

# ACHIEVEMENT



## Weld County School District RE-2

FISCAL YEAR ENDING JUNE 30TH, 2023  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION





# **EATON SCHOOL DISTRICT RE-2**

EATON, COLORADO

## **Annual Financial Report**

For the Year Ended  
**June 30, 2023**

Prepared by the  
Business Services Department

Chief Financial Officer  
Luke Gonzales

**WELD COUNTY SCHOOL DISTRICT RE-2**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Weld County School District RE-2  
Eaton, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-2 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 of the Weld County School District RE-2, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-2 as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Opinions

We conducted our audit 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. 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 Weld County School District RE-2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Weld County School District RE-2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Weld County School District RE-2'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 Weld County School District RE-2'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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Weld County School District RE-2's basic financial statements. The combining and individual fund statements and schedules, EMMA Continuing Disclosure section, and the auditor's integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of the Weld County School District RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Weld County School District RE-2's internal control over financial reporting and compliance.

*DMC Auditing and Consulting, LLC*

November 13, 2023  
Bailey, Colorado

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2023**

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As management of Weld County School District RE-2 (the District), we offer readers of the District’s financial statements this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District’s performance.

**Financial Highlights – Financial Statements as of June 30, 2023**

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of June 30, 2023 by \$39,694,538 (Total Net Position) as reported in the government-wide financial statements.
- The District’s government-wide total net position increased by \$7,753,219 over the prior fiscal year.
- Expenses from governmental activities of \$35,790,033 were offset by program specific charges, grants, and contributions of \$6,828,590. General revenues from property taxes, interest and investment earnings and other sources amounted to \$36,714,662.
- At the close of June 30, 2023, the District reported \$48,174,663 combined fund balances (budget basis) for the Governmental Funds, a decrease of \$17,483,877 primarily due to the expenditures in the building fund, \$28,692,970.
- The District’s debt from General Obligation Bonds totals \$121,190,000 (excluding related premiums) as a result of the Series 2019 bonds sold in December 2019.

**Overview of the Financial Statements**

This discussion and analysis serves as an introduction to the District’s basic financial statements. The basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

*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 about all the District’s assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, keeping in mind that this net position includes the District’s proportionate share of the PERA pension and OPEB liabilities for which it has no means of control.

The statement of activities presents information showing how the District’s net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows.

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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Both of the government-wide financial statements distinguish functions of the District that are supported by taxes from other functions that are intended to recover all or most of their costs through user fees and charges. The governmental activities of the District include instruction, supporting services, and food services of the District.

The government-wide financial statements can be found on pages 4 through 5 of this report.

*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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds.* Governmental funds 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 financial resources and fund balances. Such information may be useful in evaluating the District's near-term financing requirements. The annual budget is provided on the basis of the governmental fund financial statements.

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 activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains twelve individual governmental funds. The major funds are the General Fund, Grants Fund, Debt Service Fund, Building Fund, and the Capital Reserve Fund. They are presented separately in the fund financial statements with the remaining governmental funds labeled other governmental funds. Individual fund information for the non-major governmental funds is reported in the form of combining and individual statements in supplementary schedules within this report.

The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The fund financial statements can be found on pages 6 through 11 of this report.

*Notes to the basic 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 basic financial statements can be found on pages 12 through 34 of this report.

*Other information.* The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented after the notes to the financial statements on pages 39 through 47. A budget comparison is provided for each non-major fund.

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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The additional schedules required as part of the Colorado Public School Finance Act can also be found after the notes to the financial statements on pages 59 through 63.

**Government-wide Financial Analysis**

The assets of the District are classified as current assets and capital and non-current assets. Cash, investments, receivables, inventories, and other assets are current assets. These assets are available to provide resources for the near-term operations of the District. A good portion of the current assets are the result of the property tax collection process; the District receives approximately 99% of the annual property tax assessment between January and June.

Capital Assets are used in the operations of the District. These assets are land, improvements, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, retainage payable, accrued salaries and benefits, unearned grant revenue and accrued interest payable. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2022-23. Non-current liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2022-23.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of June 30, 2023 by \$39,694,538 at the close of the most recent fiscal year.

Condensed Statement of Net Position

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current and other assets	\$ 53,362,952	\$ 79,451,905
Capital and non-current assets	162,384,729	142,226,567
<b>Total assets</b>	<b>215,747,681</b>	<b>221,678,472</b>
Deferred outflows of resources	6,252,619	5,584,328
<b>Liabilities</b>		
Current liabilities	5,611,636	14,000,279
Long-term liabilities outstanding	172,301,558	170,702,766
<b>Total liabilities</b>	<b>177,913,194</b>	<b>184,703,045</b>
Deferred inflows of resources	4,392,568	10,618,436
<b>Net Position</b>	<b>\$ 39,694,538</b>	<b>\$ 31,941,319</b>

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Net Position</b>		
Net investment in capital assets	\$ 21,911,477	\$ 21,014,749
Restricted for:		
Emergencies	952,000	711,000
Debt service	8,211,654	7,268,777
Preschool program	-	152,882
Multi-year obligations	503,240	455,502
Total Program Reserve	707,822	-
Mill Levy Override	3,509,987	-
Unrestricted	3,898,358	2,338,409
<b>Total Net Position</b>	<b>\$ 39,694,538</b>	<b>\$ 31,941,319</b>

The District's reported assets consist of current assets of \$53,362,952, deferred outflows of resources of \$6,112,829, and capital and non-current assets of \$162,384,729.

Condensed Statement of Activities

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Charges for services	\$ 1,140,864	\$ 623,565
Operating and capital grants and Contributions	5,687,726	4,005,460
General revenues:		
Property taxes	33,140,506	23,478,792
Specific ownership taxes	1,280,138	1,248,539
State equalization and categoricals	-	5,408,228
Interest	1,757,882	195,891
Other	536,136	215,552
<b>Total Revenues</b>	<b>43,543,252</b>	<b>35,176,027</b>
<b>Expenses:</b>		
Instruction	16,617,998	7,902,568
Support services	13,988,868	6,562,596
Interest on long-term debt	4,185,564	4,267,805
Food services	997,603	639,551
<b>Total Expenditures</b>	<b>35,790,033</b>	<b>19,372,520</b>
<b>Change in Net Position</b>	<b>7,753,219</b>	<b>15,803,507</b>
<b>Net Position - Beginning</b>	<b>31,941,319</b>	<b>16,137,812</b>
<b>Net Position - Ending</b>	<b>\$ 39,694,538</b>	<b>\$ 31,941,319</b>

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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**Governmental activities.** The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$9,459 per funded student, representing a 10.1 percent funding increase from the previous year. Funding for the School Finance Act comes from property taxes and specific ownership tax. Governmental activities increased the District's net position in 2023 by \$7,753,219 and increased the District's net position in 2022 \$15,803,507.

**Financial Analysis of the Governmental Funds**

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

*Governmental funds.* The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$48,174,663, a decrease of \$17,483,877 on a budget basis. \$24,317,402 of the decrease in combined ending fund balance is from capital construction in the building fund.

Student enrollment stayed flat during the fiscal year resulting in an increase of \$623,757 from the State School Finance Act due to an increase in the per pupil rate.

Ad valorem taxes collected under a specific levy to meet debt-service requirements of the long-term general obligation bonds are reported in the Bond Redemption Debt Service Fund. The fund has adequate resources accumulated to make the December 2023 principal and interest payments.

**General Fund Budgetary Highlights**

The General Fund is the major operating fund of the District. At the end of the fiscal year, fund balance increased by \$487,349. The main contributing factor was \$1,500,000 in Mill Levy Override monies received in fiscal years 2020-2021 to 2022-2023 but is restricted for 2023-2024 expenditures. Property taxes and specific ownership taxes accounted for 95% of the revenue received. Direct instruction and student support services were 80% of total expenditures for the year. Expenditures in the General Fund were under budget within several categories which accounted for some of the fund increase. Unassigned Fund Balance represents 37% of expenditures and other financing uses.

The District is required to adopt a budget by June 30 for the following fiscal year. The Board of Education may make final changes to the previously adopted budget by January 31. The District did adopt changes to the various funds as a result of updated revenue, expenditures, and beginning fund balance information.

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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**Capital Asset and Debt Administration**

*Capital assets.* The District's investment in capital assets for governmental activities as of June 30, 2023 amounts to \$162,384,729 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses, and equipment.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Governmental Funds		
Capital Assets:		
Land	\$1,628,735	\$1,628,735
Construction In Progress	128,996,319	128,996,319
Land Improvements	2,340,631	2,532,170
Sites and Building	172,931,383	23,318,593
Machinery and Equipment	5,984,027	4,766,918
Less: Accumulated Depreciation	(20,500,047)	(19,016,168)
Total	\$162,384,729	\$142,226,567
Governmental Funds Capital Assets		

Additional information on capital assets can be found in the notes to financial statements.

As of June 30, 2023, the District had outstanding long-term debt of \$146,049,418. Of this amount, \$121,190,000 is general obligation bonded debt.

*Debt Administration.* The debt is backed by the full faith and credit of the District. The Series 2019 bonds, \$128,500,000, were approved by voters in November 2019 and issued December 2019. Moody's Investors Services, Inc. assigned a stable credit profile and affirmed the underlying rating of A1 as of October 1, 2018. The rating outlook was a result from a history of strong financial performance evidenced by prudent financial management, the mill levy override provides additional financial stability and more cash than debt outstanding. Moody's Investors Services concern over the high-level concentration of the District's tax base being in oil and natural gas production. On May 16, 2018, Standard and Poor assigned a long-term debt rating of AA.

**WELD COUNTY SCHOOL DISTRICT RE-2  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2023**

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**Economic Factors and Next Year’s Budget**

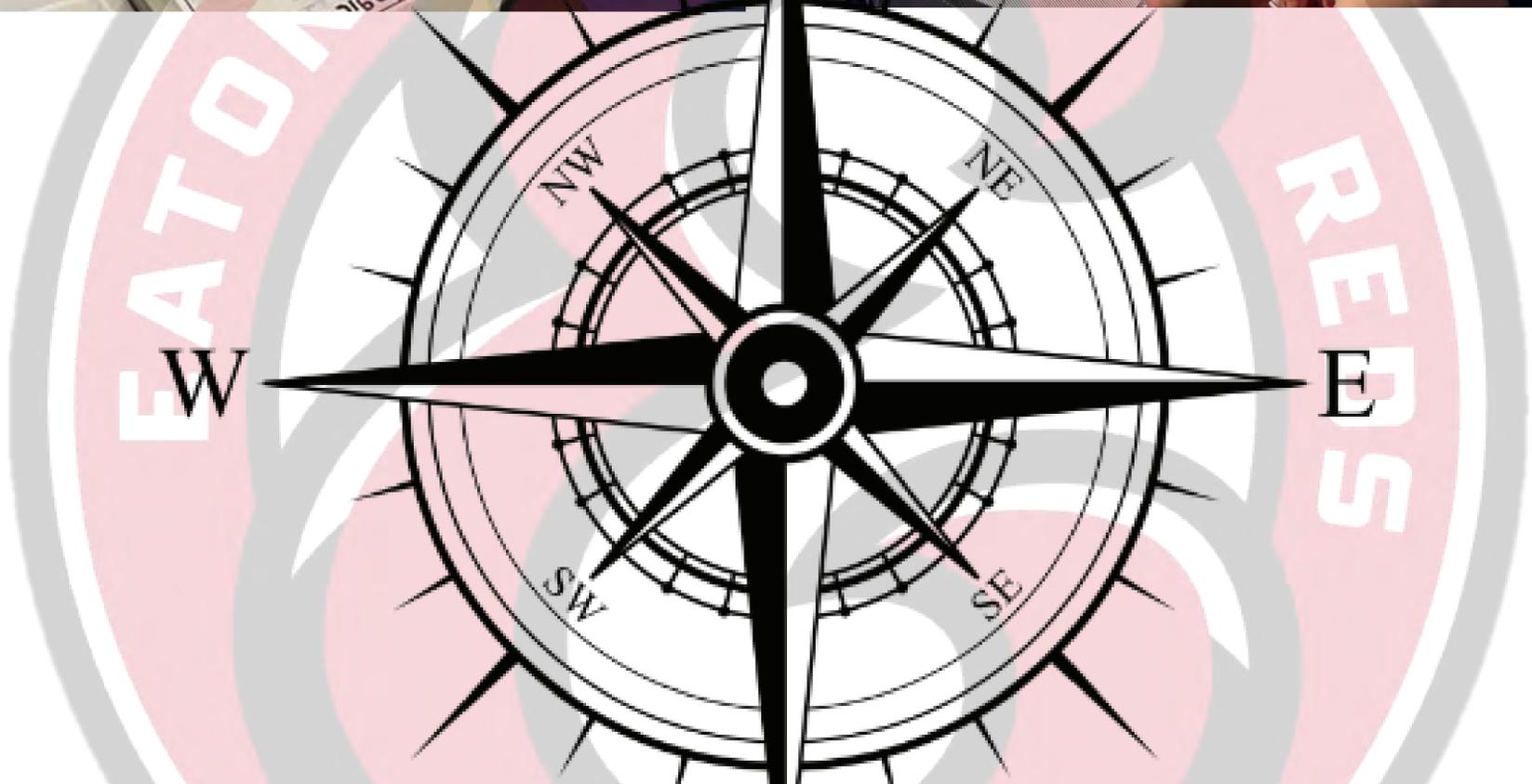
- The state constitutional Amendment 23, passed by voters in November 2000, provides an increase in per pupil funding by at least inflation plus 1% through 2010-11. However, beginning in 2010-11, a “negative” factor, now referred to as the “budget stabilization” factor, was included in the school finance formula. As a result, funding does not reflect the general expectations approved with the passage of Amendment 23. However, the Colorado Supreme Court upheld the legal challenge to the negative factor in September of 2015 stating that the negative factor does not violate Amendment 23. If the School Finance Act were fully funded for 2022-23, the District would have received an additional \$704,632 or a 2.9% increase in funding.
- Preliminary assessed value figures for property tax year 2023 reflect a 26.01% increase to \$1,190 million. The increase is predominately a result of updated valuations of oil and gas production in Weld County.
- The District will be receiving \$10,228 per pupil (fte basis) for 2023-24. This is \$1,120 more per student than the previous year.
- Apart from October 2016, October 2020 and October 2022 the District has seen a continuous increase in students over the past several years. The preliminary October 2023 student count shows enrollment to be up by 17 students to prior year.

**Requests for Information**

This financial report is designed to provide the District’s citizens, taxpayers, customers, investors, and creditors with a general overview of District’s finances and to demonstrate the District’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eaton School District RE-2, 211 1<sup>st</sup> Street, Eaton, Colorado 80615.



# ACHIEVEMENT COMMUNITY



# CULTURE



# LEADERSHIP

## **BASIC FINANCIAL STATEMENTS**

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF NET POSITION**  
June 30, 2023

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and Investments	\$ 52,497,544
Accounts Receivable	4,033
Grants Receivable	435,561
Taxes Receivable	393,668
Inventories	32,146
Capital Assets, <i>Not Being Depreciated</i>	1,628,735
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>160,755,994</u>
<b>TOTAL ASSETS</b>	<u>215,747,681</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	6,112,829
OPEB, <i>Net of Accumulated Amortization</i>	<u>139,790</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>6,252,619</u>
<b>LIABILITIES</b>	
Accounts Payable	1,410,473
Retainage Payable	1,716,882
Accrued Salaries and Benefits	1,927,366
Unearned Revenue	51,957
Accrued Interest Payable	504,958
Noncurrent Liabilities	
Due Within One Year	3,145,000
Due in More Than One Year	142,904,418
Net Pension Liability	25,386,942
Net OPEB Liability	<u>865,198</u>
<b>TOTAL LIABILITIES</b>	<u>177,913,194</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	4,067,835
OPEB, <i>Net of Accumulated Amortization</i>	<u>324,733</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>4,392,568</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,911,477
Restricted for:	
Total Program Reserve	707,822
Mill Levy Override	3,509,987
Debt Service	8,211,654
Multi-Year Obligations	503,240
Emergencies	952,000
Unrestricted	<u>3,898,358</u>
<b>TOTAL NET POSITION</b>	<u>\$ 39,694,538</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
Governmental Activities					GOVERNMENTAL ACTIVITIES
Instruction	\$ 16,617,998	\$ 752,971	\$ 799,162	\$ -	\$ (15,065,865)
Supporting Services	13,988,868	8,400	893,420	3,511,342	(9,575,706)
Food Services	997,603	379,493	483,802	-	(134,308)
Interest on Long-Term Debt	4,185,564	-	-	-	(4,185,564)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 35,790,033</b>	<b>\$ 1,140,864</b>	<b>\$ 2,176,384</b>	<b>\$ 3,511,342</b>	<b>(28,961,443)</b>
<b>GENERAL REVENUES</b>					
Local Property Taxes					33,140,506
Specific Ownership Taxes					1,280,138
Investment Income					1,757,882
Other					536,136
<b>TOTAL GENERAL REVENUES</b>					<b>36,714,662</b>
<b>CHANGE IN NET POSITION</b>					<b>7,753,219</b>
NET POSITION, Beginning					31,941,319
NET POSITION, Ending					<b>\$ 39,694,538</b>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2023

	GENERAL	DEBT SERVICE	BUILDING	CAPITAL RESERVE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>						
Cash and Investments	\$ 17,508,085	\$ 8,631,263	\$ 8,430,890	\$ 14,069,227	\$ 3,858,079	\$ 52,497,544
Accounts Receivable	1,708	-	-	-	2,325	4,033
Taxes Receivable	301,776	85,349	-	-	6,543	393,668
Grants Receivable	653	-	103,365	-	331,543	435,561
Interfund Receivable	186,150	-	-	-	-	186,150
Inventories	-	-	-	-	32,146	32,146
<b>TOTAL ASSETS</b>	<b><u>\$ 17,998,372</u></b>	<b><u>\$ 8,716,612</u></b>	<b><u>\$ 8,534,255</u></b>	<b><u>\$ 14,069,227</u></b>	<b><u>\$ 4,230,636</u></b>	<b><u>\$ 53,549,102</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 178,912	\$ -	\$ 1,227,626	\$ -	\$ 3,935	\$ 1,410,473
Retainage Payable	-	-	1,716,882	-	-	1,716,882
Accrued Salaries and Benefits	1,799,224	-	-	-	128,142	1,927,366
Interfund Payable	-	-	-	-	186,150	186,150
Unearned Revenue	-	-	-	-	51,957	51,957
<b>TOTAL LIABILITIES</b>	<b><u>1,978,136</u></b>	<b><u>-</u></b>	<b><u>2,944,508</u></b>	<b><u>-</u></b>	<b><u>370,184</u></b>	<b><u>5,292,828</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	<u>53,370</u>	<u>28,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,611</u>
<b>FUND BALANCES</b>						
Nonspendable Inventories	-	-	-	-	32,146	32,146
Restricted for:						
Total Program Reserve	-	-	-	-	707,822	707,822
Mill Levy Override	3,509,987	-	-	-	-	3,509,987
Capital Projects	-	-	5,589,747	-	-	5,589,747
Debt Service	-	8,688,371	-	-	-	8,688,371
Multi-Year Obligations	503,240	-	-	-	-	503,240
Emergencies	952,000	-	-	-	-	952,000
Site Acquisition and Development	-	-	-	-	1,002,765	1,002,765
Committed to Building Improvements	1,500,000	-	-	500,000	1,275,495	3,275,495
Assigned to:						
Insurance Premiums	347,482	-	-	-	-	347,482
Capital Projects	-	-	-	13,569,227	-	13,569,227
Food Services	-	-	-	-	346,236	346,236
Student Activities	-	-	-	-	407,014	407,014
Athletic Programs	-	-	-	-	88,974	88,974
Unassigned	<u>9,154,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,154,157</u>
<b>TOTAL FUND BALANCES</b>	<b><u>15,966,866</u></b>	<b><u>8,688,371</u></b>	<b><u>5,589,747</u></b>	<b><u>14,069,227</u></b>	<b><u>3,860,452</u></b>	<b><u>48,174,663</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 17,998,372</u></b>	<b><u>\$ 8,716,612</u></b>	<b><u>\$ 8,534,255</u></b>	<b><u>\$ 14,069,227</u></b>	<b><u>\$ 4,230,636</u></b>	<b><u>\$ 53,549,102</u></b>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	48,174,663
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		162,384,729
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources.		81,611
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(504,958)
Bonds Payable		(145,959,634)
Accrued Compensated Absences		(89,784)
Net Pension Liability		(25,386,942)
Pension-Related Deferred Outflows of Resources		6,112,829
Pension-Related Deferred Inflows of Resources		(4,067,835)
Net OPEB Liability		(865,198)
OPEB-Related Deferred Outflows of Resources		139,790
OPEB-Related Deferred Inflows of Resources		(324,733)
		(173,733)
Total Net Position of Governmental Activities	\$	39,694,538

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2023

	GENERAL	DEBT SERVICE	BUILDING	CAPITAL RESERVE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>						
Local Sources	\$ 24,809,152	\$ 10,216,384	\$ 888,104	\$ 462,152	\$ 1,988,188	\$ 38,363,980
County Sources	10,903	-	-	-	13,518	24,421
State Sources	605,810	-	3,487,464	-	37,691	4,130,965
Federal Sources	4,415	-	-	-	1,245,988	1,250,403
<b>TOTAL REVENUES</b>	<b>25,430,280</b>	<b>10,216,384</b>	<b>4,375,568</b>	<b>462,152</b>	<b>3,285,385</b>	<b>43,769,769</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
Instruction	11,968,907	-	-	-	1,500,249	13,469,156
Supporting Services	8,517,695	-	1,556,494	38,021	33,940	10,146,150
Food Services	-	-	-	-	1,002,282	1,002,282
Capital Outlay	168,464	-	27,136,476	159,101	16,186	27,480,227
<b>Debt Service</b>						
Principal	-	3,025,000	-	-	-	3,025,000
Interest and Fiscal Charges	-	6,130,831	-	-	-	6,130,831
<b>TOTAL EXPENDITURES</b>	<b>20,655,066</b>	<b>9,155,831</b>	<b>28,692,970</b>	<b>197,122</b>	<b>2,552,657</b>	<b>61,253,646</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,775,214</b>	<b>1,060,553</b>	<b>(24,317,402)</b>	<b>265,030</b>	<b>732,728</b>	<b>(17,483,877)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	4,244,886	42,979	4,287,865
Transfers Out	(4,287,865)	-	-	-	-	(4,287,865)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,287,865)</b>	<b>-</b>	<b>-</b>	<b>4,244,886</b>	<b>42,979</b>	<b>-</b>
<b>CHANGE IN FUND BALANCES</b>	<b>487,349</b>	<b>1,060,553</b>	<b>(24,317,402)</b>	<b>4,509,916</b>	<b>775,707</b>	<b>(17,483,877)</b>
FUND BALANCES, Beginning	15,479,517	7,627,818	29,907,149	9,559,311	3,084,745	65,658,540
FUND BALANCES, Ending	<u>\$ 15,966,866</u>	<u>\$ 8,688,371</u>	<u>\$ 5,589,747</u>	<u>\$ 14,069,227</u>	<u>\$ 3,860,452</u>	<u>\$ 48,174,663</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$ (17,483,877)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:	
Depreciation Expense	(4,507,249)
Capital Outlay	25,161,809
Loss on Disposal of Capital Assets	(496,398)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.	
	(226,517)
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	
	3,025,000
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items as follows:	
Amortization of Bond Premiums	1,935,183
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:	
Accrued Interest Payable	10,084
Accrued Compensated Absences	(13,794)
Net Pension Liability	(6,589,414)
Pension-Related Deferred Outflows of Resources	614,817
Pension-Related Deferred Inflows of Resources	6,196,371
Net OPEB Liability	44,233
OPEB-Related Deferred Outflows of Resources	53,474
OPEB-Related Deferred Inflows of Resources	<u>29,497</u>
Change in Net Position of Governmental Activities	<u>\$ 7,753,219</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF FIDUCIARY NET POSITION**  
 June 30, 2023

	<u>SCHOLARSHIP TRUST FUND</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 450,279
Interest Receivable	<u>3,257</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>453,536</u></b>
<b>NET POSITION</b>	
Unrestricted	<b>\$ <u>453,536</u></b>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
Year Ended June 30, 2023

	<u>SCHOLARSHIP TRUST FUND</u>
ADDITIONS	
Investment Income	\$ <u>3,371</u>
Total Additions	\$ <u>3,371</u>
DEDUCTIONS	
Scholarships and Awards	<u>700</u>
CHANGE IN NET POSITION	2,671
NET POSITION, Beginning	<u>450,865</u>
NET POSITION, Ending	\$ <u><u>453,536</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies**

The accounting policies of the Weld County School District RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

**Reporting Entity**

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

The financial statements of the District do not include any separately administered organizations.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund.

The *Debt Service Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The *Building Fund* is used to account for the resources accumulated for the funding of the District's school improvements and construction of new school buildings, primarily the proceeds obtained from the issuance of the general obligation bonds.

The *Capital Reserve Fund* is used to account for the resources accumulated to acquire capital assets. District has elected to present this fund as a major fund.

Additionally, the District reports the following fund type:

Fiduciary Funds account for assets held by the District as an agent for individuals, private organizations, and other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary fund reported by the District is a private-purpose trust fund, the Scholarship Trust Fund.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

*Cash and Investments* – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. Investments are reported at fair value.

For purposes of the statement of fiduciary net position, cash equivalents include investments with original maturities of three months or less.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Fund Balances / Net Position**

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

*Interfund Receivables and Payables* - Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

*Inventories* - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

*Capital Assets* - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	20 years
Sites and Buildings	15 - 50 years
Machinery and Equipment	5 - 15 years

*Accrued Salaries and Benefits* - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

*Unearned Revenue* - Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

*Deferred Inflows of Resources* - Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

*Long-Term Debt* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities and Fund Balances / Net Position**

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

*Compensated Absences* – Classified personnel accrue up to 20 days of vacation depending on their years of experience with the District. Unused vacation benefits are paid upon termination at the per diem rate.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

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

*Postemployment Benefits Other Than Pensions (OPEB)* - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and his designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Property Taxes**

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

**NOTE 2: Cash and Investments**

At June 30, 2023, the District had the following cash and investments:

Cash on Hand	\$ 4,300
Deposits	7,341,186
Investments	45,602,337
Total	\$ 52,947,823

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 52,497,544
Fiduciary Fund	450,279
Total	\$ 52,947,823

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the District had bank deposits of \$10,923,346 collateralized with securities held by the financial institution’s agent but not in the District’s name.

**Investments**

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 2: Cash and Investments (Continued)**

**Investments (Continued)**

*Fair Value Measurements* - At June 30, 2023, the District's investments in the local government investment pool reported at the net asset value per share.

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

*Concentration of Credit Risk* - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

*Local Government Investment Pool* - At June 30, 2023, the District had \$45,602,337 invested in the Colorado Local Government Liquid Asset Trust Plus (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at \$1. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**NOTE 3: Interfund Balances and Transfers**

At June 30, 2023, the General Fund temporarily subsidized negative cash balance of the Grants Fund in the amount of \$186,150, which was repaid after receivables were collected after year-end.

During the year ended June 30, 2023, the General Fund transferred \$42,979 to the Food Service Fund to offset food prices. General Fund also transferred \$4,244,886 to the Capital Reserve Fund to finance future capital projects.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 4: Capital Assets**

Capital asset activity for the year ended June 30, 2023, is summarized below.

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,628,735	\$ -	\$ -	\$ 1,628,735
Construction in Progress	128,996,319	23,939,700	152,936,019	-
Total Capital Assets, Not Being Depreciated	<u>130,625,054</u>	<u>23,939,700</u>	<u>152,936,019</u>	<u>1,628,735</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,532,170	-	191,539	2,340,631
Sites and Buildings	23,318,593	152,936,019	3,323,229	172,931,383
Machinery and Equipment	4,766,918	1,222,109	5,000	5,984,027
Total Capital Assets, Being Depreciated	<u>30,617,681</u>	<u>154,158,128</u>	<u>3,519,768</u>	<u>181,256,041</u>
Less Accumulated Depreciation:				
Land Improvements	(2,153,874)	(55,826)	(189,241)	(2,020,459)
Sites and Buildings	(12,728,920)	(4,134,761)	(2,833,687)	(14,029,994)
Machinery and Equipment	(4,133,374)	(316,662)	(442)	(4,449,594)
Total Accumulated Depreciation	<u>(19,016,168)</u>	<u>(4,507,249)</u>	<u>(3,023,370)</u>	<u>(20,500,047)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,601,513</u>	<u>149,650,879</u>	<u>496,398</u>	<u>160,755,994</u>
Total Capital Assets, Governmental Activities, Net	<u>\$ 142,226,567</u>	<u>\$ 173,590,579</u>	<u>\$ 153,432,417</u>	<u>\$ 162,384,729</u>

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

Instruction	\$ 3,375,790
Supporting Services	1,125,263
Food Service	6,196
Total	<u>\$ 4,507,249</u>

**NOTE 5: Long-Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2023.

	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Due in One Year
<b>Governmental Activities</b>					
G.O. Bonds, Series 2019	\$ 124,215,000	\$ -	\$ (3,025,000)	\$ 121,190,000	\$ 3,145,000
Bond Premium, Series 2019	26,704,817	-	(1,935,183)	24,769,634	-
Compensated Absences	75,990	94,451	(80,657)	89,784	-
Total	<u>\$ 150,995,807</u>	<u>\$ 94,451</u>	<u>\$ (5,040,840)</u>	<u>\$ 146,049,418</u>	<u>\$ 3,145,000</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 5: Long-Term Debt (Continued)**

On December 11, 2019, the District issued General Obligation Bonds, Series 2019, in the amount of \$128,500,000 to upgrade the safety and security in all District schools; construct, furnish, and equip a new high school; remodel and furnish the existing high school into a middle school; remodel and furnish an existing middle school into an elementary school; and construct, furnish, and equip a new transportation facility. Principal payments are due annually on December 1, through 2044. Interest payments are due semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>, with interest accruing at rates ranging from 3% to 5% per annum. The full faith and credit of the District is pledged for the payment of the principal and interest on these bonds with ad valorem taxes on all of the taxable property in the District.

Bond payments to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,145,000	\$ 5,980,875	\$ 9,125,875
2025	3,305,000	5,819,625	9,124,625
2026	3,470,000	5,650,250	9,120,250
2027	3,645,000	5,472,375	9,117,375
2028	3,825,000	5,285,625	9,110,625
2029-2033	22,195,000	23,283,625	45,478,625
2034-2038	28,325,000	16,998,625	45,323,625
2039-2043	36,160,000	8,976,250	45,136,250
2044-2045	17,120,000	866,500	17,986,500
Total	<u>\$121,190,000</u>	<u>\$ 78,333,750</u>	<u>\$199,523,750</u>

**NOTE 6: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
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**NOTE 7: Defined Benefit Pension Plan**

**General Information**

*Plan Description* - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report that includes information on the SDTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided as of December 31, 2022* - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413. Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

*Contributions provisions as of June 30, 2023* - The District and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2022, through June 30, 2023. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2023, were \$2,288,735, equal to the required contributions.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

**General Information (Continued)**

As specified in C.R.S. § 24-51-414, the State of Colorado 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 SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, 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, upon enactment. July 1, 2023, payment is reduced by \$190 million to \$35 million. 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, for a total of approximately \$49.5 million to be contributed July 1, 2023. The State is considered a nonemployer contributing entity.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$25,386,942
Districts's proportionate share of the net pension liability associated with the District	<u>7,398,010</u>
<b>Total</b>	<b><u><u>\$32,784,952</u></u></b>

The net pension liability was measured at December 31, 2022, and the total pension liability 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 total pension liability to December 31, 2022.

The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers and the state as a nonemployer contributing entity. At December 31, 2022, the District's proportion was 0.1394161867%, which was a decrease of 0.0221111559% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$2,066,959 and a revenue of (\$869,961) representing support from the state as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WELD COUNTY SCHOOL DISTRICT RE-2**  
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June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 240,261	\$ -
Changes of assumptions and other inputs	449,686	-
Net difference between projected and actual earnings on plan investments	3,410,402	-
Changes in proportion	829,187	4,067,835
Contributions subsequent to the measurement date	1,183,293	-
 Total	 \$ 6,112,829	 \$ 4,067,835

District contributions subsequent to the measurement date of \$1,183,293 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,

2024	\$ (1,176,001)
2025	(857,075)
2026	911,101
2027	1,983,676
 Total	 \$ 861,701

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total pension liability using the following 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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/07	ad hoc

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) 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: 1) 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 and 2) 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.

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, 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.

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:

**WELD COUNTY SCHOOL DISTRICT RE-2**  
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June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

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	<u>100.00%</u>	

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

*Discount Rate* - The discount rate used to measure the total pension liability 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%.
- District 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 participants were used to reduce the estimated amount of total service costs for future plan members.
- District 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. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 7: Defined Benefit Pension Plan (Continued)**

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

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA 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 direct distribution, a warrant to PERA in the amount of \$380 million. The July 1, 2023, direct distribution is reduced by \$190 million to \$35 million. The July 1, 2024, direct distribution will not be reduced from \$225 million due to PERA's negative investment return in 2022.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension liability. 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 Net Pension Liability to Changes in the Discount Rate* - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$33,222,776	\$25,386,942	\$18,843,220

*Pension Plan Fiduciary Net Position* - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits**

**General Information**

*Plan Description* - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided* - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

*Contributions* - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (See Note 7) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2023, was \$114,549, equal to the required amount.

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

At June 30, 2023, the District reported a net OPEB liability of \$865,198, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability 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 total OPEB liability to December 31, 2022.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

At December 31, 2022, the District's proportion was 0.1059670185%, which was a decrease of 0.0005019130% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of (\$12,653). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115	\$ 209,239
Changes of assumptions and other inputs	13,907	95,490
Net difference between projected and actual earnings on plan investments	52,849	-
Changes in proportion	13,696	20,004
Contributions subsequent to the measurement date	59,223	-
Total	\$ 139,790	\$ 324,733

District contributions subsequent to the measurement date of \$59,223 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,

2024	\$ (89,136)
2025	(81,935)
2026	(37,683)
2027	(8,353)
2028	(22,179)
2029	(4,880)
Total	\$ (244,166)

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

	Entry Age
Actuarial Cost Method	2.30%
Price inflation	0.70%
Real wage growth	3.00%
Wage inflation	3.40% - 11.00%
Salary increases, including wage inflation	
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:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
6.5% in 2022, gradually decreasing to 4.5% in 2030	
Medicare Part A premiums:	
3.75% in 2022, gradually increasing to 4.5% in 2029	

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

Participant Age	Age-Related Morbidity Assumptions	
	Annual Increase	Annual Increase
	(Male)	(Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2022, valuation, the following monthly costs/premium (actual dollars) are assumed for 2023 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree/Spouse		MAPD PPO #2 with Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

Sample Age	MAPD PPO #1 without Medicare Part A for Retiree/Spouse		MAPD PPO #2 without Medicare Part A for Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A for Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923	\$ 1,634
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

The 2022 Medicare Part A premium is \$499 (actual dollars) per month. All costs are subject to the health care cost trend rates.

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 total OPEB liability are summarized in the table below:

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for SDTF members 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 health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2021, valuation date 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 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 applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

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 total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the result of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations 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.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

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

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

*Discount rate* - The discount rate used to measure the total OPEB liability 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.

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

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 8: Postemployment Healthcare Benefits (Continued)**

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

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

	1% Decrease (6.25%)	Current Trend Rates (7.25%)	1% Increase (8.25%)
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 840,709</u>	<u>\$ 865,198</u>	<u>\$ 891,845</u>

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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	<u>\$ 1,003,021</u>	<u>\$ 865,198</u>	<u>\$ 747,315</u>

*OPEB Plan Fiduciary Net Position* - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 9: Commitments and Contingencies**

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2023

**NOTE 9: Commitments and Contingencies (Continued)**

**Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (the "Amendment") to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November, 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2023, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$952,000.

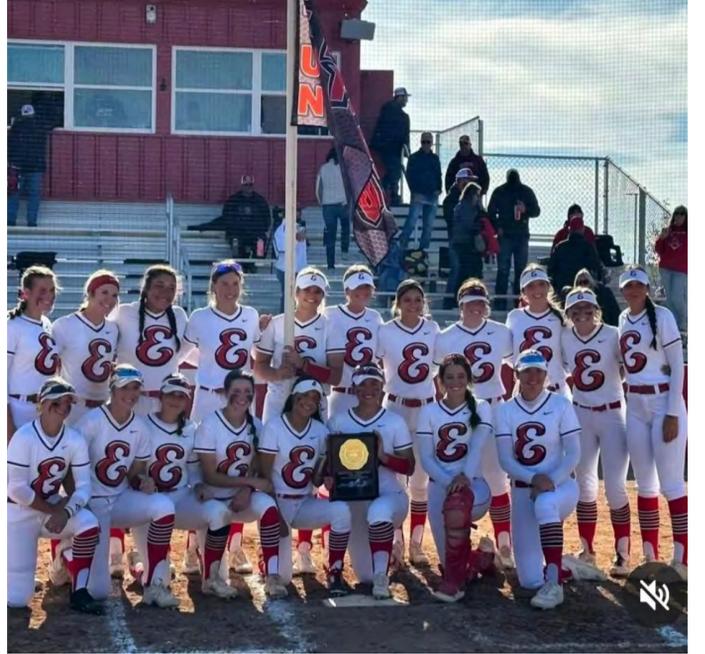
**Litigation**

The District from time to time is involved in various legal matters. In the opinion of the District's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

**NOTE 10: Jointly Governed Organization**

The District, in conjunction with other surrounding districts, participates in the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2023, the District contributed \$142,708 to the BOCES. Separate financial statements for the BOCES are available at 2020 Clubhouse Drive, Greeley, Colorado 80634, or online at [www.cboces.org](http://www.cboces.org).

BOCES includes the District in a consolidated federal grant application for certain grants awarded to the BOCES passed through from the Colorado Department of Education. Total federal dollars passed through from BOCES to the District was \$680,590 for the year ended June 30, 2023, which are not reported on the District's schedule of expenditures of federal awards.



# ACHIEVEMENT

*Every student can grow and achieve to their full potential; learning is a lifelong process.*



**REQUIRED SUPPLEMENTARY INFORMATION**

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources	\$ 18,138,339	\$ 22,731,037	\$ 24,809,152	\$ 2,078,115
County Sources	8,500	8,500	10,903	2,403
State Grants	4,832,815	538,759	605,810	67,051
Federal Grants	10,450	10,450	4,415	(6,035)
<b>TOTAL REVENUES</b>	<u>22,990,104</u>	<u>23,288,746</u>	<u>25,430,280</u>	<u>2,141,534</u>
<b>EXPENDITURES</b>				
Current				
Instruction	<u>13,020,237</u>	<u>13,346,810</u>	<u>11,968,907</u>	<u>1,377,903</u>
Supporting Services				
Students	1,009,862	1,030,965	878,723	152,242
Instructional Staff	501,901	516,681	562,646	(45,965)
General Administration	449,371	451,430	444,857	6,573
School Administration	1,397,437	1,414,937	1,466,827	(51,890)
Business Services	603,252	586,409	618,386	(31,977)
Operations and Maintenance	3,228,497	3,237,762	3,021,951	215,811
Student Transportation	738,092	749,724	725,293	24,431
Central Support	735,580	742,786	799,012	(56,226)
Total Supporting Services	<u>8,663,992</u>	<u>8,730,694</u>	<u>8,517,695</u>	<u>212,999</u>
Capital Outlay	<u>800,286</u>	<u>786,535</u>	<u>168,464</u>	<u>618,071</u>
Contingency	<u>13,225,851</u>	<u>15,326,635</u>	<u>-</u>	<u>15,326,635</u>
<b>TOTAL EXPENDITURES</b>	<u>35,710,366</u>	<u>38,190,674</u>	<u>20,655,066</u>	<u>17,535,608</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,720,262)</u>	<u>(14,901,928)</u>	<u>4,775,214</u>	<u>19,677,142</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(577,589)</u>	<u>(577,589)</u>	<u>(4,287,865)</u>	<u>(3,710,276)</u>
<b>CHANGE IN FUND BALANCE</b>	(13,297,851)	(15,479,517)	487,349	15,966,866
FUND BALANCE, Beginning	<u>13,297,851</u>	<u>15,479,517</u>	<u>15,479,517</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,966,866</u>	<u>\$ 15,966,866</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND**  
June 30, 2023

	12/31/22	12/31/21	12/31/20	12/31/19
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>				
District's Proportion of the Net Pension Liability	0.1394161867%	0.1615273426%	0.1856143040%	0.1622686193%
District's Proportionate Share of the Net Pension Liability	\$ 25,386,942	\$ 18,797,528	\$ 28,061,139	\$ 24,242,580
State's Proportionate Share of the Net Pension Liability				
Pension Liability Associated with the District	7,398,010	2,154,897	-	3,074,863
Total Proportionate Share of the Net Pension Liability	32,784,952	20,952,425	28,061,139	27,317,443
District's Covered Payroll	\$ 10,753,163	\$ 10,094,948	\$ 9,715,893	\$ 9,540,034
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	236%	186%	289%	254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62%	75%	67%	65%
	6/30/23	6/30/22	6/30/21	06/30/20
<b>District Contributions</b>				
Statutorily Required Contribution	\$ 2,288,735	\$ 2,056,655	\$ 1,978,695	\$ 1,916,842
Contributions in Relation to the Statutorily Required Contribution	(2,288,735)	(2,056,655)	(1,978,695)	(1,916,842)
Contribution Deficiency (Excess)	\$ -	\$ -	-	-
District's Covered Payroll	\$ 11,230,289	\$ 10,345,336	\$ 9,953,181	\$ 9,890,816
Contributions as a Percentage of Covered Payroll	20.38%	19.88%	19.88%	19.38%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
0.1637583107%	0.1894383296%	0.1931803868%	0.1946060409%	0.1898518434%	0.1911757462%
\$ 28,996,773	\$ 61,257,623	\$ 57,517,271	\$ 29,763,620	\$ 25,731,302	\$ 23,726,513
<u>3,964,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>32,961,679</u></u>	<u><u>61,257,623</u></u>	<u><u>57,517,271</u></u>	<u><u>29,763,620</u></u>	<u><u>25,731,302</u></u>	<u><u>23,726,513</u></u>
\$ 9,002,671	\$ 8,738,561	\$ 8,670,729	\$ 8,084,951	\$ 7,953,557	\$ 7,706,899
322%	701%	663%	368%	324%	308%
57%	44%	43%	59%	63%	64%
<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
\$ 1,762,642	\$ 1,669,355	\$ 1,593,000	\$ 1,469,738	\$ 1,394,311	\$ 1,250,251
<u><u>(1,762,642)</u></u>	<u><u>(1,669,355)</u></u>	<u><u>(1,593,000)</u></u>	<u><u>(1,469,738)</u></u>	<u><u>(1,394,311)</u></u>	<u><u>(1,250,251)</u></u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
\$ 9,214,019	\$ 8,840,134	\$ 8,665,583	\$ 8,480,883	\$ 8,250,749	\$ 7,818,494
19.13%	18.88%	18.38%	17.33%	16.90%	15.99%

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND**  
June 30, 2023

	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
<b>PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>			
District's Proportion of the Net OPEB Liability	0.1059670185%	0.1054651055%	0.1073722115%
District's Proportionate Share of the Net OPEB Liability	\$ 865,198	\$ 909,431	\$ 1,020,278
District's Covered Payroll	\$ 10,753,163	\$ 10,094,948	\$ 9,715,893
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	8%	9%	11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	39%	33%
	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/21</u>
<b>District's Contributions</b>			
Statutorily Required Contribution	\$ 114,549	\$ 105,522	\$ 101,522
Contributions in Relation to the Statutorily Required Contribution	<u>(114,549)</u>	<u>(105,522)</u>	<u>(101,522)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,230,289	\$ 10,345,336	\$ 9,953,181
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
0.1060440062%	0.1064437577%	0.1076380693%	0.1098000000%
\$ 1,191,933	\$ 1,448,212	\$ 1,398,864	\$ 1,423,672
\$ 9,540,034	\$ 9,002,671	\$ 8,738,561	\$ 8,670,279
12%	16%	16%	16%
24%	17%	18%	17%
<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>
\$ 100,886	\$ 94,035	\$ 90,169	\$ 88,389
<u>(100,886)</u>	<u>(94,035)</u>	<u>(90,169)</u>	<u>(88,389)</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ 9,890,816	\$ 9,214,019	\$ 8,840,134	\$ 8,665,583
1.02%	1.02%	1.02%	1.02%

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
June 30, 2023

**NOTE 1: Stewardship, Compliance, and Accountability**

**Budgetary Information**

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

**NOTE 2: Schedule of Proportionate Share of the Net OPEB Liability and Contributions**

**Changes in Assumptions and Other Inputs**

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 total OPEB liability, 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.

## **SUPPLEMENTARY INFORMATION**

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2023

	TOTAL PROGRAM RESERVE	FOOD SERVICE	GRANTS
<b>ASSETS</b>			
Cash and Investments	\$ 701,279	\$ 384,108	\$ -
Accounts Receivable	-	769	-
Grants Receivable	-	-	331,543
Taxes Receivable	6,543	-	-
Inventories	-	32,146	-
	-	32,146	-
<b>TOTAL ASSETS</b>	<b>\$ 707,822</b>	<b>\$ 417,023</b>	<b>\$ 331,543</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 1,295	\$ 2,640
Accrued Salaries and Benefits	-	37,346	90,796
Interfund Payable	-	-	186,150
Unearned Revenues	-	-	51,957
	-	-	51,957
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>38,641</b>	<b>331,543</b>
<b>FUND BALANCES</b>			
Nonspendable Inventories	-	32,146	-
Restricted for:			
Total Program Reserve	707,822	-	-
Site Acquisition and Development	-	-	-
Committed to Building Improvements	-	-	-
Assigned to:			
Food Services	-	346,236	-
Student Activities	-	-	-
Athletic Programs	-	-	-
	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>707,822</b>	<b>378,382</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 707,822</b>	<b>\$ 417,023</b>	<b>\$ 331,543</b>

<u>ATHLETIC</u>	<u>MINERAL LEASE</u>	<u>STUDENT ACTIVITY</u>	<u>LAND DEDICATION</u>	<u>TOTAL</u>
\$ 88,974	\$ 1,273,939	\$ 407,014	\$ 1,002,765	\$ 3,858,079
-	1,556	-	-	2,325
-	-	-	-	331,543
-	-	-	-	6,543
-	-	-	-	32,146
<u>\$ 88,974</u>	<u>\$ 1,275,495</u>	<u>\$ 407,014</u>	<u>\$ 1,002,765</u>	<u>\$ 4,230,636</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,935
-	-	-	-	128,142
-	-	-	-	186,150
-	-	-	-	51,957
-	-	-	-	370,184
-	-	-	-	32,146
-	-	-	-	707,822
-	-	-	1,002,765	1,002,765
-	1,275,495	-	-	1,275,495
-	-	-	-	346,236
-	-	407,014	-	407,014
<u>88,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,974</u>
<u>88,974</u>	<u>1,275,495</u>	<u>407,014</u>	<u>1,002,765</u>	<u>3,860,452</u>
<u>\$ 88,974</u>	<u>\$ 1,275,495</u>	<u>\$ 407,014</u>	<u>\$ 1,002,765</u>	<u>\$ 4,230,636</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2023

	<u>TOTAL PROGRAM RESERVE</u>	<u>FOOD SERVICE</u>	<u>GRANTS</u>
REVENUES			
Local Sources	\$ 709,448	\$ 384,613	\$ 63,975
County Sources	-	-	-
State Sources	-	12,969	24,722
Federal Sources	-	470,833	775,155
	<u>709,448</u>	<u>868,415</u>	<u>863,852</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Instruction	-	-	831,538
Supporting Services	1,626	-	32,314
Food Services	-	1,002,282	-
Capital Outlay	-	13,393	-
	<u>1,626</u>	<u>1,015,675</u>	<u>863,852</u>
TOTAL EXPENDITURES			
Excess of Revenues Over (Under) Expenditures	707,822	(147,260)	-
OTHER FINANCING SOURCES			
Transfers In	-	42,979	-
	<u>707,822</u>	<u>(104,281)</u>	<u>-</u>
CHANGE IN FUND BALANCES			
FUND BALANCES, Beginning	-	482,663	-
FUND BALANCES, Ending	<u>\$ 707,822</u>	<u>\$ 378,382</u>	<u>\$ -</u>

<u>ATHLETIC</u>	<u>MINERAL LEASE</u>	<u>STUDENT ACTIVITY</u>	<u>LAND DEDICATION</u>	<u>TOTAL</u>
\$ 176,348	\$ 92,609	\$ 539,756	\$ 21,439	\$ 1,988,188
-	-	-	13,518	13,518
-	-	-	-	37,691
-	-	-	-	1,245,988
<u>176,348</u>	<u>92,609</u>	<u>539,756</u>	<u>34,957</u>	<u>3,285,385</u>
132,760	-	535,951	-	1,500,249
-	-	-	-	33,940
-	-	-	-	1,002,282
-	2,793	-	-	16,186
<u>132,760</u>	<u>2,793</u>	<u>535,951</u>	<u>-</u>	<u>2,552,657</u>
43,588	89,816	3,805	34,957	732,728
-	-	-	-	42,979
<u>43,588</u>	<u>89,816</u>	<u>3,805</u>	<u>34,957</u>	<u>775,707</u>
<u>45,386</u>	<u>1,185,679</u>	<u>403,209</u>	<u>967,808</u>	<u>3,084,745</u>
<u>\$ 88,974</u>	<u>\$ 1,275,495</u>	<u>\$ 407,014</u>	<u>\$ 1,002,765</u>	<u>\$ 3,860,452</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**TOTAL PROGRAM RESERVE FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ -	\$ 694,569	\$ 692,805	\$ (1,764)
Specific Ownership Taxes	-	-	11,790	11,790
Delinquent Taxes And Interest	-	-	37	37
Investment Income	-	-	4,816	4,816
<b>TOTAL REVENUES</b>	<b>-</b>	<b>694,569</b>	<b>709,448</b>	<b>14,879</b>
<b>EXPENDITURES</b>				
Current				
Supporting Services				
Purchased Services	-	2,438	1,626	812
Contingency	-	692,131	-	692,131
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>694,569</b>	<b>1,626</b>	<b>692,943</b>
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>707,822</b>	<b>707,822</b>
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,822</u>	<u>\$ 707,822</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOOD SERVICE FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Fees	\$ 351,600	\$ 351,600	\$ 379,493	\$ 27,893
Miscellaneous	-	-	5,120	5,120
State Grants	12,000	12,000	12,969	969
Federal Grants	<u>460,721</u>	<u>460,721</u>	<u>470,833</u>	<u>10,112</u>
<b>TOTAL REVENUES</b>	<u>824,321</u>	<u>824,321</u>	<u>868,415</u>	<u>44,094</u>
<b>EXPENDITURES</b>				
Current				
Salaries	335,841	348,194	373,433	(25,239)
Benefits	125,370	125,370	126,006	(636)
Purchased Services	6,050	6,050	22,653	(16,603)
Supplies and Materials	391,224	391,224	477,821	(86,597)
Other	1,875	1,875	2,369	(494)
Capital Outlay	1,550	94,197	13,393	80,804
Contingency	<u>273,854</u>	<u>377,663</u>	<u>-</u>	<u>377,663</u>
<b>TOTAL EXPENDITURES</b>	<u>1,135,764</u>	<u>1,344,573</u>	<u>1,015,675</u>	<u>328,898</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(311,443)</u>	<u>(520,252)</u>	<u>(147,260)</u>	<u>372,992</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>37,589</u>	<u>37,589</u>	<u>42,979</u>	<u>5,390</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(273,854)</u>	<u>(482,663)</u>	<u>(104,281)</u>	<u>378,382</u>
FUND BALANCE, Beginning	<u>273,854</u>	<u>482,663</u>	<u>482,663</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,382</u>	<u>\$ 378,382</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**GRANTS FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Grants	\$ 50,000	\$ 85,000	\$ 63,975	\$ (21,025)
State Grants	103,531	103,531	24,722	(78,809)
Federal Grants	<u>1,036,517</u>	<u>1,036,517</u>	<u>775,155</u>	<u>(261,362)</u>
 TOTAL REVENUES	 <u>1,190,048</u>	 <u>1,225,048</u>	 <u>863,852</u>	 <u>(361,196)</u>
EXPENDITURES				
Current				
Instruction	1,109,348	1,144,348	831,538	312,810
Supporting Services				
Salaries	7,800	7,800	18,005	(10,205)
Benefits	2,200	2,200	5,384	(3,184)
Purchased Services	-	-	3,925	(3,925)
Supplies and Materials	11,500	11,500	5,000	6,500
Capital Outlay	<u>59,200</u>	<u>59,200</u>	<u>-</u>	<u>59,200</u>
 TOTAL EXPENDITURES	 <u>1,190,048</u>	 <u>1,225,048</u>	 <u>863,852</u>	 <u>361,196</u>
 CHANGE IN FUND BALANCE	 -	 -	 -	 -
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**ATHLETIC FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Athletic Activity Fees	\$ 117,184	\$ 117,184	\$ 175,668	\$ 58,484
Investment Income	40	40	680	640
	<u>117,224</u>	<u>117,224</u>	<u>176,348</u>	<u>59,124</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Instruction	135,280	162,610	132,760	29,850
CHANGE IN FUND BALANCE	(18,056)	(45,386)	43,588	88,974
FUND BALANCE, Beginning	18,056	45,386	45,386	-
FUND BALANCE, Ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>88,974</u></u>	\$ <u><u>88,974</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**MINERAL LEASE FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Oil and Gas	\$ 16,700	\$ 16,700	\$ 10,360	\$ (6,340)
Instruction Material Fees for Technology	21,400	21,400	28,037	6,637
Investment Income	200	200	54,212	54,012
<b>TOTAL REVENUES</b>	<u>38,300</u>	<u>38,300</u>	<u>92,609</u>	<u>54,309</u>
<b>EXPENDITURES</b>				
Capital Outlay	84,500	169,000	2,793	166,207
Contingency	934,917	1,054,979	-	1,054,979
<b>TOTAL EXPENDITURES</b>	<u>1,019,417</u>	<u>1,223,979</u>	<u>2,793</u>	<u>1,221,186</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(981,117)</u>	<u>(1,185,679)</u>	<u>89,816</u>	<u>1,275,495</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	-	-	-	-
<b>CHANGE IN FUND BALANCE</b>	(981,117)	(1,185,679)	89,816	1,275,495
FUND BALANCE, Beginning	<u>981,117</u>	<u>1,185,679</u>	<u>1,185,679</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,275,495</u>	<u>\$ 1,275,495</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**STUDENT ACTIVITY FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Student Activity Fees	\$ 318,450	\$ 318,450	\$ 539,756	\$ 221,306
TOTAL REVENUES	<u>318,450</u>	<u>318,450</u>	<u>539,756</u>	<u>221,306</u>
EXPENDITURES				
Current				
Instruction	318,450	318,450	535,951	(217,501)
Contingency	<u>355,078</u>	<u>403,209</u>	<u>-</u>	<u>403,209</u>
TOTAL EXPENDITURES	<u>673,528</u>	<u>721,659</u>	<u>535,951</u>	<u>185,708</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(355,078)</u>	<u>(403,209)</u>	<u>3,805</u>	<u>407,014</u>
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(355,078)	(403,209)	3,805	407,014
FUND BALANCE, Beginning	<u>355,078</u>	<u>403,209</u>	<u>403,209</u>	<u>-</u>
FUND BALANCE, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 407,014</u></u>	<u><u>\$ 407,014</u></u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**LAND DEDICATION FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Investment Income	\$ 780	\$ 780	\$ 21,439	\$ 20,659
County Sources				
Cash-In-Lieu	<u>69,680</u>	<u>69,680</u>	<u>13,518</u>	<u>(56,162)</u>
<b>TOTAL REVENUES</b>	<u>70,460</u>	<u>70,460</u>	<u>34,957</u>	<u>(35,503)</u>
<b>EXPENDITURES</b>				
Capital Outlay	600,000	600,000	-	600,000
Contingency	<u>281,225</u>	<u>438,268</u>	<u>-</u>	<u>438,268</u>
<b>TOTAL EXPENDITURES</b>	<u>881,225</u>	<u>1,038,268</u>	<u>-</u>	<u>1,038,268</u>
<b>CHANGE IN FUND BALANCE</b>	(810,765)	(967,808)	34,957	1,002,765
<b>FUND BALANCE, Beginning</b>	<u>810,765</u>	<u>967,808</u>	<u>967,808</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,002,765</u>	<u>\$ 1,002,765</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 9,207,500	\$ 9,909,363	\$ 10,017,474	\$ 108,111
Investment Income	5,200	5,200	198,910	193,710
<b>TOTAL REVENUES</b>	<u>9,212,700</u>	<u>9,914,563</u>	<u>10,216,384</u>	<u>301,821</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,025,000	3,025,000	3,025,000	-
Interest	6,120,000	6,120,000	6,120,000	-
Fees and Charges	3,100	10,000	10,831	(831)
Contingency	7,370,187	8,387,381	-	8,387,381
<b>TOTAL EXPENDITURES</b>	<u>16,518,287</u>	<u>17,542,381</u>	<u>9,155,831</u>	<u>8,386,550</u>
<b>CHANGE IN FUND BALANCE</b>	(7,305,587)	(7,627,818)	1,060,553	8,688,371
<b>FUND BALANCE, Beginning</b>	<u>7,305,587</u>	<u>7,627,818</u>	<u>7,627,818</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,688,371</u>	<u>\$ 8,688,371</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUILDING FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Investment Income	\$ 22,710	\$ 308,946	\$ 585,139	\$ 276,193
Miscellaneous	-	-	302,965	302,965
State Sources				
BEST Grant	-	-	3,487,464	3,487,464
<b>TOTAL REVENUES</b>	<u>22,710</u>	<u>308,946</u>	<u>4,375,568</u>	<u>4,066,622</u>
<b>EXPENDITURES</b>				
Current				
Supporting Services				
Purchased Services	2,212,116	2,212,116	1,311,043	901,073
Supplies and Materials	-	-	196,293	(196,293)
Other	-	-	49,158	(49,158)
Capital Outlay	<u>34,351,794</u>	<u>28,003,979</u>	<u>27,136,476</u>	<u>867,503</u>
<b>TOTAL EXPENDITURES</b>	<u>36,563,910</u>	<u>30,216,095</u>	<u>28,692,970</u>	<u>1,523,125</u>
<b>CHANGE IN FUND BALANCE</b>	(36,541,200)	(29,907,149)	(24,317,402)	5,589,747
<b>FUND BALANCE, Beginning</b>	<u>36,541,200</u>	<u>29,907,149</u>	<u>29,907,149</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,589,747</u>	<u>\$ 5,589,747</u>

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL RESERVE FUND**  
Year Ended June 30, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Investment Income	\$ 1,375	\$ 1,375	\$ 198,370	\$ 196,995
Miscellaneous	-	-	263,782	263,782
<b>TOTAL REVENUES</b>	<u>1,375</u>	<u>1,375</u>	<u>462,152</u>	<u>460,777</u>
<b>EXPENDITURES</b>				
Supporting Services				
Purchased Services	1,657,000	1,657,000	38,021	1,618,979
Capital Outlay	400,000	400,000	159,101	240,899
Contingency	5,473,142	8,043,686	-	8,043,686
<b>TOTAL EXPENDITURES</b>	<u>7,530,142</u>	<u>10,100,686</u>	<u>197,122</u>	<u>9,903,564</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,528,767)	(10,099,311)	265,030	10,364,341
<b>OTHER FINANCING SOURCES</b>				
Transfers In	540,000	540,000	4,244,886	3,704,886
<b>CHANGE IN FUND BALANCE</b>	(6,988,767)	(9,559,311)	4,509,916	14,069,227
<b>FUND BALANCE, Beginning</b>	<u>6,988,767</u>	<u>9,559,311</u>	<u>9,559,311</u>	<u>-</u>
<b>FUND BALANCE, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,069,227</u>	<u>\$ 14,069,227</u>

## **COMPLIANCE SECTION**

**SINGLE AUDIT**

**Independent Auditor’s Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audi of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-2 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 of Weld County School District RE-2 and have issued our report thereon dated November 13, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Weld County School District RE-2’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, report on, but not for the purpose of expressing an opinion on the effectiveness of Weld County School District RE-2’s internal control. Accordingly, we do not express an opinion on the effectiveness of Weld County School District RE-2’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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Weld County School District RE-2’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of Weld County School District RE-2’s 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 material weaknesses or significant deficiencies. 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. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Weld County School District RE-2’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Board of Education  
Weld County School District RE-2

**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 Weld County School District RE-2's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weld County School District RE-2's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*DMC Auditing and Consulting, LLC*

November 13, 2023  
Bailey, Colorado

**Independent Auditor's Report on Compliance for Each  
Major Federal Program, Internal Control over Compliance,  
and the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Weld County School District RE-2's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Weld County School District RE-2's major federal programs for the year ended June 30, 2023. Weld County School District RE-2'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-2 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-2 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-2's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Weld County School District RE-2'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 to express an opinion on Weld County School District RE-2'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-2'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-2'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-2'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-2'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 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.

Board of Education  
Weld County School District RE-2

Our consideration of Weld County School District RE-2's 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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weld County School District RE-2 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 of Weld County School District RE-2. We issued our report thereon dated November 13, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Weld County School District RE-2's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*DMC Auditing and Consulting, LLC*

November 13, 2023  
Bailey, Colorado



# COMMUNITY



**WELD COUNTY SCHOOL DISTRICT RE-2**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2023

**SECTION I: SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Noncompliance material to the financial statements noted?

- Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes  No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Cluster/Program</u>
84.425D	Education Stabilization Fund
84.425U	Education Stabilization Fund

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**SECTION II: FINANCIAL STATEMENT FINDINGS**

No current year findings or questioned costs were reported.

**SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No current year findings or questioned costs were reported.

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education			
Title I	84.010	4010,5010,6010	\$ 161,291
English Language Acquisition	84.365	4365	11,498
Supporting Effective Instruction	84.367	4367	44,056
Student Support and Academic Enrichment Program	84.424	4424	10,000
Education Stabilization Fund (COVID-19 Education Stabilization Fund)			
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	4414	548,310
Education Stabilization Fund Total			<u>548,310</u>
Passed Through State Community Colleges System			
Career and Technical Education	84.048	4048	5,116
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><u>780,271</u></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education			
State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	4649	1,281
<i>Child Nutrition Cluster</i>			
School Breakfast Program (SBP)	10.553	5553	33,106
National School Lunch Program (NSLP)	10.555	5555	385,717
National School Lunch Program (Supply Chain Assistance (SCA))	10.555	6555	52,010
Passed through State Department of Human Services			
National School Lunch Program (Donated Commodities)	10.555	4555	74,456
<i>Child Nutrition Cluster Subtotal</i>			<u>545,289</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u><u>546,570</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,326,841</u></u>

See accompanying Independent Auditor's Report and Notes to the Schedule of Expenditures of Federal Awards

**WELD COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2023

**NOTE 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The District does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the Weld County School District RE-2, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of Weld County School District RE-2.

## **STATE COMPLIANCE**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3085 - Eaton RE-2  
 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	14,951,913	20,146,406	19,478,936	15,619,383
18 Risk Mgmt Sub-Fund of General Fund	374,722	643,303	670,544	347,482
19 Colorado Preschool Program Fund	152,882	352,705	505,586	0
<b>Sub- Total</b>	<b>15,479,517</b>	<b>21,142,414</b>	<b>20,655,066</b>	<b>15,966,865</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	1,588,887	632,365	538,744	1,682,509
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	709,448	1,627	707,822
21 Food Service Spec Revenue Fund	482,663	911,394	1,015,675	378,382
22 Govt Designated-Purpose Grants Fund	0	863,852	863,852	0
23 Pupil Activity Special Revenue Fund	45,386	176,348	132,760	88,974
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	7,627,818	10,216,384	9,155,831	8,688,371
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	30,874,956	4,410,526	28,692,970	6,592,512
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	9,559,310	4,707,038	197,122	14,069,227
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>65,658,539</b>	<b>43,769,770</b>	<b>61,253,648</b>	<b>48,174,661</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	450,865	3,371	700	453,536
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>450,865</b>	<b>3,371</b>	<b>700</b>	<b>453,536</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**

District: 3085 - Eaton RE-2  
 Fiscal Year 2022-23  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary				Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	17,508,085	0	0	1,769,927	0	701,279	384,108	8,631,263	23,502,882	0	0	0	450,279	0	52,947,823
Cash with Fiscal Agent (8105)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	3,257	0	3,257
Taxes Receivable (8121,8122)	301,776	0	0	0	0	6,543	0	85,349	0	0	0	0	0	0	393,667
Interfund Loans Receivable (8131,8132)	186,150	0	0	0	0	0	0	0	0	0	0	0	0	0	186,150
Grants Accounts Receivable (8142)	653	0	0	331,543	0	0	0	0	103,365	0	0	0	0	0	435,561
Other Receivables (8151-8154,8161)	1,708	0	0	1,556	0	0	769	0	0	0	0	0	0	0	4,033
Inventories (8171,8172,8173)	0	0	0	0	0	0	32,146	0	0	0	0	0	0	0	32,146
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>17,998,372</b>	<b>0</b>	<b>0</b>	<b>2,103,026</b>	<b>0</b>	<b>707,822</b>	<b>417,023</b>	<b>8,716,612</b>	<b>23,606,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>453,536</b>	<b>0</b>	<b>54,002,638</b>

	Governmental										Proprietary					Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>																
<b>LIABILITIES</b>																
Interfund Payables (7401,7402)	0	0	0	186,150	0	0	0	0	0	0	0	0	0	0	0	186,150
Other Payables (7421-7423)	178,912	0	0	2,640	0	0	1,295	0	1,227,626	0	0	0	0	0	0	1,410,473
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	1,716,882	0	0	0	0	0	0	1,716,882
Accrued Expenses (7461)	1,799,224	0	0	90,796	0	0	37,346	0	0	0	0	0	0	0	0	1,927,366
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	51,957	0	0	0	0	0	0	0	0	0	0	0	51,957
Deferred Inflow (7800)	53,370	0	0	0	0	0	0	28,241	0	0	0	0	0	0	0	81,611
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,031,507</b>	<b>0</b>	<b>0</b>	<b>331,543</b>	<b>0</b>	<b>0</b>	<b>38,641</b>	<b>28,241</b>	<b>2,944,508</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,374,441</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	32,146	0	0	0	0	0	0	0	0	32,146
Restricted Fund Balance 6720	3,509,987	0	0	0	0	0	0	8,688,371	6,592,512	0	0	0	0	0	0	18,790,869
TABOR 3% Emergency Reserve 6721	952,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	952,000
TABOR Multi-Year 6722	503,240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	503,240
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	707,822	0	0	0	0	0	0	0	0	0	707,822
Committed Fund Balance 6750	1,500,000	0	0	1,275,495	0	0	0	0	500,000	0	0	0	0	0	0	3,275,495
Assigned Fund Balance 6760	347,482	0	0	495,988	0	0	346,236	0	13,569,227	0	0	0	0	453,536	0	15,212,469
Unassigned Fund Balance 6770	9,154,156	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,154,156
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>15,966,865</b>	<b>0</b>	<b>0</b>	<b>1,771,483</b>	<b>0</b>	<b>707,822</b>	<b>378,382</b>	<b>8,688,371</b>	<b>20,661,738</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>453,536</b>	<b>0</b>	<b>48,628,198</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	17,998,372	0	0	2,103,026	0	707,822	417,023	8,716,612	23,606,247	0	0	0	0	453,536	0	54,002,638

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>For Each Fund Type: Do Assets=Liability+Fund Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



**CULTURE**



**EMMA CONTINUING DISCLOSURE SECTION**

**FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION**

**FISCAL YEAR JUNE 30, 2023**

Name of Issuer: Weld County School District No RE-2 (Eaton, Colorado)

Name of Issues: \$11,475,000 General Obligation Refunding and Building Bonds, Series 2002  
 \$6,240,000 General Obligation Refunding Bonds, Series 2009  
 \$128,500,000 General Obligation Bonds, Series 2019

CUSIP: 949255

**TABLE II**  
**History of District's Mill Levy**

Levy / Collection Year	General Fund	Bond Redemption	Overrides	Abatements	Total Mill Levy
2018.2019	19.438	2.117	2.738	0.008	24.301
2019.2020	19.438	14.866	4.154	0.002	38.460
2020.2021	19.438	13.575	3.798	0.01	36.821
2021.2022	20.438	17.819	4.987	0.110	43.354
2022.2023	21.438	10.500	2.860	0.159	34.957

Source: Weld County Assessor's Office

**TABLE III**  
**History of District's Assessed and "Actual" Valuation**

Levy / Collection Year	Assessed Valuation	Percent Change	Actual Valuation	Percent Change
2018.2019	438,235,510	9.29	1,794,835,944	22.73
2019.2020	649,931,330	48.31	2,264,220,477	26.15
2020.2021	710,993,250	9.40	2,415,257,202	6.67
2021.2022	541,412,710	(16.70)	2,381,733,313	5.19
2022.2023	944,244,100	74.40	2,902,661,890	20.18

Source: Weld County Assessor's Office

**TABLE IV**  
**2022 Assessed and "Actual" Valuation of Classes of Property in the District**

Class	Assessed Valuation	Percent Of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Vacant Land	\$ 1,952,670	0.21%	\$ 6,733,001	0.23%
Residential	105,087,560	11.13%	1,512,238,710	52.10%
Commercial	35,972,630	3.81%	124,051,412	4.27%
Industrial	18,086,190	1.92%	62,366,134	2.15%
Agricultural	29,525,180	3.13%	108,111,439	3.72%
Minerals	90,120	0.01%	310,856	0.01%
Oil & Gas	736,026,320	77.95%	1,028,493,705	35.43%
State Assessed	17,503,430	1.85%	60,356,633	2.08%
<b>Total</b>	<b>\$ 944,244,100</b>	<b>100%</b>	<b>\$ 2,902,661,890</b>	<b>100.00%</b>

Source: Weld County Assessor's Office

**TABLE V**  
**Historical Property Tax Collections**

Levy / Collection Year	Total Taxes Levied	Current Tax Collections	Percent of Levy Collected
5 2018.2019	10,649,561	10,515,647	98.74
4 2019.2020	10,649,562	10,539,023	98.96
3 2020.2021	26,179,482	25,937,049	99.07
2 2021.2022	23,412,851	23,484,768	100.31
1 2022.2023	33,007,941	33,301,930	100.89

Source: Weld County Treasurer's Office

**FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION  
FISCAL YEAR JUNE 30, 2022**

**TABLE VI  
2022 Largest Taxpayers Within the District (Fiscal Year 2022)**

Name	Assessed Valuation	Percent of Assessed Valuation	
PDC Energy Inc (KEA)	\$ 391,608,460	51.13%	PDC Energy Inc (KEA)
Bayswater Exploration and Production LLC	205,723,410	26.86	Bayswater Exploration and Prc
Nobel Energy, Inc	47,922,710	6.26	Nobel Energy, Inc
Nickel Road Operating, LLC	20,552,540	2.68	DCP Operating Company
DCP Operating Company	14,592,580	1.91	DPC Lucerne 2 Plant LLC
DPC Lucerne 2 Plant LLC	13,500,980	1.76	Extraction Oil & Gas LLC
Extraction Oil & Gas LLC	13,425,300	1.75	Agfinity, Inc
Laramie River Devco	6,959,100	0.91	Laramie River Devco
Public Service Company of CO (XCEL)	6,764,680	0.88	Colorado Interstate Gas Co.
Agfinity, Inc	6,186,030	0.81	Rimrock Energy Partners
<b>Total</b>	<b>\$ 727,235,790</b>	<b>94.96%</b>	

Source: Weld County Assessor's Office

**TABLE VIII  
District Enrollment**

School Year	Enrollment
2018.2019	1,915
2019.2020	1,968
2020.2021	1,942
2021.2022	1,994
2022.2023	1,988

Source: The District

**TABLE IX  
District School Buildings and Capacity in Use**

School	2021.2022 Enrollment	Reomended Capacity	Capacity		Year Constructed (major renovations)
			Used In 2021.2022	%	
Benjamin Eaton Elementary	378	450	84.00%		2003
Eaton Elementary	426	315	135.24%		1955
Galeton Elementary	122	150	81.33%		1911 (1922, 1968, 2000)
Eaton Middle	465	490	94.90%		1978 (2003, 2006)
Eaton High	597	550	108.55%		1928 (1963, 1988, 2003)
<b>Total</b>	<b>1,988</b>				

Source: The District

**FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION**  
**FISCAL YEAR JUNE 30, 2023**

**TABLE X**  
**Summary of General Fund Revenues, Expenditures and Changes in Fund Balances**

Fiscal Year	2018.2019	2019.2020	2020.2021	2021.2022	2022.2023
<b>REVENUES</b>					
Local Sources	\$ 10,490,902	\$ 15,958,735	\$ 18,092,831	\$ 15,173,399	\$ 24,809,152
County Sources	8,889	12,419	-	8,709	10,903
State Sources	6,672,813	3,950,675	1,913,032	6,364,449	605,810
Federal Sources	12,665	14,564	7,414	4,398	4,415
Charges for Services	10,930	22,762	21,094	-	-
Earnings on Investments	192,514	96,219	15,600	-	-
Grants and Contributions	-	-	-	-	-
Other	196,292	107,365	203,781	-	-
<b>Total Revenues</b>	<b>17,585,005</b>	<b>20,162,739</b>	<b>20,253,752</b>	<b>21,550,955</b>	<b>25,430,280</b>
<b>EXPENDITURES</b>					
Instruction	9,882,855	10,640,806	9,280,339	11,338,209	11,968,907
Supporting Services	5,492,669	6,403,160	6,422,579	7,041,457	8,517,695
Capital Outlay	84,004	28,459	-	16,811	168,464
<b>Total Expenditures</b>	<b>15,459,528</b>	<b>17,072,425</b>	<b>15,702,918</b>	<b>18,396,477</b>	<b>20,655,066</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,125,477</b>	<b>3,090,314</b>	<b>4,550,834</b>	<b>3,154,478</b>	<b>4,775,214</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets			1,000	-	-
Transfers Out	(1,946,000)	(1,230,882)	(540,000)	(540,000)	(4,287,865)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,946,000)</b>	<b>(1,230,882)</b>	<b>(539,000)</b>	<b>(540,000)</b>	<b>(4,287,865)</b>
<b>Change in Fund Balances</b>	<b>179,477</b>	<b>1,859,432</b>	<b>4,011,834</b>	<b>2,614,478</b>	<b>487,349</b>
<b>Beginning Fund Balance</b>	<b>6,814,297</b>	<b>6,993,773</b>	<b>8,853,205</b>	<b>12,865,039</b>	<b>15,479,517</b>
<b>Ending Fund Balance</b>	<b>\$ 6,993,774</b>	<b>\$ 8,853,205</b>	<b>\$ 12,865,039</b>	<b>\$ 15,479,517</b>	<b>\$ 15,966,866</b>

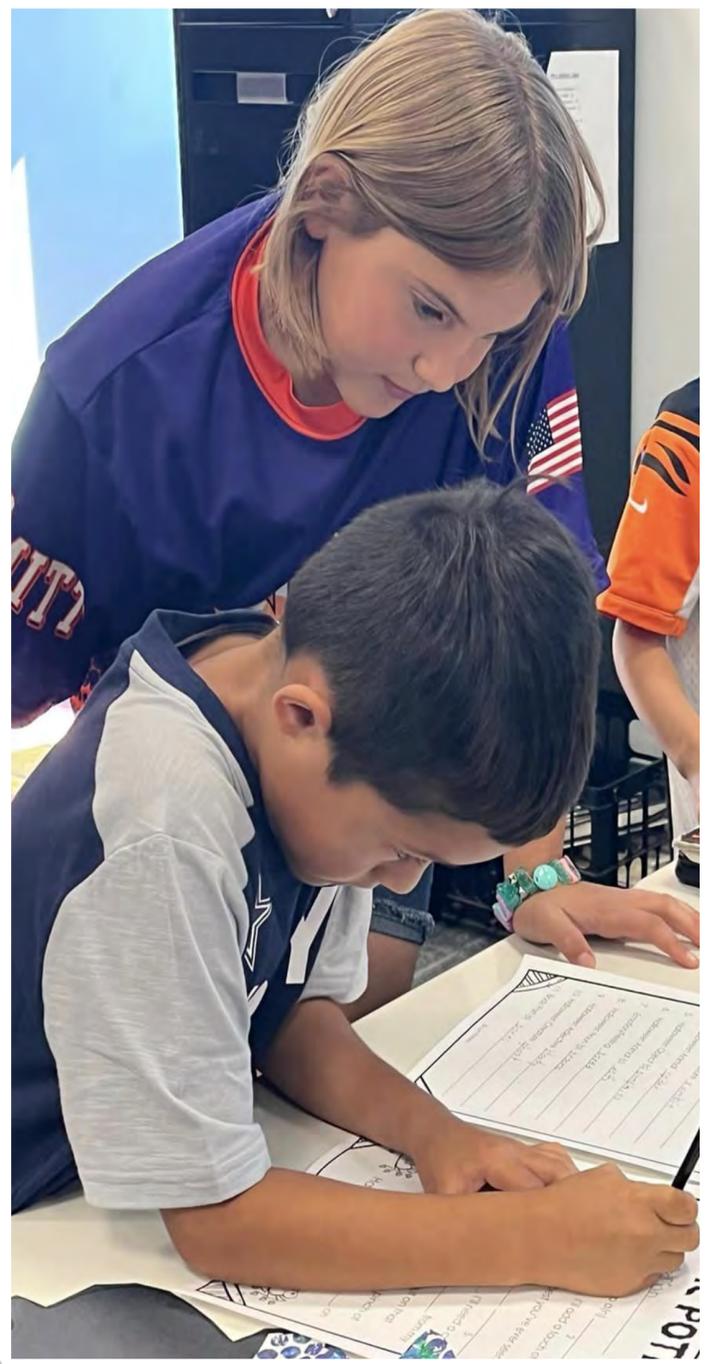
Source: District audited financial statements for the fiscal years ended June 30, 2019-2023

**FILING OF CERTAIN ANNUAL FINANCIAL INFORMATION  
FISCAL YEAR JUNE 30, 2023**

**TABLE XI  
General Fund Adopted Budget Summary & Comparison**

	<b>2018.2019</b>	<b>2019.2020</b>	<b>2020.2021</b>	<b>2021.2022</b>	<b>2022.2023</b>	<b>2022.2023</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>
BEGINNING FUND BALANCE	\$ 6,814,295	\$ 7,408,935	\$ 7,219,865	\$ 8,526,560	\$ 13,297,851	\$ 15,479,517
REVENUES						
Local Sources	9,735,761	12,147,337	19,022,826	18,922,969	18,138,339	24,809,152
County Sources	12,789	-	12,418	-	8,500	10,903
State Sources	7,410,415	6,828,841	329,722	1,980,481	4,832,815	605,810
Federal Sources	12,608	10,468	10,468	10,450	10,450	4,415
Total Revenues	17,171,573	18,986,646	19,375,434	20,913,900	22,990,104	25,430,280
Total Available Balance	\$ 23,985,868	\$ 26,395,581	\$ 26,595,299	\$ 29,440,460	\$ 36,287,955	\$ 40,909,797
EXPENDITURES						
Instruction	10,217,996	10,727,048	10,979,784	11,776,019	13,042,742	12,103,573
Supporting Services	6,297,077	7,539,950	8,239,406	8,654,543	9,441,773	8,551,493
Total Expenditures	16,515,073	18,266,998	19,219,190	20,430,562	22,484,515	20,655,066
Other Uses	906,000	822,312	555,000	555,000	577,589	4,287,865
Total Expenditures & Other Uses	\$ 17,421,073	\$ 19,089,310	\$ 19,774,190	\$ 20,985,562	\$ 23,062,104	\$ 24,942,931
ENDING FUND BALANCE	\$ 6,564,795	\$ 7,306,271	\$ 6,821,109	\$ 8,454,898	\$ 13,225,851	\$ 15,966,866

Source: District 2021.2022 Budget Documents and the District



# LEADERSHIP

*To provide every student and staff member the opportunity to lead.*

