WELD COUNTY
School District RE-5(J)

FINANCIAL REPORT

Year Ended June 30, 2023

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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, 2023, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, based on our audits and the report of the other auditors, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of CIVICA Colorado, whose assets totaled $9,524,391 and whose revenues totaled $2,745,896 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.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 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.

January 17, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Weld County School District RE-5(J) (the District) for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceed liabilities and deferred inflows by $27,021,653 at June 30, 2023 (Net Position).
- The General Fund balance was $7,030,449 as of June 30, 2023. Of this amount, $1,458,490 is reserved for emergencies.
- The June 30, 2023 General Fund balance is $477,415 less than the previous year-end. The total fund balance is 17% of 2023 General Fund operating expenditures plus operating transfers.
- The Bond Redemption Fund has a fund balance of $16,708,821 as of June 30, 2023. This balance is a debt service reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 56 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 62 to 66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2023, assets exceeded liabilities by $27.0 million.

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

June 30	2023 Governmental Activities	2022 Governmental Activities
Assets		
Current and other assets	$ 82,281,064	$ 150,131,847
Capital assets	185,223,470	102,951,602
Total Assets	267,504,534	253,083,449
Deferred Outflows of Resources	10,912,430	10,312,086
Liabilities		
Current and other liabilities	22,843,076	22,812,348
Long-term liabilities	225,640,118	216,384,873
Total Liabilities	248,483,194	239,197,221
Deferred Inflows of Resources	2,912,117	13,889,382
Net Position		
Net investment in capital assets	69,954,059	55,726,334
Restricted	19,568,889	17,068,051
Unrestricted	(62,501,295)	(62,485,453)
Total Net Position (Deficit)	$ 27,021,653	$ 10,308,932

A significant portion of the District's net position represents an unrestricted net deficit of ($62,501,295) 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 $19,568,889 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 $1,458,490, $16,708,821 in reserves for debt service and $1,401,578 in nonspendable.

The following table indicates the changes in net position:

Years Ended June 30	2023 Governmental Activities	2022 Governmental Activities
Revenues:		
Program revenues:		
Charges for services	$ 1,902,646	$ 807,519
Operating grants	8,585,722	8,608,318
Capital grants	11,049,436	8,714,998
General revenues:		
Property taxes levied for general purpose	29,198,658	24,501,849
Specific ownership	1,363,873	1,311,487
State categorical aid	20,430,213	22,498,567
Unrestricted grants and contributions	660,104	250,223
Investment earnings	2,257,679	260,127
Other revenue	2,071,236	974,180
Total Revenues	77,519,567	67,927,268
Expenses:		
Instruction	31,247,365	14,770,682
Students	2,265,775	2,816,268
Instructional staff	2,396,687	2,015,696
General administration	2,225,847	711,593
School administration	2,304,240	2,086,560
Business services	675,858	622,001
Operations and maintenance	3,976,969	3,571,813
Student transportation	1,598,585	1,504,032
Food service operations	1,480,102	1,836,248
Central support services	1,530,436	1,497,336
Payments to component unit	5,590,718	6,219,003
Interest and fiscal charges	5,514,264	5,381,247
Total Expenses	60,806,846	43,032,479
Increase in Net Position	$ 16,712,721	$ 24,894,789

Governmental Activities. Governmental activities increased the District's net position by $16,712,721 in 2023. 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, 2023, the total fund balances of the District's governmental funds were $65,079,831. Approximately 4% 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 ($1,458,490); (2) debt service ($16,708,821); (3) non-expendable funds ($1,401,578); (4) capital outlay ($36,112,383) and ($3,383,209); (5) board assigned ($2,710,422), (6) student activities ($676,898) and (7) risk management ($212,305).

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 $7,030,449 as of June 30, 2023. The 2023 fund balance is $477,415 less than the previous year.

2. **Bond Redemption Fund.** This is the fund which receives bond redemption property taxes and made bond payments of $3,773,122 during the year. The fund balance increased $2,201,901 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 $1,267,398 from construction projects to $3,383,209.

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.

2023 General Fund

	Actual	Final Budget
Beginning Fund Balance	$ 7,507,864	$ 7,507,864
Revenue	48,622,857	48,414,975
Expenditures	42,645,372	42,289,658
Transfers	(6,454,900)	(6,506,297)
Ending Fund Balance	$ 7,030,449	$ 7,126,884

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental type activities as of June 30, 2023 totals $185.2 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 $82.3 million, due to various large construction projects.

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

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

Long-term Debt. At June 30, 2023, the District had $145.5 million of bonds payable, primarily funded from a bond redemption property tax. The district also had lease obligations of $5.1 million and certificates of participation debt of $800 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 2024 budget:

- Increase of per pupil funding from the State to $10,034 per student in 2023-24 up from $9,044 per student in 2022-23.
- The District is budgeting for flat student growth in 2023-24.
- The District will complete the sale of its Educational Broadband Spectrum and receive net proceeds of $999,000.
- An increase in the base rate for the District's Certified Salary Schedule to $45,000 with a step increase granted to all district staff. These increases will result in approximately a 10.68% salary increase for 2023-24.
- The District's voter-approved building program is continuing on time and on budget. The District opened up the new Elwell Elementary School in August 2022. The new Roosevelt High School is on track to open in August 2023. Once the new high school building is opened, the existing high school building will begin a major renovation to become the District's new middle school building to open in January 2025.

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, 2023	Primary Government Governmental Activities	Component Units Knowledge Quest Academy	Component Units CIVICA Colorado
ASSETS			
Current Assets:			
Cash	$ 39,828,701	$ 3,203,306	$ 1,012,524
Local government investment pools	35,424,846	-	-
Due from primary government	-	109,115	-
Property taxes receivable	819,824	-	-
Prepaid assets	233,507	325	-
Grants receivable	1,776,724	-	197,695
Other receivables	4,197,462	12,246	4,239
Total Current Assets	82,281,064	3,324,992	1,214,458
Noncurrent Assets:			
Capital assets	211,965,910	7,904,220	8,512,329
Less: Accumulated depreciation	(26,742,440)	(1,873,888)	(202,396)
Total Noncurrent Assets	185,223,470	6,030,332	8,309,933
TOTAL ASSETS	267,504,534	9,355,324	9,524,391
Deferred Outflows of Resources:			
Deferred loss on refunding	474,990	-	-
Other postemployment benefits	299,444	28,018	64,475
Pension plan	10,137,996	949,598	1,002,655
Total Deferred Outflows of Resources	$ 10,912,430	$ 977,616	$ 1,067,130

Continued on next page

WELD COUNTY SCHOOL DISTRICT RE-5(J)

STATEMENTS OF NET POSITION

June 30, 2023	Primary Government Governmental Activities	Component Units Knowledge Quest Academy	 CIVICA Colorado
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 14,186,622	$ 27,474	$ 239,863
Accrued salaries and benefits	2,127,295	228,573	58,337
Unearned revenue	887,316	12,903	-
Accrued interest	528,223	9,647	63,588
Current portion of long-term debt	5,113,620	228,980	-
Total Current Liabilities	22,843,076	507,577	361,788
Noncurrent Liabilities:			
Long-term debt	146,268,174	3,322,148	7,990,000
Bond premiums	28,933,647	-	-
Accrued sick leave	503,925	-	23,445
Net postemployment benefits liability	1,642,651	153,603	50,706
Net pension liability	48,291,721	4,515,728	1,489,560
TOTAL LIABILITIES	248,483,194	8,499,056	9,915,499
Deferred Inflows of Resources:			
Other postemployment benefits	578,546	54,099	35,717
Pension plan	2,333,571	218,211	-
Total Deferred Inflows of Resources	2,912,117	272,310	35,717
NET POSITION			
Net investment in capital assets	69,954,059	2,479,204	319,933
Restricted:			
Debt service	16,708,821	547,105	-
Preschool	-	-	-
Emergencies	1,458,490	140,675	48,000
National school lunch	-	-	19,694
Nonexpendable	1,401,578	-	9,432
Unrestricted	(62,501,295)	(1,605,410)	243,246
TOTAL NET POSITION (DEFICIT)	$ 27,021,653	$ 1,561,574	$ 640,305

See Accompanying Notes to Financial Statements

WELD COUNTY SCHOOL DISTRICT RE-5(J)

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2023	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Functions/Programs:			
Governmental Activities:			
Instruction	$ 31,247,365	$ -	$ 7,013,390
Support services:			
Students	2,265,775	1,138,698	98,449
Instructional staff	2,396,687	-	317,448
General administration	2,225,847	-	-
School administration	2,304,240	-	-
Business services	675,858	-	-
Operations and maintenance	3,976,969	-	-
Student transportation	1,598,585	-	276,944
Central support services	1,530,436	-	-
Food service operations	1,480,102	763,948	879,491
Debt issuance costs	-	-	-
Payments to component unit	5,590,718	-	-
Interest and fiscal charges	5,514,264	-	-
Total governmental activities/primary government	29,559,481	1,902,646	1,572,332
TOTAL GOVERNMENTAL ACTIVITIES	$ 60,806,846	$ 1,902,646	$ 8,585,722
Component Units:			
Knowledge Quest Academy	4,706,654	31,217	359,552
CIVICA Colorado	3,428,659	462,779	613,741

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.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Knowledge Quest Academy	CIVICA Colorado
$ -	$ (24,233,975)	$ -	$ -
-	(1,028,628)	-	-
-	(2,079,239)	-	-
-	(2,225,847)	-	-
-	(2,304,240)	-	-
-	(675,858)	-	-
11,049,436	7,072,467	-	-
-	(1,321,641)	-	-
-	(1,530,436)	-	-
-	163,337	-	-
-	-	-	
-	(5,590,718)	-	-
-	(5,514,264)	-	-
11,049,436	(15,035,067)	-	-
$ 11,049,436	$ (39,269,042)	$ -	$ -
145,968	-	(4,169,917)	-
46,982	-	-	(2,305,157)
	29,198,658	-	-
	1,363,873	-	-
	20,430,213	-	-
	660,104	-	-
	2,257,679	-	-
	2,071,236	163,851	39,526
	-	4,070,614	1,582,868
	55,981,763	4,234,465	1,622,394
	16,712,721	64,548	(682,763)
	10,308,932	1,497,026	1,323,068
	$ 27,021,653	$ 1,561,574	$ 640,305

WELD COUNTY SCHOOL DISTRICT RE-5(J)

BALANCE SHEET - Governmental Funds

June 30, 2023	General Fund	Bond Redemption Fund	Capital Reserve Projects Fund	Building Fund	Other Governmental Funds	Total
ASSETS						
Cash and Investments	$ 1,889,191	$ 16,638,147	$ 451,571	$ 20,798,610	$ 51,182	$ 39,828,701
Local Government Investment Pools	6,586,864	-	2,682,860	24,622,548	1,532,574	35,424,846
Property Taxes Receivable	500,204	319,620	-	-	-	819,824
Prepaid Assets	233,507	-	-	-	-	233,507
Grants Receivables	1,610,521	-	-	-	166,203	1,776,724
Interfund Receivables	-	-	-	-	-	-
Other Receivables	89,860	-	330,414	3,597,256	179,932	4,197,462
TOTAL ASSETS	$ 10,910,147	$ 16,957,767	$ 3,464,845	$ 49,018,414	$ 1,929,891	$ 82,281,064
LIABILITIES AND FUND BALANCES						
Accounts Payable	$ 1,138,854	$ 125	$ 81,235	$ 12,906,031	$ 60,377	$ 14,186,622
Accrued Salaries and Benefits	2,127,295	-	-	-	-	2,127,295
Unearned Revenue	613,549	248,821	401	-	24,545	887,316
Interfund Payables	-	-		-	-	-
Total Liabilities	3,879,698	248,946	81,636	12,906,031	84,922	17,201,233
Fund Balances:						
Non-spendable	233,507	-	-	-	1,168,071	1,401,578
Restricted:						
Debt service	-	16,708,821	-	-	-	16,708,821
Capital outlay	-	-	-	36,112,383	-	36,112,383
TABOR emergencies	1,458,490	-	-	-	-	1,458,490
Preschool	-	-	-	-	-	-
Assigned:						
Capital outlay	-	-	3,383,209	-	-	3,383,209
Student activities	-	-	-	-	676,898	676,898
Board assigned	2,710,422	-	-	-	-	2,710,422
Risk management	212,305	-	-	-	-	212,305
Unassigned	2,415,725	-	-	-	-	2,415,725
Total Fund Balances	7,030,449	16,708,821	3,383,209	36,112,383	1,844,969	65,079,831
TOTAL LIABILITIES AND FUND BALANCES	$ 10,910,147	$ 16,957,767	$ 3,464,845	$ 49,018,414	$ 1,929,891	$ 82,281,064

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, 2023

Amounts reported for governmental activities in the statement of net position are different because:		
Total Governmental Funds Fund Balance	$	65,079,831
Capital assets used in governmental activities are not financial resources and therefore not reported as net position in governmental funds.		
Cost of capital assets		211,965,910
Accumulated depreciation		(26,742,440)
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		474,990
Deferred inflows and outflows of resources related to pensions and other postemployment benefits		7,525,323
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		(503,925)
Debt payable		(151,381,794)
Bonds payable - premium		(28,933,647)
Accrued interest		(528,223)
Net pension liability		(48,291,721)
Net other postemployment benefits liability		(1,642,651)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$	27,021,653

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, 2023	General Fund	Bond Redemption Fund	Capital Reserve Projects Fund	Building Fund	Other Governmental Funds	Total
Revenue:						
Local sources	$ 20,400,499	$ 11,859,722	$ -	$ -	$ 1,902,646	$ 34,162,867
State sources	25,130,053	-	-	11,049,436	23,768	36,203,257
Federal sources	3,006,391	-	-	-	855,723	3,862,114
Other	85,914	-	1,254,938	1,923,207	27,270	3,291,329
Total Revenue	48,622,857	11,859,722	1,254,938	12,972,643	2,809,407	77,519,567
Expenditures:						
Instruction	26,249,770	-	-	-	-	26,249,770
Supporting services	15,497,525	-	71,750	15,503	2,515,061	18,099,839
Capital outlay	499,949	-	2,261,144	83,557,856	41,654	86,360,603
Debt service	398,128	9,657,821	531,636	-	-	10,587,585
Total Expenditures	42,645,372	9,657,821	2,864,530	83,573,359	2,556,715	141,297,797
Revenue Over (Under) Expenditures	5,977,485	2,201,901	(1,609,592)	(70,600,716)	252,692	(63,778,230)
Other Financing Sources (Uses):						
Payments to charter schools	(5,590,718)	-	-	-	-	(5,590,718)
Proceeds from capital leases	51,589	-	1,961,219	-	-	2,012,808
Operating transfers in (out)	(915,771)	-	915,771	-	-	-
Total Other Financing Sources (Uses)	(6,454,900)	-	2,876,990	-	-	(3,577,910)
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(477,415)	2,201,901	1,267,398	(70,600,716)	252,692	(67,356,140)
Fund Balances, Beginning of Year	7,507,864	14,506,920	2,115,811	106,713,099	1,592,277	132,435,971
Fund Balances, End of Year	$ 7,030,449	$ 16,708,821	$ 3,383,209	$ 36,112,383	$ 1,844,969	$ 65,079,831

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, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Total net change in governmental funds fund balances	$	(67,356,140)
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		83,673,267
Depreciation Expense		(1,401,399)
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		4,569,381
Proceeds from captial leases are treated as on other financial source in the governmental fund financial statements, but are an increase in long-term debt in the government wide financial statements		(2,012,808)
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		571,491
Decrease (Increase) in accrued leave		(22,537)
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.		-
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		(1,240,983)
Change in Net Position of Governmental Activities	$	16,712,721

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 2022-2023 school year was approximately 407 pupils.

The District passed through $3,620,614 in per pupil funding, $450,000 in mill levy override, and $415,559 in other State and Federal grants for a total of $4,486,173 in other instructional expenditures. Administrative costs of $22,500 were withheld by the District. The District includes a payable at June 30, 2023 of $109,415 in accounts payable. 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 2022-2023 school year was approximately 131 pupils.

The District passed through $1,352,059 in per pupil funding, $168,045 in mill levy override, and $476,127 in other State and Federal grants for a total of $1,996,231 in other instructional expenditures. Administrative costs of $8,402 were withheld by the District. The District includes a payable at June 30, 2023 of $195,778 in accounts payable. 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, 2023. 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 20.414 mills or approximately $13.3 million plus a 6.901 mill override, or approximately $4.5 million. The levy for the Debt Service Fund of the District was 18.283 mills or approximately $11.9 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, 2023.

The District may be in violation of Colorado Revised Statutes due to the over-expenditure of budget appropriations in the general fund and the capital reserve projects fund.

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, 2023 are \$16,708,821.

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at June 30, 2023 are \$1,422,627.

Restricted for Preschool:

These restrictions are established to comply with the Colorado Preschool and Kindergarten Act. Recorded amounts at June 30, 2023 are \$-0-.

Restricted for Capital Projects Fund:

The Capital Projects fund accounts for proceeds of bonds issues restricted for capital needs, such as site acquisition, building additions and equipment purchases. Recorded amounts at June 30, 2023 are \$36,112,383.

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, 2023 the District had total deposits of $23,299,957, of which $750,000 was insured and $22,549,957 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, 2023, the General Fund held $6,586,864, the Building Fund held $24,622,548, the Capital Reserve Projects Fund held $2,682,860, the Food Service Fund help $940,370 and the Pupil Activity Fund held $592,204 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	78,412,752	82,762,599	(3,101,859)	158,073,492
Land improvements	2,249,918	--	--	2,249,918
Building and improvements	40,425,059	--	3,101,859	43,526,918
Furniture and equipment	3,214,026	522,154	--	3,736,180
Licensed vehicles	3,147,932	388,514	(212,455)	3,323,991
Total Capital Assets	128,505,098	83,673,267	(212,455)	211,965,910
Accumulated Depreciation:				
Land improvements	(1,805,786)	(81,688)	--	(1,887,474)
Building and improvements	(19,188,367)	(888,752)	--	(20,077,119)
Furniture and equipment	(2,229,653)	(149,618)	--	(2,379,271)
Licensed vehicles	(2,329,690)	(281,341)	212,455	(2,398,576)
Total Accumulated Depreciation	(25,553,496)	(1,401,399)	212,455	(26,742,440)
Capital Assets, Net	$102,951,602	$ 82,271,868	$ --	$185,223,470

At June 30, 2023, the District has capitalized $5,236,008 of assets under leases. Of that amount, $4,600,723 is classified as buildings and improvements and $635,285 is classified licensed vehicles.

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

Governmental Activities:	
Instruction	$ 1,046,739
General administration	3,260
Operations and maintenance	59,339
Student transportation	244,907
Central support service	15,301
Food service operations	31,853
Total	$ 1,401,399

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	$ 978,824	$ 1,211,602	$ (2,190,426)	$ --
Land	260,000	-	--	260,000
Building and improvements	5,254,783	--	2,190,426	7,445,209
Equipment	202,791	5,807	(9,587)	199,011
Total Capital Assets	6,696,398	1,217,409	(9,587)	7,904,220
Accumulated Depreciation:				
Buildings and improvements	(1,589,464)	(143,847)	--	(1,733,311)
Equipment	(142,098)	(8,066)	9,587	(140,577)
Total Accumulated Depreciation	(1,731,562)	(151,913)	9,587	(1,873,888)
Capital Assets, Net	$ 4,964,836	$ 1,065,496	$ --	$ 6,030,332

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	--	--	--	--
Total Capital Assets	1,869,600	--	--	$1,869,600
Accumulated Depreciation:				
Buildings and improvements	--	--	--	--
Total Accumulated Depreciation	--	--	--	--
Capital Assets, Net	$1,869,600	$--	$--	$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	1,990,990	--	6,007,675
Total Capital Assets	4,651,739	1,990,990	--	
Accumulated Depreciation:			--	
Buildings and improvements	(25,104)	(177,292)	--	(202,396)
Total Accumulated Depreciation	(25,104)	(177,292)	--	(202,396)
Capital Assets, Net	$4,626,635	$ 1,813,698	$ --	$ 6,440,333

NOTE 4 – Interfund Transfers:

The interfund transfers for the year ended June 30, 2023 are as follows:

Governmental Funds:	Transfers In	Transfers Out
General Fund	$ --	$ 915,771
Capital Projects Reserve Fund	915,771	--
Total	$ 915,771	$ 915,771

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	$ 4,290,000	$ --	475,000	$ 3,815,000	$ 490,000
Series 2011, Premium	135,415	--	14,993	120,422	--
Series 2021	121,385,000	--	2,300,000	119,085,000	2,420,000
Series 2021 Premium	29,369,723	--	556,497	28,813,226	--
BEST Matching Money Bond	23,565,577	--	998,122	22,567,455	1,021,588
Lease Obligations	3,837,790	2,012,808	736,260	5,114,338	1,122,032
COPs	860,000	--	60,000	800,000	60,000
Compensated Absences	481,388	255,872	233,335	503,925	--
Total Long-Term Obligations	$183,924,893	$2,268,680	$5,374,207	$180,819,366	$5,113,620

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.

In July 2022, the District entered into an agreement with McDonald Toyota to purchase a 2022 Toyota Tundra, which serves as collateral for the agreement. The agreement called for term of 60 months beginning on September 22nd. Monthly payments of $925.67 Interest per the agreement is 2.9%. The district has capitalized $51,589 of this asset under this capital lease.

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

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.

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. In May 2023, the district entered into a second five year lease agreement with Apple, Inc. to purchase technology equipment, which serves as collateral for the agreement. The first annual payment of $400,000 is due July 15. 2023 and the subsequent four annual payments are due of $461,128 on July 15th through July 15, 2027 with an implicit rate of 6.5%.

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.

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

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
2024	$ 1,267,184
2025	932,543
2026	890,331
2027	892,551
2028	880,313
2029-2033	760,676
2034-2035	219,738
Total minimum lease payments	5,843,336
Less interest:	728,998
Present value of minimum lease payments	$ 5,114,338

Bonds Payable

General obligation bonds payable and Best Matching Money Bonds consist of the following individual issues:

	June 30, 2023 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.	$ 3,815,000
$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.	119,085,000
$24,553,305 Best money matching bonds, dated December 2020, due in annual installments beginning June 2021, ranging from zero to $1,516,496, with annual interest of 2.35%, payable semi-annually on June1st and December 1st.	22,567,455
Total Bonds Payable	$145,467,455

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

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
2024	$ 3,931,588	$ 5,722,902	$ 60,000	$ 15,015
2025	4,090,605	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	4,621,099	5,014,721	65,000	10,189
2029-2033	26,233,465	21,861,840	340,000	31,493
2034-2038	32,224,377	15,825,894	150,000	2,925
2039-2043	38,655,786	9,271,200	--	--
2044-2046	27,015,000	1,649,100	--	--
Total	$145,467,455	$75,490,504	$ 800,000	$ 97,598

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.

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

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
2022 Refunding Revenue Bonds	$ 3,773,500	$ --	$ 222,372	$ 3,551,128	$ 228,980
Total long-term obligations	$ 3,773,500	$ --	$ 222,372	$ 3,551,128	$ 228,980

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.

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
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	338,427
2028	257,433	82,187	339,620
2029-2033	1,386,691	276,539	1,663,230
2034-2037	953,173	50,615	1,003,788
Total	$ 3,551,128	$ 818,567	$ 4,369,695

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

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:					
Compensated absences	$ 7,259	$ $17,448	$ 1,262	$ 23,445	--
Total long-term obligations Governmental Activities	$ 7,259	$ $17,448	$ 1,262	$ 23,445	$ --
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 following schedule represents the Charter School's debt service requirements to maturity:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ --	$ 381,525
2025	--	381,525
2026	20,000	380,471
2027	85,000	375,895
2028-2030	7,885,000	764,689
Total	$ 7,990,000	$ 2,284,105

NOTE 6 - Accrued Salaries:

Salaries of certain personnel are paid over a twelve-month period from September to August, but are earned during a School year of approximately nine to eleven months. The salaries and benefits earned, but unpaid, as of June 30, 2023, are estimated to be $2,127,295.

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, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan - Continued:

Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2023 Eligible employees of, Weld County School District RE-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 11% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-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 $4,102,283 for the year ended June 30, 2023.

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

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Weld County School District RE-5J proportion of the net pension liability was based Weld County School District RE-5J contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the Weld County School District RE-5J reported a liability of $48,291,721 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:

NOTE 7 – Defined Benefit Pension Plan – Continued:

Weld County School District RE-5J proportionate share of the net pension liability	$ 48,291,721
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Weld County School District RE-5J	10,897,153
Total	$ 59,188,874

At December 31, 2022, the Weld County School District RE-5J proportion was .2641%, which was a decrease of .0425% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023 the Weld County School District RE-5J recognized pension expense of $(3,542,745) or support from the State as a nonemployer contributing entity. At June 30, 2023, Weld County School District RE-5J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 457,029	$ --
Net difference between projected and actual earnings on pension plan investments	6,487,357	--
Changes in assumptions	855,404	--
Change in proportion	--	2,333,571
Contributions subsequent to the measurement date	2,338,206	--
Total	$10,137,996	$2,333,571

NOTE 7 – Defined Benefit Pension Plan – Continued:

$2,338,206 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Amount
2024	$ 1,374,216
2025	188,925
2026	574,420
2027	3,328,658
	$ 5,466,219

Actuarial assumptions. The total pension liability (TPL) in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan – Continued:

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

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

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

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

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

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

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

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

NOTE 7 – Defined Benefit Pension Plan – Continued:

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 7 – Defined Benefit Pension Plan – Continued:

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	$63,197,254	$48,291,721	$35,844,078

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.

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Weld County School District RE-5J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Weld County School District RE-5J were $207,793 for the year ended June 30, 2023.

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

At June 30, 2023, the Weld County School District RE-5J reported a liability of $1,642,651 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Weld County School District RE-5J proportion of the net OPEB liability was based on Weld County School District RE-5J contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

NOTE 8 – Other Postemployment Benefits – Continued:

At December 31, 2022, the Weld County School District RE-5J proportion was .200%, which is approximately the same as its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Weld County School District RE-5J recognized OPEB expense of $(182,774.) At June 30, 2023, 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, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 213	$ 397,248
Net difference between projected and actual earnings on pension plan investments	100,330	--
Changes in assumptions	26,401	181,298
Change in proportionate share	148,650	--
Contributions subsequent to the measurement date	23,850	--
Total	$ 299,444	$ 578,546

$23,850 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31	Amount
2024	$ (117,659)
2025	(113,173)
2026	(43,024)
2027	20,897
2028	(40,312)
2029	(9,681)
	$ (302,952)

NOTE 8 – Other Postemployment Benefits – Continued:

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

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

NOTE 8 – Other Postemployment Benefits – Continued:

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

Sensitivity of the Weld County School District RE-5J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$1,596,156	$1,642,651	$1,693,241

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 – Other Postemployment Benefits – Continued:

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$1,596,156	$1,642,651	$1,693,241

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:

The District has been involved in various legal actions wherein amounts have been claimed against the District. In the opinion of legal counsel, these suits should not result in liability, which in aggregate would have a material adverse effect on the District's basic financial statements.

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, 2023	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local sources	$ 20,400,499	$ 17,028,067	$ 20,480,137	$ (79,638)
State sources	25,130,053	25,751,813	24,298,748	831,305
Federal sources	3,006,391	2,536,545	3,633,790	(627,399)
Other	85,914	250	2,300	83,614
Total Revenue	48,622,857	45,316,675	48,414,975	207,882
Expenditures:				
Instruction	26,249,770	25,095,500	26,595,759	345,989
Supporting services	15,497,525	14,482,841	15,023,229	(474,296)
Capital outlay	499,949	-	272,542	(227,407)
Debt Service	398,128	398,128	398,128	-
Appropriated reserves	-	-	-	-
Total Expenditures	42,645,372	39,976,469	42,289,658	(355,714)
Revenue Over (Under) Expenditures	5,977,485	5,340,206	6,125,317	(147,832)
Other Financing Sources (Uses):				
Payments to Knowledge Quest Academy	(4,070,614)	(4,072,538)	(4,070,474)	(140)
Payments to Civica	(1,520,104)	(1,425,388)	(1,520,052)	(52)
Proceeds from capital leases	51,589	-	-	51,589
Operating transfers in (out)	(915,771)	(1,161,635)	(915,771)	-
Total Other Financing Sources (Uses)	(6,454,900)	(6,659,561)	(6,506,297)	51,397
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(477,415)	(1,319,355)	(380,980)	(96,435)
Fund Balance, Beginning of Year	7,507,864	7,507,864	7,507,864	-
Fund Balance, End of Year	$ 7,030,449	$ 6,188,509	$ 7,126,884	$ (96,435)

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
2023	$ 4,106,788	$ 4,106,788	$ 20,646,229	19.9%
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
2023	$ 210,592	$ 210,592	$ 20,646,229	1.02%
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
2023	0.26%	$ 48,291,721	$ 20,646,229	234%	61.8%
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
2023	0.20%	$ 1,642,651	$ 20,646,229	7.96%	38.6%
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, 2023	Actual	Original Budget	Final Budget	Variance
Local Sources:				
Property taxes	$ 17,525,140	$ 14,956,976	$ 17,812,221	$ (287,081)
Specific ownership taxes	1,363,024	700,000	1,300,000	63,024
Delinquent taxes and interest	7,768	9,000	9,000	(1,232)
Charter school revenue	165,928	175,000	173,000	(7,072)
Other local revenue	1,338,639	1,187,091	1,185,916	152,723
Total Local Sources	20,400,499	17,028,067	20,480,137	(79,638)
State Sources:				
Equalization	20,430,213	22,822,392	20,330,441	99,772
Vocational education	147,272	104,000	104,000	43,272
ECEA	1,373,751	1,195,000	1,215,343	158,408
Gifted and talented	54,674	62,624	87,634	(32,960)
Transportation	276,944	170,000	266,116	10,828
School health professional	98,449	100,837	100,837	(2,388)
Small rural schools funding	902,315	739,612	902,315	-
READ act	170,176	140,000	170,176	-
Bullying prevention and education	154,398	154,398	154,398	-
Charter school capital construction	192,950	192,950	194,613	(1,663)
Other state grants through CDE	133,447	70,000	772,875	(639,428)
State on-behalf payment	1,195,464	-	-	1,195,464
Total State Sources	25,130,053	25,751,813	24,298,748	831,305
Federal Sources:				
Title I, Part A	336,451	286,777	368,109	(31,658)
IDEA	890,766	613,116	900,000	(9,234)
Title III ELA	-	31,786	31,136	(31,136)
Title II-A	69,916	73,365	73,378	(3,462)
Title IV-A	35,471	38,524	38,430	(2,959)
ESSER 3	738,331	623,703	1,297,274	(558,943)
ESSER 2	59,433	14,531	60,122	(689)
EESSER 2 Rural	2,894	2,894	2,894	
CCSP revenue	347,986	328,062	284,100	63,886
21st century grant revenue	150,000	150,000	150,000	-
Nurse Work Force	234,143	234,143	234,143	
Perkins revenue	19,427	23,000	23,000	(3,573)
School climate grant	62,329	90,000	90,000	(27,671)
Other federal sources	59,244	26,644	81,204	(21,960)
Total Federal Sources	3,006,391	2,536,545	3,633,790	(627,399)
Other:				
Interest	85,914	250	2,300	83,614
Total Other	85,914	250	2,300	83,614
Total Revenue	$ 48,622,857	$ 45,316,675	$ 48,414,975	$ 207,882

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

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Instruction:				
Salaries	$ 15,516,981	$ 15,534,081	$ 15,462,219	$ (54,762)
Employee benefits	5,969,939	6,633,775	6,392,467	422,528
Purchased services	2,440,878	2,282,355	2,476,399	35,521
Supplies and materials	679,394	146,076	1,902,422	1,223,028
Capital outlay	422,453	210,886	356,956	(65,497)
State on-behalf payment	1,195,464	-	-	(1,195,464)
Other	24,661	288,327	5,296	(19,365)
Total Instruction	26,249,770	25,095,500	26,595,759	345,989
Supporting Services:				
Pupils:				
Salaries	1,607,945	1,505,257	1,606,313	(1,632)
Employee benefits	378,457	428,375	380,938	2,481
Purchased services	190,943	11,025	145,925	(45,018)
Supplies and materials	9,564	53,030	93,723	84,159
Other	7,116	7,894	7,836	720
Total Pupils	2,194,025	2,005,581	2,234,735	40,710
Instructional Support:				
Salaries	1,218,443	1,286,333	1,183,552	(34,891)
Employee benefits	653,176	641,442	656,034	2,858
Purchased services	392,152	170,006	350,845	(41,307)
Supplies and materials	122,187	15,500	143,812	21,625
Capital outlay	-	-	-	-
Other	10,729	51,479	52,669	41,940
Total Instructional Staff	2,396,687	2,164,760	2,386,912	(9,775)
General Administration:				
Salaries	294,849	301,100	293,500	(1,349)
Employee benefits	76,980	79,649	75,254	(1,726)
Purchased services	610,661	460,745	451,984	(158,677)
Supplies and materials	33,527	-	15,850	(17,677)
Capital outlay	18,464	-	19,000	536
Other	78,416	500,000	106,350	27,934
Total General Administration	$ 1,112,897	$ 1,341,494	$ 961,938	$ (150,959)

Continued on next page.

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
School Administration:				
Salaries	$ 1,587,788	$ 1,575,303	$ 1,574,500	$ (13,288)
Employee benefits	568,785	583,236	563,855	(4,930)
Purchased services	51,124	36,251	57,164	6,040
Supplies and materials	79,298	27,000	52,741	(26,557)
Capital outlay	-	-	-	-
Other	17,245	-	9,037	(8,208)
Total School Administration	2,304,240	2,221,790	2,257,297	(46,943)
Business Services:				
Salaries	389,532	384,836	404,321	14,789
Employee benefits	139,772	131,101	146,120	6,348
Purchased services	13,973	28,500	12,700	(1,273)
Supplies and materials	6,620	-	7,300	680
Other	110,458	-	1,500	(108,958)
Total Business Services	660,355	544,437	571,941	(88,414)
Operations and Maintenance:				
Salaries	226,586	25,083	207,767	(18,819)
Employee benefits	89,392	16,249	84,706	(4,686)
Purchased services	253,053	374,614	206,533	(46,520)
Supplies and materials	1,287,856	1,064,304	1,118,804	(169,052)
Property Services	1,339,183	18,000	1,341,228	2,045
Utilities	127,250	110,000	150,000	22,750
Capital outlay	594,310	2,031,060	615,072	20,762
Total Operations and Maintenance	3,917,630	3,639,310	3,724,110	(193,520)
Student Transportation:				
Salaries	730,014	562,939	679,769	(50,245)
Employee benefits	264,519	273,537	242,835	(21,684)
Purchased services	103,144	-	134,113	30,969
Supplies and materials	67,483	-	63,000	(4,483)
Capital outlay	50,935	50,935	50,935	-
Other	137,583		120,400	(17,183)
Total Student Transportation	1,353,678	887,411	1,291,052	(62,626)

Continued on next page.

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

Schedule of Expenditures Compared with Budget - Continued

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Capital Support Services:				
Salaries	$ 542,143	$ 543,476	$ 531,970	$ (10,173)
Employee benefits	192,494	206,852	192,326	(168)
Purchased services	703,464	875,530	750,955	47,491
Supplies and materials	32,486	-	35,930	3,444
Capital outlay	40,303	40,000	40,000	(303)
Other	4,245	-	1,320	(2,925)
Total Central Support Services	1,515,135	1,665,858	1,552,501	37,366
Total Supporting Services	15,454,647	14,470,641	14,980,486	(474,161)
Food Service Operations:				-
Salaries	-	-	-	-
Purchased services	36,652	12,200	27,323	(9,329)
Supplies and materials	6,226	-	15,420	9,194
Other	-	-	-	-
Total Food Service Operations	42,878	12,200	42,743	(135)
Debt Service:				-
Interest and fiscal charges	398,128	398,128	398,128	-
Capital Outlay	499,949	-	272,542	(227,407)
Total Debt Service and Capital Outlay	898,077	398,128	670,670	(227,407)
Total Expenditures	$ 42,645,372	$ 39,976,469	$ 42,289,658	$ (355,714)

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

Schedule of Other Financing Sources (Uses) Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Other Financing Sources and Uses:				
Transfer to Knowledge Quest Academy	$ 4,070,614	$ 4,072,538	$ 4,070,474	$ (140)
Transfer to CIVICA	1,520,104	1,425,388	1,520,052	(52)
Capital Reserve Projects Fund	915,771	1,161,635	915,771	-
Proceeds of capital leases	(51,589)	-	-	51,589
Total Other Financing Sources	$ 6,454,900	$ 6,659,561	$ 6,506,297	$ 51,397

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenue:				
Local Sources:				
Property taxes, current	$ 11,659,779	$ 11,000,000	$ 11,922,788	$ (263,009)
Specific ownership taxes	849	700	700	149
Delinquent taxes and interest	5,971	7,100	7,100	(1,129)
Interest on investments	193,123	900	100,000	93,123
Total Revenues	$ 11,859,722	$ 11,008,700	$ 12,030,588	$ (170,866)

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Debt Service:				
Principal payments	$ 3,773,122	$ 3,773,122	$ 3,773,122	$ -
Interest payments	5,884,699	6,383,032	6,383,032	498,333
Purchased Services	-	-	-	-
Appropriated reserves	-	-	-	-
Total Expenditures	$ 9,657,821	$ 10,156,154	$ 10,156,154	$ 498,333

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenues:				
Local Sources:				
Earnings on investments	$ 55,435	$ -	$ 1,910	$ 53,525
Other local revenues	539,399	16,000	256,703	282,696
Contributions	660,104	225,000	644,962	15,142
Total Local Sources	1,254,938	241,000	903,575	351,363
State sources				
Kindergarten capital construction	-	-	-	-
Homeland security grant	-	-	-	-
Total State Sources	-	-	-	-
Total Revenues	$ 1,254,938	$ 241,000	$ 903,575	$ 351,363

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Capital outlay	$ 2,261,144	$ 320,000	$ 1,310,967	$ (950,177)
Purchased services	-	-	-	-
Supplies and materials	71,750	370,000	200,000	128,250
Property	-	-	-	-
Debt Service:				
Principal payments	416,974	416,999	416,976	2
Interest on loan	114,662	114,636	114,663	1
Appropriated reserves	-	-	-	-
Total Expenditures	$ 2,864,530	$ 1,221,635	$ 2,042,606	$ (821,924)

Schedule of Other Financing Sources (Uses) Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Other Financing Sources (Uses):				
Tranfers in from General Fund	$ 915,771	$ 1,161,635	$ 915,771	$ -
Proceeds of capital leases	1,961,219	-	-	(1,961,219)
Total Other Financing Sources	$ 2,876,990	$ 1,161,635	$ 915,771	$ (1,961,219)

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenues:				
Local Sources:				
Earnings on investments	$ 1,923,207	$ 100,000	$ 1,614,655	$ 308,552
Total Local Sources	1,923,207	100,000	1,614,655	308,552
State Sources:				
Best grant	11,049,436	1,796,683	10,449,782	599,654
Total State Sources	11,049,436	1,796,683	10,449,782	599,654
Total Revenues	$ 12,972,643	$ 1,896,683	$ 12,064,437	$ 908,206

Schedule of Expenditures Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Supporting Services:				
Business Servcies:				
Salaries	$ 11,111	$ 10,000	$ 10,000	$ (1,111)
Benefits	4,392	4,309	4,309	(83)
Central Support Services:				
Purchased services	-	-	-	-
Other Objects	-	-	-	-
Capital Outlay:				
Buildings	70,230,794	62,906,944	92,661,763	22,430,969
Equipment and vehicles	13,327,062	10,000,000	10,000,088	(3,326,974)
Appropriated reserves	-	-	-	-
Total Expenditures	$ 83,573,359	$ 72,921,253	$ 102,676,160	$ 19,102,801

Schedule of Operating Transfers Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Transfers In:				
Proceeds from bond issuance	$ -	$ -	$ -	$ -
Payments to charter school	-	-	-	-
Total Other Financing Sources	$ -	$ -	$ -	$ -

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

COMBINING BALANCE SHEET

June 30, 2023	Food Service Fund	Pupil Activity Fund	Total
ASSETS			
Cash	$ (52,499)	$ 103,681	$ 51,182
Local Government Investment Pools	940,370	592,204	1,532,574
Prepaid Assets	-	-	-
Grants Receivables	162,571	3,632	166,203
Other Receivables	171,807	8,125	179,932
TOTAL ASSETS	$ 1,222,249	$ 707,642	$ 1,929,891
LIABILITIES			
Accounts Payable	$ 29,633	$ 30,744	$ 60,377
Unearned Revenue	24,545	-	24,545
Total Liabilities	54,178	30,744	84,922
FUND BALANCES			
Nonspendable	1,168,071	-	1,168,071
Assigned:			
Student activities	-	676,898	676,898
Total Fund Balances	1,168,071	676,898	1,844,969
TOTAL LIABILITIES AND FUND BALANCE	$ 1,222,249	$ 707,642	$ 1,929,891

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

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2023	Food Service Fund	Activity Fund	Total
Revenue:			
Local sources	$ 763,948	$ 1,138,698	$ 1,902,646
State sources	23,768	-	23,768
Federal sources	855,723	-	855,723
Other	27,270	-	27,270
Total Revenue	1,670,709	1,138,698	2,809,407
Expenditures:			
Instruction	-	-	-
Supporting services	1,405,371	1,109,690	2,515,061
Capital outlay	41,654	-	41,654
Total Expenditures	1,447,025	1,109,690	2,556,715
Revenue (Under) Over Expenditures	223,684	29,008	252,692
Other Financing Sources (Uses):			
Operating transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Fund Balances, Beginning of Year	944,387	647,890	1,592,277
Fund Balances, End of Year	$ 1,168,071	$ 676,898	$ 1,844,969

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Operating Revenue:				
Food and milk sales	$ 763,948	$ 503,066	$ 469,310	$ 294,638
Nonoperating Revenue:				
Federal grants	855,723	721,537	846,327	9,396
State grants	23,768	20,011	23,250	518
Other	27,270	-	-	27,270
Total Revenue	$ 1,670,709	$ 1,244,614	$1,338,887	$ 331,822

Schedule of Expenses Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Suporting Services:				
Salaries	$ -	$ -	$ -	$ -
Employee benefits	-	-	-	-
Purchased services	1,258,719	1,159,250	1,366,374	107,655
Supplies and materials	146,652	336,578	443,430	296,778
Capital outlay	41,654	1,000	65,000	23,346
Appropriated reserves	-	-	-	-
Total Expenditures	$ 1,447,025	$ 1,496,828	$1,874,804	$ 427,779

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

Schedule of Revenue Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Revenues				
Local sources				
Fundraising and other events	$ 1,138,698	$ 600,000	$1,100,000	$ 38,698
Total Revenue	$ 1,138,698	$ 600,000	$1,100,000	$ 38,698

Schedule of Expenses Compared with Budget

Year Ended June 30, 2023	Actual	Original Budget	Final Budget	Variance
Expenditures:				
Suporting Services:				
Purchased services	$ 417,114	$ -	$ -	$ (417,114)
Supplies and materials	433,210	600,000	1,200,000	766,790
Property	1,487	-	-	(1,487)
Student TransportationL				
Purchased services	16,077	-	-	(16,077)
Other	1,135	-	-	(1,135)
Other	240,667	-	-	(240,667)
Appropriated reserves	-	-	-	-
Total Expenditures	$ 1,109,690	$ 600,000	$1,200,000	$ 90,310

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

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	$ 136,917
Passed Through Colorado Department of Education:			
Supply Chain Assistance	6555	10.555	86,942
National School Lunch Program	4555	10.555	538,745
School Breakfast Program	4553	10.553	93,120
			855,724
Department of Public Health and Environment			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - CDPHE	7323	93.323	1,050
Department of Education			
Passed Through Colorado Department of Education:			
SNAP CN Local P-EBBT Administrative funds	4649	10.649	1,281
Title I Grants to Local Education Agencies	4010	84.010	336,451
Title II Part A Teacher Quality	4367	84.367	69,916
Student Support for Academic Enrichment	4424	84.424	35,471
Charter Schools	5282	84.282	347,986
Multi Tiered System of Supports	5323	84.323	14,717
After School Learning Centers	7287	84.287	150,000
Colorado Multi-Tiered Behavioral Framework	8174	84.184	62,329
Special Education - Grants to States	4027	84.027A	890,766
Special Education – Preschool Grants	4173	84.173A	20,311
Special Education - Grants to Infants and Families with I	5181	84.181	480
Perkins Innovation and Modernization Grant Program	4048	84.048	19,427
Perkins Innovation and Modernization Grant Program	5048	84.048	9,000

Continued on next page

WELD COUNTY SCHOOL DISTRICT RE-5(J)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Agency/Program Grant Title	Pass-Through Identification Number	Assistance Listing Number	Expenditures
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	$ 713,586
Elementary and Secondary School Emergency Relief Fund	4432	84.425D	2,894
Elementary and Secondary School Emergency Relief Funds American Rescue Plan - ESSER III Supplemental Award	4418	84.425U	24,745
Elementary & Secondary School Emergency Relief Fund	4419	84.425D	13,841
Elementary and Secondary School Emergency Relief Fund	4420	84.425D	45,592
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	4434	84.425U	11,264
American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth	8426	84.425W	1,141
Total Education Stabilization Fund (ESSER)			813,063
School Nurse Workforce Grant	7354	93.354	234,142
Total Federal Assistance			$ 3,862,114

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.

SUMMARY OF AUDITORS' RESULTS

➢ Type of report issued on financial statements	Unmodified
➢ Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified	None reported
➢ Noncompliance material to the financial statements noted	No
➢ Internal control over federal awards:	
Material weaknesses identified	No
Significant deficiencies identified	None reported
➢ Type of report issued on major programs	Unmodified
➢ Audit findings disclosed	None under 2 CFR 200.516(a)
➢ Major programs	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (84.425D) Nutrition Cluster (10.553, 10.555, 10.556, 10.559 and 10.582) Special Education Cluster (IDEA) (84.027 and 84.173)
➢ 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

ANDERSON & WHITNEY

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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Weld County School District RE-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.

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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.

January 17, 2024

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ANDERSON & WHITNEY

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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 17, 2024. The financial statements of Knowledge Quest Academy and CIVICA Colorado as of June 30, 2023 were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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

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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.

January 17, 2024

Colorado Department of Education
Auditors Integrity Report
District: 3110 - Johnstown-Milliken RE-5J
Fiscal Year 2022-23
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	7,182,983	41,090,293	41,455,133	6,818,143
18 Risk Mgmt Sub-Fund of General Fund	284,729	545,706	618,130	212,305
19 Colorado Preschool Program Fund	40,153	531,958	572,111	0
Sub- Total	7,507,864	42,167,958	42,645,374	7,030,448
11 Charter School Fund	3,499,930	5,664,862	6,618,536	2,546,256
20,26-29 Special Revenue Fund	584,327	306,765	343,988	547,105
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	944,387	1,670,710	1,447,025	1,168,071
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	673,541	1,168,644	1,142,989	699,196
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	14,506,920	11,859,722	9,657,821	16,708,821
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	106,735,716	14,194,245	84,817,578	36,112,383
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,115,811	4,131,928	2,864,530	3,383,209
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	136,568,495	81,164,835	149,537,842	68,195,488
Proprietary				
50 Other Enterprise Funds	-700,009	459,515	692,640	-933,134
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	-700,009	459,515	692,640	-933,134
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