	18,000	84
Other	6,531	-	10,000	3,469
Total General Administration	$ 708,570	$ 588,139	$ 670,742	$ (37,828)

Continued on next page.

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
School Administration:				
Salaries	$ 1,465,892	$ 1,518,532	$ 1,474,515	$ 8,623
Employee benefits	524,161	557,834	525,260	1,099
Purchased services	35,470	32,274	35,281	(189)
Supplies and materials	54,179	63,551	94,703	40,524
Capital outlay	-	6,633	6,300	6,300
Other	6,858	-	-	(6,858)
Total School Administration	2,086,560	2,178,824	2,136,059	49,499
Business Services:				
Salaries	371,428	346,467	375,697	4,269
Employee benefits	135,431	123,263	138,153	2,722
Purchased services	19,428	19,350	12,500	(6,928)
Supplies and materials	4,123	-	3,000	(1,123)
Other	25,080	496,320	625,129	600,049
Total Business Services	555,490	985,400	1,154,479	598,989
Operations and Maintenance:				
Salaries	1,685	-	-	(1,685)
Employee benefits	3,135	81,085	81,102	77,967
Purchased services	97,328	201,133	171,133	73,805
Supplies and materials	965,065	845,724	695,797	(269,268)
Capital outlay	2,497,869	2,335,798	2,310,798	(187,071)
Total Operations and Maintenance	3,565,082	3,463,740	3,258,830	(306,252)
Student Transportation:				
Salaries	608,265	645,156	675,303	67,038
Employee benefits	232,552	232,924	255,871	23,319
Purchased services	174,486	134,550	165,850	(8,636)
Supplies and materials	71,260	90,000	60,000	(11,260)
Capital outlay	77,358	50,000	26,018	(51,340)
Other	112,991	125,100	110,100	(2,891)
Total Student Transportation	1,276,912	1,277,730	1,293,142	16,230
Capital Support Services:				
Salaries	591,208	528,256	619,759	28,551
Employee benefits	203,024	190,760	215,999	12,975
Purchased services	585,819	568,285	590,683	4,864
Supplies and materials	29,780	45,000	76,500	46,720
Capital outlay	34,735	-	-	(34,735)
Other	1,430	-	1,100	(330)
Total Central Support Services	1,445,996	1,332,301	1,504,041	58,045
Total Supporting Services	$ 13,879,039	$ 14,172,452	$ 14,378,380	$ 499,341

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Food Service Operations:				-
Salaries	$ 225	$ -	$ -	$ (225)
Purchased services	2,343	28,200	28,300	25,957
Supplies and materials	8,294	-	-	(8,294)
Other	50	-	-	(50)
Total Food Service Operations	10,912	28,200	28,300	17,388
Debt Service:				-
Bad debt	(183,906)	-	-	183,906
Interest and fiscal charges	398,128	398,127	398,128	-
Total Debt Service	214,222	398,127	398,128	183,906
Capital outlay	361,041	-	108,281	(252,760)
Appropriated reserves	-	-	-	-
Total Expenditures	$ 37,931,870	$ 39,024,887	$ 39,875,656	$ 1,943,786

WELD COUNTY SCHOOL DISTRICT RE-5(J)
GENERAL FUND

Schedule of Other Financing Sources and Uses Compared to Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Other Financing Sources and Uses:				
Transfer to Knowledge Quest Academy	$ 3,948,206	$ 3,434,384	$ 3,918,625	$ (29,581)
Transfer to Civica	1,270,797	1,700,000	1,261,277	(9,520)
Capital Reserve Projects Fund	1,211,261	1,138,766	1,211,261	-
Total Transfers	$ 6,430,264	$ 6,273,150	$ 6,391,163	$ (39,101)

WELD COUNTY SCHOOL DISTRICT RE-5(J)
BOND REDEMPTION FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local Sources:				
Property taxes, current	$ 10,600,318	$ 11,110,100	$ 10,565,366	$ 34,952
Specific ownership taxes	825	-	-	825
Delinquent taxes and interest	8,193	-	-	8,193
Interest on investments	3,097	-	-	3,097
Total Revenues	$ 10,612,433	$ 11,110,100	$ 10,565,366	$ 47,067

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Debt Service:				
Principal payments	$ 4,507,728	$ 4,507,728	$ 4,507,729	$ 1
Interest payments	6,055,738	6,555,137	6,555,238	499,500
Purchased Services	-	1,500	1,500	1,500
Appropriated reserves	-	-	-	-
Total Expenditures	$ 10,563,466	$ 11,064,365	$ 11,064,467	$ 501,001

WELD COUNTY SCHOOL DISTRICT RE-5(J)
CAPITAL RESERVE PROJECTS FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenues:				
Local Sources:				
Earnings on investments	$ 176	$ -	$ -	$ 176
Other local revenues	31,712	-	-	31,712.00
Contributions	250,223	175,000	150,000	100,223
Total Local Sources	282,111	175,000	150,000	132,111
State sources				
Kindergarten capital construction	-	-	-	-
Homeland security grant	7,182	-	-	7,182
Total State Sources	7,182	-	-	7,182
Total Revenues	$ 289,293	$ 175,000	$ 150,000	$ 139,293

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Capital outlay	$ 62,704	$ -	$ -	$ (62,704)
Purchased services	-	40,000	36,400	36,400
Supplies and materials	116,810	150,000	128,400	11,590
Property	-	210,000	429,695	429,695
Debt Service:				
Principal payments	491,202	509,053	509,053	
Interest on loan	129,583	229,713	329,713	200,130
Appropriated reserves	-	-	-	-
Total Expenditures	$ 800,299	$ 1,138,766	$ 1,433,261	$ 615,111

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
General Fund	$ 1,211,261	$ 1,138,766	$ 1,211,261	$ -
Total Other Financing Sources	$ 1,211,261	$ 1,138,766	$ 1,211,261	$ -

WELD COUNTY SCHOOL DISTRICT RE-5(J)
BUILDING FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenues:				
Local Sources:				
Earnings on investments	$ 256,279	$ 84,000	$ 33,000	$ 223,279
Total Local Sources	256,279	84,000	33,000	223,279
State Sources:				
Best grant	8,714,998	-	8,756,959	(41,961)
Total State Sources	8,714,998	-	8,756,959	(41,961)
Total Revenues	$ 8,971,277	$ 84,000	$ 8,789,959	$ 181,318

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Supporting Services:				
Business Servcies:				
Salaries	$ 48,868	$ 31,404	$ 119,467	$ 70,599
Benefits	17,643	12,418	42,536	24,893
Central Support Services:				
Purchased services	37,150	-	-	(37,150)
Other Objects	-	10,000,000	12,000,000	12,000,000
Capital Outlay:				
Buildings	72,184,809	69,809,399	69,809,399	(2,375,410)
Equipment and vehicles	4,123,414	-	-	(4,123,414)
Appropriated reserves	340,137	-	-	(340,137)
Total Expenditures	$ 76,752,021	$ 79,853,221	$ 81,971,402	$ 5,219,381

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
Proceeds from bond issuance	$ -	$ -	$ -	$ -
Payments to charter school	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -

WELD COUNTY SCHOOL DISTRICT RE-5(J)
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

June 30, 2022	Food Service Fund	Pupil Activity Fund	Total
ASSETS			
Cash	$ 531,530	$ 652,372	$ 1,183,902
Prepaid Assets	-	20,116	20,116
Grants Receivables	436,991	-	436,991
Other Receivables	14,447	-	14,447
TOTAL ASSETS	$ 982,968	$ 672,488	$ 1,655,456
LIABILITIES			
Accounts Payable	$ 3,417	$ 24,598	$ 28,015
Unearned Revenue	35,164	-	35,164
Total Liabilities	38,581	24,598	63,179
FUND BALANCES			
Nonspendable	944,387	-	944,387
Assigned:			
Student activities	-	647,890	647,890
Total Fund Balances	944,387	647,890	1,592,277
TOTAL LIABILITIES AND FUND BALANCE	$ 982,968	$ 672,488	$ 1,655,456

WELD COUNTY SCHOOL DISTRICT RE-5(J)
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2022	Food Service Fund	Activity Fund	Total
Revenue:			
Local sources	$ 109,347	$ 698,172	$ 807,519
State sources	14,260	-	14,260
Federal sources	2,108,720	-	2,108,720
Total Revenue	2,232,327	698,172	2,930,499
Expenditures:			
Instruction	-	-	-
Supporting services	1,795,796	591,535	2,387,331
Capital outlay	1,849	-	1,849
Non-capital outlay	-	-	-
Total Expenditures	1,797,645	591,535	2,389,180
Revenue (Under) Over Expenditures	434,682	106,637	541,319
Other Financing Sources (Uses):			
Operating transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Fund Balances, Beginning of Year	509,705	541,253	1,050,958
Fund Balances, End of Year	$ 944,387	$ 647,890	$ 1,592,277

WELD COUNTY SCHOOL DISTRICT RE-5(J)
NONMAJOR FUNDS
PUPIL ACTIVITY FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Revenues				
Local sources				
Fundraising and other events	$ 698,172	$ 500,000	$ 700,000	$ (1,828)
Total Revenue	$ 698,172	$ 500,000	$ 700,000	$ (1,828)

Schedule of Expenses Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Suporting Services:				
Purchased services	$ 224,157	$ 225,000	$ 350,000	$ 125,843
Supplies and materials	344,529	250,000	325,000	(19,529)
Property	139			(139)
Other	22,710	25,000	25,000	2,290
Appropriated reserves	-	-	-	-
Total Expenditures	$ 591,535	$ 500,000	$ 700,000	$ 108,465

WELD COUNTY SCHOOL DISTRICT RE-5(J)
NONMAJOR FUNDS
FOOD SERVICE FUND

Schedule of Revenue Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Operating Revenue:				
Food and milk sales	$ 109,347	$ 57,000	$ 77,000	$ 32,347
Nonoperating Revenue:				
Federal grants	2,108,720	1,260,000	2,019,257	89,463
State grants	14,260	16,100	16,360	(2,100)
U.S.D.A. commodities	-	-	-	-
Interest	-	-	-	-
Total Revenue	$ 2,232,327	$ 1,333,100	$2,112,617	$ 119,710

Schedule of Expenses Compared with Budget

Year Ended June 30, 2022	Actual	Original Budget	Final Budget	Variance
Suporting Services:				
Salaries	$ 1,647	$ -	$ -	$ (1,647)
Employee benefits	-	-	-	-
Purchased services	1,644,851	1,046,000	1,720,076	75,225
Supplies and materials	147,449	161,000	201,836	54,387
Property	1,849	20,000	30,000	28,151
Capital outlay	1,849	100,000	200,000	198,151
Appropriated reserves	-	-	-	-
Total Expenditures	$ 1,797,645	$ 1,327,000	$2,151,912	$ 354,267

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Agency/Program Grant Title	Pass-Through Identification Number	Assistance Listing Number	Expenditures
Department of Agriculture			
Child Nutrition Cluster:			
Passed Through CDHHS:			
Food Distribution		10.555	$ 148,029
Passed Through Colorado Department of Education:			
National School Lunch Program	4555	10.555	1,515,921
School Breakfast Program	4553	10.553	388,149
Summer Food Service Program for Children	4559	10.559	53,559
SNAP CN Local P-EBBT Administrative funds	4649	10.649	3,063
			2,108,721
Department of Public Health and Environment			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - CDPHE	7323	93.323	3,103
Department of Education			
Passed Through Colorado Department of Education:			
Title I Grants to Local Education Agencies	4010	84.010	221,226
Title II Part A Teacher Quality	4367	84.367	66,767
English Language Acquisition, Language Enhancement	4365	84.365	30,024
Student Support for Academic Enrichment	4424	84.424	12,408
Charter Schools	5282	84.282	379,926
Multi Tiered System of Supports	5323	84.323	10,000
After School Learning Centers	7287	84.287	124,446
Colorado Multi-Tiered Behavioral Framework	8174	84.184	87,339
State Library Program	7310	45.310	6,479
Special Education - Grants to States	4027	84.027A	515,468
Special Education – Preschool Grants	4173	84.173A	16,268
Special Education - Grants to States	6027	84.027X	147,489
Special Education – Preschool Grants	6173	84.173X	10,287
Perkins Innovation and Modernization Grant Program	4048	84.048	21,504
Perkins Innovation and Modernization Grant Program	5048	84.048	700

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Agency/Program Grant Title	Pass-Through Identification Number	Assistance Listing Number	Expenditures
Continued on next page			
Passed Through Colorado Department of Education - Continued:			
Education Stabilization Fund - Elementary and Secondary School Emergency Relief			
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	4414	84.425U	$ 432,830
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	9414	84.425U	241,337
Elementary & Secondary School Emergency Relief Fund	4419	84.425D	14,850
Elementary and Secondary School Emergency Relief Fund	4420	84.425D	697,079
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	4434	84.425U	3,463
American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth	8426	84.425W	3,138
Total Education Stabilization Fund (ESSER)			1,392,697
Total Federal Assistance			$ 5,154,852

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

SUMMARY OF AUDITORS' RESULTS

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

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None

FINDINGS RELATED TO FEDERAL AWARDS

- None

Section II – Financial Statement Findings

2021-001 – FINANCIAL INFORMATION PREPARATION

Criteria: Complete and accurate supporting schedules are necessary for complete and accurate financial statements. Accounting tasks such as monthly reconciliations, cross-checks, and review play a key role in proving the accuracy of accounting data and financial information and ensure that the year-end financial statements and related footnote disclosures are in accordance with accounting principles generally accepted in the United States of America.

Condition: There were inconsistencies in supporting schedules of significant financial statement areas, including the following: debt, capital assets, and cash.

Cause: Accurate financial reports and schedules were not prepared and reviewed timely. Management review controls did not sufficiently identify adjustments needed for accurate financial reporting. In addition, staffing turnover during the previous year led to several new individuals in key accounting roles.

Effect or Potential Effect: Lack of timely and reliable financial information can significantly impact management's ability to effectively produce complete and accurate financial statements. Additionally, late review of financial information and late adjusting entries delay the completion of the audit and issuance of the financial statements.

Recommendation: The District should reestablish effective review and reconciliation policies and procedures as a customary part of the accounting process to ensure supporting schedules tie to the trial balance.

Management's Response: Agree

Contact Person: Michael Everest, Chief Financial Officer

Corrective Action Plan: The district agrees with the finding and has reviewed and revised its reconciliation policies and procedures to ensure accurate accounting information so that supporting schedules tie to the trial balance.

Status: Implemented

Section III – Federal Award Findings and Questioned Costs

None reported

A Professional Corporation of
Certified Public Accountants

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

Board of Education
Weld County School District RE-5(J)
Milliken, Colorado

Report on Compliance for Major Federal Programs

Opinion on Each Major Federal Program

We have audited Weld County School District RE-5(J)'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Weld County School District RE-5(J)'s major federal programs for the year ended June 30, 2022. Weld County School District RE-5(J)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Weld County School District RE-5(J) complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Weld County School District RE-5(J) and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Weld County School District RE-5(J)'s compliance with the compliance requirements referred to above.

5801 West 11th Street • Suite 300
Greeley, Colorado 80634-4813
(970) 352-7990
www.awhitney.com

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Weld County School District RE-5(J)'s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Weld County School District RE-5(J)'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Weld County School District RE-5(J)'s compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Weld County School District RE-5(J)'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Weld County School District RE-5(J)'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Weld County School District RE-5(J)'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Anderson & Whitney, P.C.

February 15, 2023

5801 West 11th Street • Suite 300 (970) 352-7990
Greeley, Colorado 80634-4813 www.awhitney.com

A Professional Corporation of
Certified Public Accountants

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-5(J)
Milliken, 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-5(J), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated February 15, 2023. The financial statements of Knowledge Quest Academy as of June 30, 2022 were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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

5801 West 11th Street • Suite 300
Greeley, Colorado 80634-4813
(970) 352-7990
www.awhitney.com

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Weld County School District RE-5(J)'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Anderson & Whitney, P.C.

February 15, 2023

Colorado Department of Education

Auditors Integrity Report

District: 3110 - Johnstown-Milliken RE-5J
Fiscal Year 2021-22
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental					
10	General Fund	6,504,267	37,615,799	36,937,085	7,182,982
18	Risk Mgmt Sub-Fund of General Fund	197,831	600,000	513,103	284,729
19	Colorado Preschool Program Fund	44,133	477,703	481,683	40,153
	Sub- Total	6,746,232	38,693,502	37,931,871	7,507,864
11	Charter School Fund	2,579,551	6,873,276	5,952,897	3,499,930
20,26-29	Special Revenue Fund	648,272	383,523	447,468	584,327
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	509,704	2,232,328	1,797,644	944,387
22	Govt Designated-Purpose Grants Fund	0	0	0	0
23	Pupil Activity Special Revenue Fund	564,957	722,872	614,288	673,540
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	14,457,954	10,612,432	10,563,466	14,506,920
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	175,493,843	8,977,850	77,735,977	106,735,716
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	1,415,556	1,500,554	800,299	2,115,811
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
	Totals	202,416,068	69,996,337	135,843,911	136,568,494
Proprietary					
50	Other Enterprise Funds	0	-267,076	432,933	-700,009
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
	Totals	0	-267,076	432,933	-700,009
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
	Totals	0	0	0	0

FINAL