



# Weld County School District RE-1

## Financial Statements and Supplementary Information

For the Year Ended June 30, 2020

# Weld County School District RE-1

## Contents

---

<b>Independent Auditor's Report</b>	1 - 3
<b>Management's Discussion and Analysis</b>	4 - 14
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	15
Statement of Activities	16
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet with the Government-wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities	20
Notes to Financial Statements	21 - 52
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule - General Fund	53
Note to Budgetary Comparison Schedules	54
Schedule of the District's Proportionate Share of the Net Pension Liability	55 - 56
Schedule of District Contributions - Pension	57 - 58
Schedule of the District's Proportionate Share of the Net OPEB Liability	59
Schedule of District Contributions - OPEB	60 - 61
<b>Other Supplementary Information:</b>	
Budgetary Comparison Schedule - Capital Projects Fund	62
Budgetary Comparison Schedule - Bond Redemption Fund	63
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	65
Budgetary Comparison Schedule - Food Service Fund	66
Budgetary Comparison Schedule - Student Activity Fund	67
Auditor's Integrity Report	68

# Weld County School District RE-1

## Contents

---

### Statistical Section:

Schedule of Expenditures by Function and Revenues by Source	69 - 70
Schedule of Statistical Data	71 - 72



## **Independent Auditor's Report**

Board of Education  
Weld County School District RE-1  
Gilcrest, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Weld County School District RE-1 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### ***Opinions***

In our opinion, the basic 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-1 as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As discussed in Note 2 to the basic financial statements, the District implemented the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. As a result of the adoption of the standard, the Student Activity Fund, which has previously been reported as a fiduciary fund, is now reported as a governmental fund. The fund balance for the governmental funds and the net position was increased by \$399,571 as a result of the implementation. Our opinion is not modified with respect to this matter.

As more fully described in Note 12 to the financial statements, on March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act to provide certain relief as a result of the COVID-19 outbreak. The District discusses the impact of the CARES Act on its financial position, results of operations, and cash flows. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 14, budgetary comparison information on pages 53 and 54, and pension and other post employment benefit related schedules on pages 55 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The budgetary comparison schedules and Auditor's Integrity Report on pages 62 through 68 and statistical section on pages 69 through 72 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*BDO USA, LLP*

February 28, 2021

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

This section of the Weld County School District RE-1's (the "District") annual financial report offers readers of the District's financial statements management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

**Financial Highlights**

- Governmental activities total assets totaled \$117,913,402. Liabilities for governmental activities totaled \$95,226,566.
- General revenues account for approximately \$34.3 million or 93 percent of all revenues as compared to \$30.5 million or 92 percent of all revenue during fiscal year 2019. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2.6 million or 7 percent of total revenues of \$36.9 million versus \$2.6 million or 8 percent of total revenue during fiscal year 2019.
- The net position of governmental activities increased to \$2,101,174 in 2020 compared to \$(13,952,526) in 2019. The increase in the net position of governmental activities is mostly attributed to changes in pension and OPEB accounts.
- The District had \$21.2 million in expenses related to governmental activities compared to \$21.3 million during fiscal year 2019; \$2.6 million of these expenses were offset by program specific charges for services in 2020 and 2019. General revenues, primarily state equalization payments and property taxes, of \$34.3 million during the current year plus carryover funds from prior years, were adequate to provide for these programs.
- The General Fund had \$22.9 million and \$25.4 million in revenues during fiscal years ending June 30, 2020 and 2019, and \$23.9 million and \$22.2 million in expenditures, including transfers, during those same two years. The General Fund's fund balance decreased by \$916 thousand to \$11.9 million during 2020 due to a decrease in state equalization funding.
- The District implemented GASB Statement No. 84, *Fiduciary Activities*, which revises and establishes new financial reporting requirements for Fiduciary Activities. The District previously reported the activity of the Student Activity as a fiduciary fund. Beginning in FY2019-2020, such activity has been more appropriately reported in this fund as special revenue fund. The result of the implementation of this standard was to increase the net position at the beginning of the fiscal year by \$399,571 in the governmental activities.

**Overview of the Financial Statements**

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how basic services, such as instruction, were financed in the short-term, as well as what remains for future spending.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. Due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, the District no longer has a fiduciary fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. This section also includes any Colorado mandated reports and the schedule of expenditures of federal awards.

Below is a detailed diagram showing how the various parts of this annual report are arranged and related to one another.

**Table 1  
Organization of Weld County RE-1 School Districts Annual Financial Report**

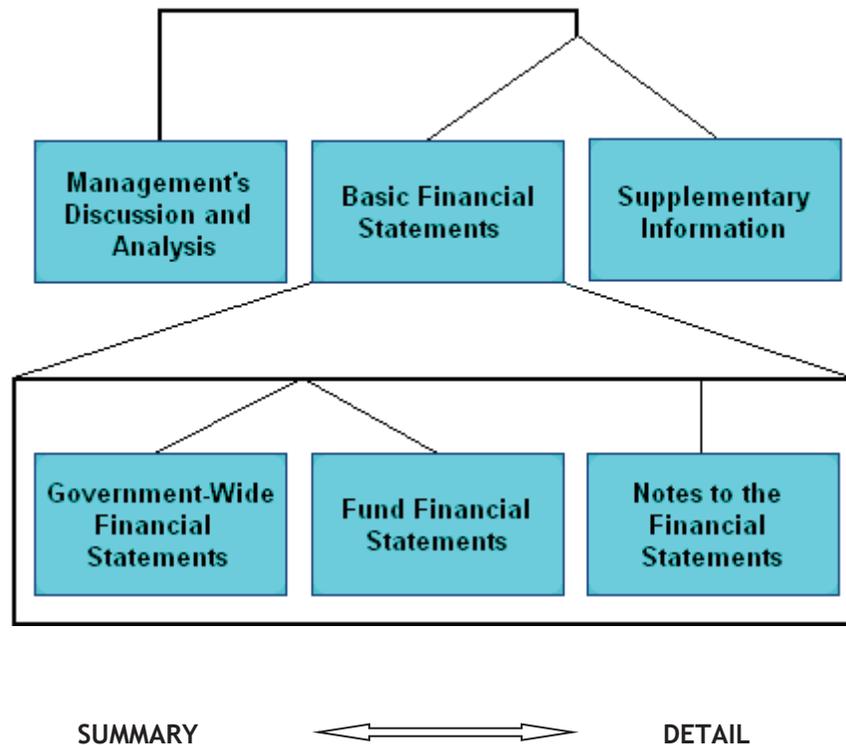


Table 2, displayed on the following page, summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

Table 2

	<b>Government-wide Statements</b>	<b>Governmental Funds</b>
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
<b>Required Financial Statements</b>	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
<b>Accounting basis and Measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**Major Features of the Government-Wide and Fund Financial Statements**

***Government-wide Statements***

The government-wide statements are designed to provide readers a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide financial statements are designed to provide readers a broad overview of the District's finances. These statements provide both *short-term* and *long-term* information about the District's *overall* financial status.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors, such as the condition of school buildings and other facilities.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Included in governmental activities are all of the District's basic services such as regular and special education, transportation, maintenance and operations, food services, and administration. The District no longer reports any business-type activities due to the change in the reporting of the Food Service Fund.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

The basic government-wide financial statements can be found on pages 15-16 of this report.

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and bond covenants. Other funds control and manage money for particular purposes (such as federal grants). The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds:* All of the District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps determine financial resources that may be available in the near term to finance the District's programs.
- Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental fund's statements explaining the relationship (or difference) between them.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. The other governmental fund are the capital projects fund and food services funds. Additional information for each of these governmental funds is provided in the form of budgetary comparison schedules in the other supplementary information section of this report. Also included in the other supplementary information section is budget-to-actual information for all District funds as required by State Law.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-52 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain *required and other supplementary information*. This includes budget-to-actual information for all funds as dictated by state law. Additionally, the Colorado Department of Education electronic data transmission reports and the reports to governmental agencies are included in this section.

**Financial Analysis of the District as a Whole**

***Net Position and Changes in Net Position***

The District's net position was higher on June 30, 2020, than the year before, increasing by \$16,053,700 (including the cumulative effect of the adoption of the adoption of accounting principal). This increase is primarily due to an increase in pension and OPEB related accounts. Table 3 on the next page provides a summary of the District's net position at June 30, 2020.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

**Table 3  
Condensed Statement of Net Position**

	Governmental Activities	
	2020	2019
<b>Assets</b>		
Current assets	\$ 30,255,250	\$ 38,817,067
Capital assets, net	87,658,152	77,005,883
<b>Total assets</b>	117,913,402	115,822,950
<b>Deferred outflows of resources</b>	4,345,939	12,908,521
<b>Liabilities</b>		
Current liabilities	2,505,195	6,169,734
Long-term liabilities	92,721,371	103,913,087
<b>Total liabilities</b>	95,226,566	110,082,821
<b>Deferred inflows of resources</b>	24,931,601	32,601,176
<b>Net position</b>		
Net investment in capital assets	31,435,831	31,618,126
Restricted	8,357,956	6,217,265
Unrestricted	(37,692,613)	(51,787,917)
<b>Total net position - end of year</b>	\$ 2,101,174	\$ (13,952,526)

At the end of the 2020 fiscal year, District assets reflect positive balances in all of the District funds. Table 4 on the next page provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

**Table 4  
Changes in Net Position from Operating Results**

Years Ended December 31,	Governmental Activities	
	2020	2019
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 141,340	\$ 181,300
Operating grants and contributions	2,074,402	1,974,531
Capital grants and contributions	405,444	486,724
General revenues		
Property and specific ownership taxes	26,113,519	21,083,818
State equalization	6,941,710	7,817,957
Other	1,261,751	1,642,396
<b>Total revenues</b>	<b>36,938,166</b>	<b>33,186,726</b>
<b>Expenses</b>		
Instruction	\$ 10,068,799	10,560,896
Support services:		
Pupil and instructional	2,610,114	2,937,416
General administration	497,862	616,695
School administration	1,121,386	1,105,024
Business services	16,575	2,487
Maintenance and operations	3,505,345	2,298,830
Pupil transportation	233,703	465,510
Central supporting services	721,185	587,741
Community services and other	33,093	1,545
Food service operations	621,165	671,119
Interest expense	1,854,810	2,065,429
<b>Total expenses</b>	<b>21,284,037</b>	<b>21,312,692</b>
	15,654,129	11,874,034
Cummulative effect of the adoption of accounting principal	399,571	-
<b>Change in net position</b>	<b>\$ 16,053,700</b>	<b>\$ 11,874,034</b>

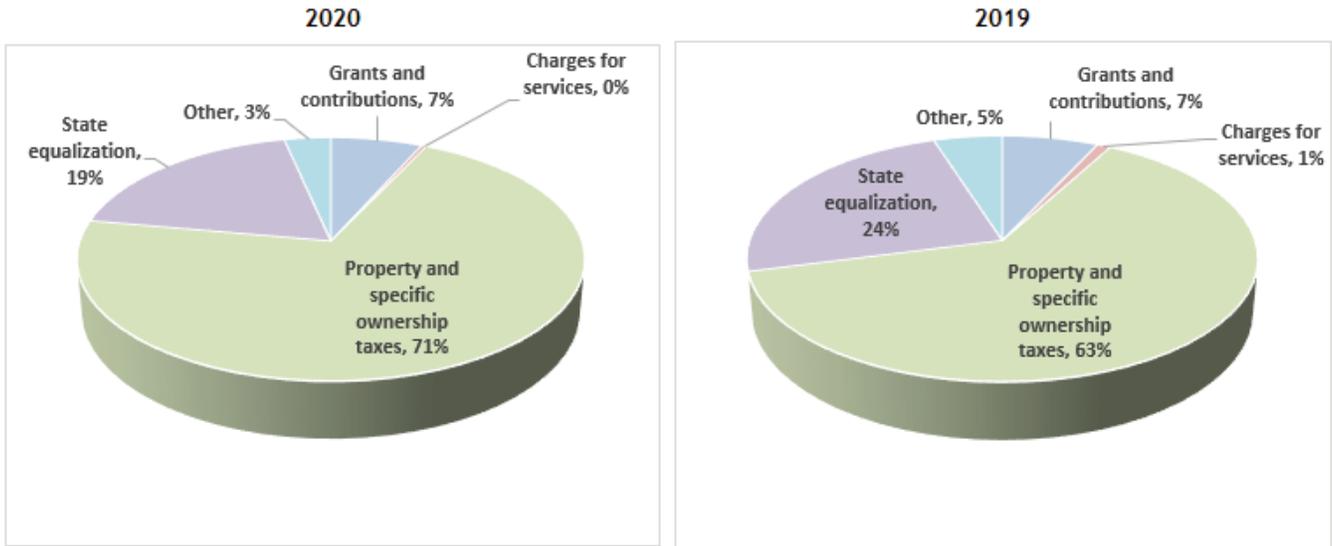
Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 71 cents and 19 cents respectively for every dollar raised (see Table 5) on the next page. Grants and contributions accounted for 7 cents with the remainder from fees charged for services and miscellaneous sources.

The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

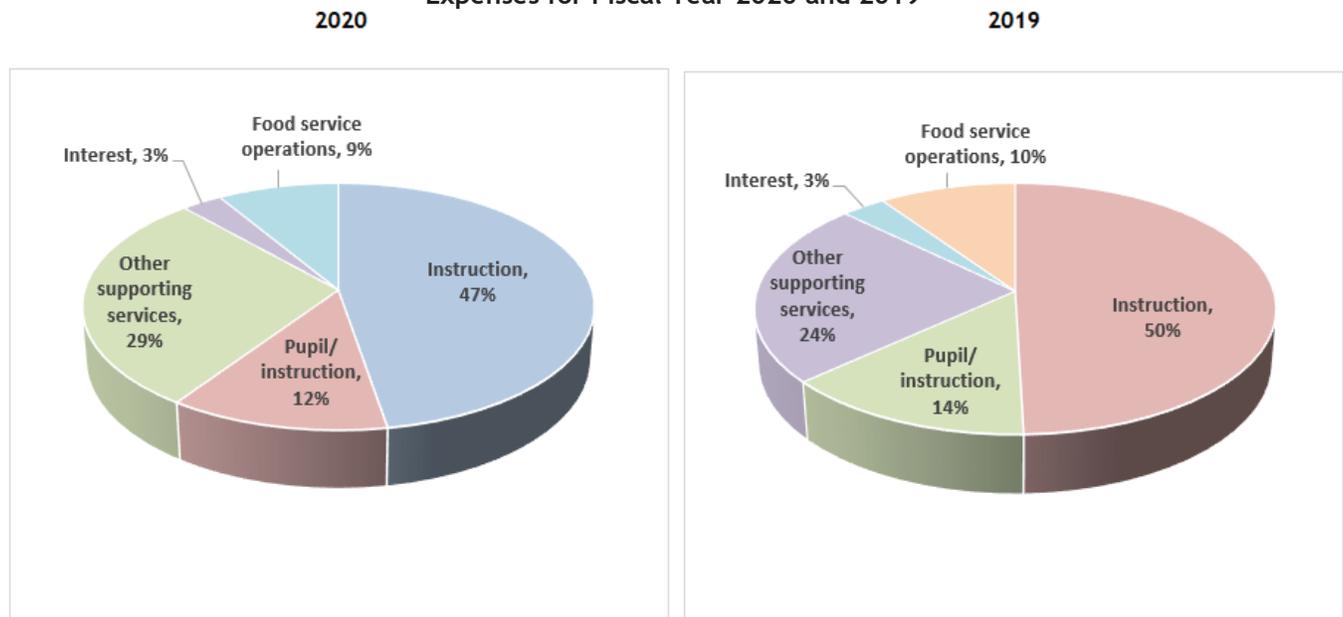
**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

Detailed below in Tables 5 and 6 are charts displaying revenues by source and expenses by program for the total District.

**Table 5  
Sources of Revenues for Fiscal Year 2020 and 2019**



**Table 6  
Expenses for Fiscal Year 2020 and 2019**



**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 \$8,463 per funded student for fiscal year 2020. Funding for the School Finance Act comes from property taxes, specific ownership tax, and state equalization. The District receives approximately 18 percent of this funding from state equalization while the remaining amounts come from property tax and specific ownership tax.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

In addition, the District passed a mill levy override ballot question in the 2001 election. This levy increased the general fund revenues by \$2,073,000, to provide operating revenue for increasing salaries and for implementing and expanding instructional programs.

In November 2012, an additional \$1,831,000 was approved by voters to restore staff compensation and critical programs. The District receives a total of \$3,904,000 in mill levy override funding.

- The increase in net position for governmental activities was \$16,053,700 in the 2020 fiscal year, as compared to an increase of \$11,874,034 in the 2019 fiscal year.

The governmental funds monitor cash resources and expenditures. Capital outlay within these funds was \$12,438,866 during fiscal year 2020, as compared to \$34,080,291 during the prior year. This expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense. As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities on page 20, the net difference between capital outlays and depreciation expense was approximately \$10,652,269 for the year ended June 30, 2020, and \$32,212,429 for the year ended June 30, 2019.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 below reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes.

**Table 7  
Net Cost of Governmental Activities**

	2020 Total Costs of Services	2020 Net Costs of Services	2019 Total Costs of Services	2019 Net Costs of Services
Instruction	\$ 10,068,799	\$ 8,152,860	\$ 10,560,896	\$ 8,653,708
Support services:				
Pupil and instructional	2,610,114	2,610,114	2,937,416	2,937,416
General administration	497,862	497,862	616,695	616,695
School administration	1,121,386	1,121,386	1,105,024	1,105,024
Business services	16,575	16,575	2,487	2,487
Maintenance and operations	3,505,345	3,505,345	2,298,830	2,298,830
Pupil transportation	233,703	85,118	465,510	347,496
Central supporting services	721,185	721,185	587,741	587,741
Community services and other	33,093	32,345	1,545	624
Food service operations	621,165	65,251	671,119	54,687
Interest expense	1,854,810	1,854,810	2,065,429	2,065,429
	<u>\$ 21,284,037</u>	<u>\$ 18,662,851</u>	<u>\$ 21,312,692</u>	<u>\$ 18,670,137</u>

The cost of all governmental activities this year was \$21.3 million and \$21.3 million for the previous fiscal year.

Some of the cost was financed by the users of the District's programs; \$141,340 in 2020 as compared to \$181,300 in 2019. Revenues in this category include items such as facility rental, swimming fees, and contracts with other agencies. The federal and state government subsidized certain programs with grants and contributions of \$2,479,846 in 2020, versus \$2,461,255 in 2019.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

Most of the District's net costs of \$18,662,851 in 2020, as compared to \$18,670,137 in 2019, however, were financed by District and state taxpayers. This portion of governmental activities was financed with \$6.9 million in 2020, and \$7.8 million in 2019, in state equalization from the School Finance Act; \$26.1 million in 2020, as compared to \$21.1 million in 2019, in property and specific ownership tax; and approximately \$1.3 million in 2020, versus \$1.6 million in 2019, in investment earnings and other miscellaneous revenue.

**Financial Analysis of District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds. In the General Fund, expenses exceeded revenues in the amount of \$(916,306), thereby contributing to a decrease in the fund balance for that fund. In the Capital Projects Fund, expenses exceeded revenues, decreasing fund balance to \$3.6 million. In the Bond Redemption Fund expenses exceeded revenues decreasing fund balance to \$3.9 million. In the other Governmental funds, revenues exceeded expenses, increasing fund balance to \$481,614. In the General Fund budgetary highlights section of this analysis, details regarding the components of the General Fund's fund balance are available.

***General Fund Budgetary Highlights***

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's final budget for the General Fund shown on page 53 anticipated that revenues, plus carryover funds, would be approximately the same as the 2019 expenditures. The actual results for the year show a \$916,306 decrease for 2020.

- Actual revenues for 2020 were \$4,558,319 less than anticipated due to budgeted reserves. Actual revenues for 2019 were \$1,277,051 less than anticipated. The District only obligates new funds from the growth of new students after enrollment is confirmed.
- The actual expenditures, excluding transfers, were \$22.6 million in 2020 and \$21.9 million in 2019. The majority of the expense increase is the result of the successful mill levy override election in November 2012. The District is continuing to allocate the mill levy override tax funds for salaries and instructional programs.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2020 and 2019, the District's TABOR reserve amounted to \$661,000 and \$796,000 respectively.

**Capital Assets and Debt Administration**

***Capital Assets***

By the end of fiscal year 2020, the District had invested \$87.7 million, net of accumulated depreciation, in a broad range of capital assets, including water rights, land, buildings, site improvements, vehicles, and other equipment (See Table 8) on the following page. This amount represents a net increase of approximately \$10,652,269 from last year. Additional information on the District's capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$1,322,308, while net additions amounted to \$10,652,269.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

**Table 8  
Capital Assets (Net of Depreciation)**

	2020	2019	% of Change
Water rights	\$ 185,000	\$ 185,000	0.0%
Land	299,303	299,303	0.0%
Construction in progress	66,530,636	54,583,984	21.9%
Site improvements	81,314	94,898	-14.3%
Software	4,585	6,113	-25.0%
Buildings and improvements	19,497,351	20,359,108	-4.2%
Equipment	481,831	657,285	-26.7%
Vehicles	578,132	820,192	-29.5%
<b>Total</b>	<b>\$ 87,658,152</b>	<b>\$ 77,005,883</b>	

***Long-Term Debt***

At year end, the District had a total of \$56,222,321 of outstanding long term debt. The District reduced debt in the amount of \$3,783,405, during the 2019-2020 year (See Table 9 below). Principal payments to be made in 2020-2021 is \$3,180,000.

**Table 9  
Long Term Debt**

	Balance Beginning	Additions	Reductions	Balance Ending	Amounts Due in One Year
General obligation bonds	\$ 53,640,000	\$ -	\$ 3,055,000	\$ 50,585,000	\$ 3,180,000
Unamortized bond premium	6,365,726	-	728,405	5,637,321	n/a
<b>Total</b>	<b>\$ 60,005,726</b>	<b>\$ -</b>	<b>\$ 3,783,405</b>	<b>\$ 56,222,321</b>	<b>\$ 3,180,000</b>

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- Actual enrollment for the 2019-2020 school year results in an increase of 56 FTE additional students compared to the 1,849 FTE that was projected in the 2019-2020 Adopted Budget. This increase in the number of students will provide approximately \$473,928 more in additional revenue.
- The District expects to receive \$8,076 per pupil funding for the 2020-2021 school year. This is \$387 less per student than the previous year.
- In 1992, the state legislature changed the fiscal year for public schools from a calendar year to a July 1 to June 30th fiscal year. The change in fiscal years caused a cash flow challenge for districts who receive a higher percent of funding from local property tax and a lower percent of funding from state equalization funds. Therefore, the legislature established an interest free loan program for school districts that experience cash flow problems prior to receiving local property tax in the spring. Since the inception of the interest free loan program, Weld RE-1 has participated in the program.

**Weld County School District RE-1  
Management's Discussion and Analysis  
For the Year Ended June 30, 2020**

Declining enrollment, increased expenses, and state funding cuts from Fiscal 2010 through Fiscal 2013, have reduced district cash reserves. The School District will not need to continue participation in the loan program as cash reserves once again have reached a level to meet cash flow needs.

- The District is closely monitoring the collection of outstanding taxes that were not paid for the 2019 tax year and due in 2020.
- The State of Colorado experienced slowing economic conditions which had a direct impact on the state's general fund revenues. Because K-12 education is a large portion of the state's budget, the District has been negatively impacted and receives \$1.2 million less than the School Finance Act provides for due to the budget stabilization factor. As a contingency plan, the District has grown a reserve contingency fund and will continue to closely monitor the District's fiscal health. In addition, the District has cut staff, programs, and deferred capital projects and has gone to a four-day week academic calendar to reduce costs. In November of 2012, the District passed a mill levy override election and has been able to restore some of the prior year's reductions in programs and staff costs.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Doug Moss, Chief Financial/Operations Officer, Weld County School District RE-1, 14827 W.C.R. 42, P.O. Box 157, Gilcrest, Colorado 80623-0157.

## Basic Financial Statements

---

# Weld County School District RE-1

## Statement of Net Position

June 30, 2020

	Governmental Activities
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 23,176,556
Grants receivable	77,309
Property taxes receivable	6,986,467
Inventories	14,918
Capital assets:	
Nondepreciable	67,014,939
Depreciable, net of accumulated depreciation	20,643,213
<b>Total assets</b>	<b>117,913,402</b>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources relating to pensions	4,254,226
Deferred outflows of resources relating to other post employment benefits	91,713
<b>Total deferred outflows of resources</b>	<b>4,345,939</b>
<b>Liabilities</b>	
Accounts payable	1,296,186
Accrued salaries and benefits	1,111,319
Accrued interest payable	83,153
Unearned revenue	14,537
Noncurrent liabilities:	
Due within one year	
General obligation bonds	3,180,000
Due in more than one year	
General obligation bonds (including premium)	53,042,321
Net pension liability	34,788,511
Net other post employment benefit liability	1,710,539
<b>Total liabilities</b>	<b>95,226,566</b>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources relating to pensions	24,591,803
Deferred inflows of resources relating to other post employment benefits	339,798
<b>Total deferred inflows of resources</b>	<b>24,931,601</b>
<b>Net position</b>	
Net investment in capital assets	31,435,831
Restricted for:	
Emergencies	662,000
Multi year obligations	160,000
Capital projects	3,612,708
Debt service	3,923,247
Unrestricted	(37,692,612)
<b>Total net position</b>	<b>\$ 2,101,174</b>

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

# Weld County School District RE-1

## Statement of Activities

Year Ended June 30, 2020

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 10,068,799	\$ 25,537	\$ 1,484,958	\$ 405,444	\$ (8,152,860)
Support services:					
Pupil and instructional	2,610,114	-	-	-	(2,610,114)
General administration	497,862	-	-	-	(497,862)
School administration	1,121,386	-	-	-	(1,121,386)
Business services	16,575	-	-	-	(16,575)
Maintenance and operations	3,505,345	-	-	-	(3,505,345)
Pupil transportation	233,703	-	148,585	-	(85,118)
Central supporting services	721,185	-	-	-	(721,185)
Community services and other	33,093	748	-	-	(32,345)
Food service operations	621,165	115,055	440,859	-	(65,251)
Interest expense	1,854,810	-	-	-	(1,854,810)
<b>Total governmental activities / primary government</b>	<b>\$ 21,284,037</b>	<b>\$ 141,340</b>	<b>\$ 2,074,402</b>	<b>\$ 405,444</b>	<b>(18,662,851)</b>
General revenues					
Property taxes levied for:					
General purposes					18,874,832
Debt services					5,981,685
Specific ownership taxes for:					
General purposes					1,257,002
Intergovernmental:					
Equalization entitlement					6,941,710
Payment in lieu of land dedication					52,193
Earnings on investments					383,866
Oil and gas royalties					35,254
Miscellaneous					790,438
<b>Total general revenues</b>					<b>34,316,980</b>
<b>Change in net position</b>					<b>15,654,129</b>
<b>Net position at beginning of year</b>					<b>(13,952,526)</b>
<b>Cummulative effect of the adoption of accounting principle (see Note 2)</b>					<b>399,571</b>
<b>Net position at end of year</b>					<b>\$ 2,101,174</b>

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

# Weld County School District RE-1

## Balance Sheet Governmental Funds June 30, 2020

	General Fund	Capital Projects Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash, cash equivalents and investments	\$ 14,251,969	\$ 4,502,356	\$ 3,902,373	\$ 519,858	\$ 23,176,556
Grants receivable	77,147	-	-	162	77,309
Property taxes receivable	5,236,859	-	1,749,608	-	6,986,467
Due from other funds	7,303	-	-	-	7,303
Inventories	-	-	-	14,918	14,918
<b>Total assets</b>	<b>\$ 19,573,278</b>	<b>\$ 4,502,356</b>	<b>\$ 5,651,981</b>	<b>\$ 534,938</b>	<b>\$ 30,262,553</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 406,162	\$ 889,648	\$ -	\$ 376	\$ 1,296,186
Accrued salaries and benefits	1,080,211	-	-	31,108	1,111,319
Due to other funds	-	-	-	7,303	7,303
Unearned revenue	-	-	-	14,537	14,537
<b>Total liabilities</b>	<b>1,486,373</b>	<b>889,648</b>	<b>-</b>	<b>53,324</b>	<b>2,429,345</b>
<b>Deferred inflows of resources</b>					
Deferred property tax revenues	6,211,459	-	1,728,734	-	7,940,193
<b>Total liabilities deferred inflows of resources</b>	<b>6,211,459</b>	<b>-</b>	<b>1,728,734</b>	<b>-</b>	<b>7,940,193</b>
<b>Fund balances</b>					
Nonspendable	-	-	-	14,918	14,918
Restricted	822,000	3,612,708	3,923,247	-	8,357,955
Assigned	-	-	-	466,696	466,696
Unassigned	11,053,446	-	-	-	11,053,446
<b>Total fund balances</b>	<b>11,875,446</b>	<b>3,612,708</b>	<b>3,923,247</b>	<b>481,614</b>	<b>19,893,015</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,573,278</b>	<b>\$ 4,502,356</b>	<b>\$ 5,651,981</b>	<b>\$ 534,938</b>	<b>\$ 30,262,553</b>

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

**Weld County School District RE-1**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**with the Government-wide Statement of Net Position**  
**June 30, 2020**

---

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

Fund balance - governmental funds	\$	19,893,015
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the fund financial statements.		
Capital assets	\$	113,890,323
Less: accumulated depreciation	<u>(26,232,171)</u>	87,658,152
Revenues that do not provide current financial resources are deferred on the fund financial statements but recognized on the statement of activities.		
		7,940,193
Pension related deferred outflows of resources and deferred inflows of resources are not available or due and payable in the current year, and therefore, are not reflected in the fund financial statements, as follows:		
Deferred outflows of resources	\$	4,254,226
Deferred inflows of resources	<u>(24,591,803)</u>	(20,337,577)
Other post employment benefit related deferred outflows of resources and deferred inflows of resources are not available or due and payable in the current year and, therefore are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$	91,713
Deferred inflows of resources	<u>(339,798)</u>	(248,085)
Long-term liabilities are not due and payable from current financial resources, and therefore, are not reported as liabilities in the fund financial statements. Long-term liabilities consist of:		
Bonds payable	\$	(50,585,000)
Plus: bond premium		(5,637,321)
Accrued interest payable		(83,153)
Net pension liability		(34,788,511)
Net other post employment liability	<u>(1,710,539)</u>	(92,804,524)
<b>Total net position - governmental activities</b>	<b>\$</b>	<b>2,101,174</b>

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

# Weld County School District RE-1

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local	\$ 14,404,845	\$ 625,912	\$ 4,316,241	\$ 634,734	\$ 19,981,732
State	8,053,408	-	-	13,233	8,066,641
Federal	521,845	-	-	427,755	949,600
<b>Total revenues</b>	<b>22,980,098</b>	<b>625,912</b>	<b>4,316,241</b>	<b>1,075,722</b>	<b>28,997,973</b>
<b>Expenditures</b>					
Current:					
Instruction	12,174,856	-	-	486,342	12,661,198
Supporting services:					
Pupil and instructional	3,019,291	-	-	-	3,019,291
General administration	699,837	-	-	-	699,837
School administration	1,323,361	-	-	-	1,323,361
Business services	433,555	-	-	-	433,555
Maintenance and operations	2,875,760	772,922	-	-	3,648,682
Pupil transportation	683,259	-	-	-	683,259
Central supporting services	897,096	-	-	-	897,096
Community services and other	33,093	-	-	-	33,093
Food service operations	-	-	-	758,562	758,562
Debt service:					
Principal	-	-	3,055,000	-	3,055,000
Interest	-	-	2,599,259	-	2,599,259
Capital outlay	476,296	11,958,251	-	4,319	12,438,866
<b>Total expenditures</b>	<b>22,616,404</b>	<b>12,731,173</b>	<b>5,654,259</b>	<b>1,249,223</b>	<b>42,251,059</b>
Excess (deficiency) of revenues over expenditures	363,694	(12,105,261)	(1,338,018)	(173,501)	(13,253,086)
<b>Other financing sources (uses)</b>					
Transfer in	-	1,100,000	-	180,000	1,280,000
Transfer out	(1,280,000)	-	-	-	(1,280,000)
<b>Total other financing sources (uses)</b>	<b>(1,280,000)</b>	<b>1,100,000</b>	<b>-</b>	<b>180,000</b>	<b>-</b>
<b>Change in fund balances</b>	<b>(916,306)</b>	<b>(11,005,261)</b>	<b>(1,338,018)</b>	<b>6,499</b>	<b>(13,253,086)</b>
Fund balances at beginning of year	12,791,752	14,617,969	5,261,265	75,544	32,746,530
Cumulative effect of the adoption of accounting principle (see Note 2)	-	-	-	399,571	399,571
<b>Fund balances at end of year</b>	<b>\$ 11,875,446</b>	<b>\$ 3,612,708</b>	<b>\$ 3,923,247</b>	<b>\$ 481,614</b>	<b>\$ 19,893,015</b>

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

## Weld County School District RE-1

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities

Year Ended June 30, 2020

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

Change in fund balance - governmental funds. \$ (13,253,086)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation during this period.

Depreciation expense	\$ (1,322,308)	
Capital outlay	11,974,577	10,652,269

Increase in deferred inflows of resources for property taxes receivable collected after the period of availability. These amounts are included with revenues in the statement of activities (see Note 1). 7,940,193

Repayment of capital lease obligations and principal payments on bonds outstanding are expenditures in the fund financial statements, but are reductions in long-term liabilities in the statement of net position and do not affect the statement of activities. 3,055,000

Increase in accrued interest payable is reflected against interest expense on the statement of activities and not reflected on the governmental fund statement of revenues, expenditures and changes in fund balances. 16,044

Accretion of bond premium is included in the statement of activities against interest expense, but is not reflected on the statement of revenues, expenditures and changes in fund balances. 728,405

Changes in the District's net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District's pension and OPEB plans for the current year are not reported in governmental funds but are included in the statement of activities.

Pension Related Changes	\$ 6,476,112	
OPEB Related Changes	39,192	6,515,304

Change in net position of governmental activities		\$ 15,654,129
---	--	---------------

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### 1. Summary of Significant Accounting Policies

#### *Form of Organization*

The Weld County School District RE-1 (the “District”) was founded in 1881 and consolidated between 1959 and 1962. The District’s major operations include instruction, supporting services, debt service and capital outlay.

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

#### *Reporting Entity*

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

The financial statements of the District do not include any separately administered organizations as there were none as defined in the aforementioned paragraphs.

#### *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 of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a 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 those 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.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds are used to account for all or most of a government's general activities. The following are the District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - The capital projects fund was established to account for financial resources used to acquire or construct major capital improvements.

**Bond Redemption Fund** - The Bond Redemption Fund is a debt service fund used to account for the resources accumulated for the payments of general long-term debt principal and interest.

Additionally, the District reports the following nonmajor governmental funds:

**Food Services Fund** - This special revenue fund is used to account for revenues and expenditures from food service operations.

**Student Activity Fund** - This special revenue fund is used to account for financial transactions related to school sponsored pupil interscholastic and other related activities.

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

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components.

These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes collected within 60 days after year-end, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, reconciliations are presented that briefly explain the adjustments necessary to reconcile to ending net position and the change in net position.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### ***Cash and Cash Equivalents***

The District considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

### ***Investments***

During 2020, the District had investments in certificates of deposit and local government investment pools. Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

### ***Revenue Recognition/Property Taxes***

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which levied, provided they become available and measurable. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

### ***Short-Term Interfund Receivables/Payables***

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

### ***Inventories***

Inventories consist of purchased and donated food, and non-food supplies. Purchased inventories are stated at lower of cost or market as determined using the first-in, first-out method. Food donated by the federal government at no cost to the District is stated at fair value in accordance with a USDA furnished price list.

### ***Capital Assets***

Capital assets, which include site improvements, buildings and improvements, software, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District 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 estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities. Estimated useful lives for asset types are as follows:

Description	Estimated Lives
Buildings and improvements	15-50 years
Software	10 years
Equipment	5-15 years
Vehicles	8 years

The payment for capital assets acquired by the District is recorded as an expenditure in the fund financial statements in the year of acquisition. Therefore, capital assets used in governmental fund type operations are not accounted for in the individual funds and no depreciation is provided.

### ***Impairment of Capital Assets***

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The District is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the District has determined that there are no indications of impairment of capital assets as of June 30, 2020.

### ***Bond Issuance Costs, Premium and Discounts, and Bond Refunding***

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium and discount. Debt issuance costs are recognized as an expense in the period of issuance.

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

### ***Unearned Revenues***

The District includes grant funds that have been collected, where the corresponding expenditures have not been incurred, as unearned revenues in the financial statements.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### ***Compensated Absences***

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. District policy permits employees to accumulate up to 60 sick days. Each June, employees are reimbursed at one-half the current substitute pay for unused sick days which exceed 60 days.

Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements.

On the governmental fund financial statements, where applicable, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. At June 30, 2020, there is no accrual in the financial statements, as management deemed the balance to be immaterial.

### ***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Capital lease obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred outflows of resources and deferred inflows of resources consist of amounts relating to the District's pension and other post employment benefits ("OPEB") plans, and property taxed in the fund financial statements. See notes 7 and 8 for further information relating to the District's pension and OPEB amounts

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### ***Net Position and Fund Balance***

In the government-wide financial statements, net position is classified in the following categories:

***Net Investment in Capital Assets*** - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

***Restricted Net Position*** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** - This category represents the net position of the District which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

***Nonspendable*** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

***Committed*** - amounts that can be used only for specific purposes determined by a formal action of the Board of Education (the "Board"). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

***Assigned*** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

***Unassigned*** - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

As of June 30, 2020, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Redemption Fund	Fund (Nonmajor)	Governmental Funds
<b>Nonspendable:</b>					
Inventories	\$ -	\$ -	\$ -	\$ 14,918	\$ 14,918
<b>Restricted:</b>					
Emergencies	662,000	-	-	-	662,000
Debt service payments	-	-	3,923,247	-	3,923,247
Multi year obligations	160,000	-	-	-	160,000
Capital projects	-	3,612,708	-	-	3,612,708
<b>Total restricted</b>	<b>822,000</b>	<b>3,612,708</b>	<b>3,923,247</b>	<b>-</b>	<b>8,357,955</b>
<b>Assigned:</b>					
Food service	-	-	-	466,696	466,696
<b>Unassigned:</b>	<b>11,053,446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,053,446</b>
<b>Total fund balances</b>	<b>\$ 11,875,446</b>	<b>\$ 3,612,708</b>	<b>\$ 3,923,247</b>	<b>\$ 481,614</b>	<b>\$ 19,893,015</b>

### ***Interfund Transactions***

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

### ***Pensions***

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### ***Other Post Employment Benefits***

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

### ***Estimates***

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

### ***Financial Policies and Procedures***

Management of the District believes it is in compliance with applicable state requirements, which includes adherence to the accounting policies and procedures described in the Financial Policies and Procedures Handbook issued by the Colorado Department of Education.

## **2. New Accounting Pronouncement**

During fiscal year 2020, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The District previously reported the activity of the Student Activity Fund as a fiduciary fund. Beginning in July 1, 2019 such activity has been more appropriately reported this fund as a special revenue fund. The result of the implementation of this standard was to increase the net position at the beginning of the fiscal year by \$399,571 in the governmental activities.

## **3. Cash, Cash Equivalents and Investments**

At June 30, 2020, the District had cash, cash equivalents and investments as follows:

Cash on hand	\$	375
Cash with fiscal agent		3,902,373
Cash with county treasurer		107,093
Bank deposits		1,888,459
Certificates of deposit		90,024
Local government investment pools		17,188,232
Total cash, cash equivalents and investments	\$	23,176,556

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### *Custodial Credit Risk - Deposits*

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes ("CRS") require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits.

At June 30, 2020, the District had deposits with financial institutions, including cash held with fiscal agent, with a carrying amount of \$5,790,832. The bank balances with the financial institutions were \$7,576,608, of which \$1,021,102 was covered by federal depository insurance. The remaining balance of \$6,555,506 was collateralized with securities held by the financial institutions' agents but not in the District's name.

### *Investments*

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

### *Custodial Credit Risk - Investments*

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of June 30, 2020, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust.

### ***Interest Rate Risk***

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

### ***Local Government Investment Pool***

At June 30, 2020, the District had invested approximately \$17 million in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

### 4. Capital Assets

A summary of changes in governmental-activities capital assets for the year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Water rights	\$ 185,000	\$ -	\$ -	\$ 185,000
Land	299,303	-	-	299,303
Construction in progress	54,583,984	11,946,652	-	66,530,636
<b>Total capital assets, not being depreciated</b>	<b>55,068,287</b>	<b>11,946,652</b>	<b>-</b>	<b>67,014,939</b>
Capital assets, being depreciated				
Site improvements	1,989,078	-	-	1,989,078
Software	15,281	-	-	15,281
Buildings and improvements	39,379,980	-	-	39,379,980
Equipment	2,770,567	27,925	-	2,798,492
Vehicles	2,692,553	-	-	2,692,553
<b>Total capital assets, being depreciated</b>	<b>46,847,459</b>	<b>27,925</b>	<b>-</b>	<b>46,875,384</b>
Less accumulated depreciation for:				
Site improvements	(1,894,180)	(13,584)	-	(1,907,764)
Software	(9,168)	(1,528)	-	(10,696)
Buildings and improvements	(19,020,872)	(861,757)	-	(19,882,629)
Equipment	(2,113,282)	(203,379)	-	(2,316,661)
Vehicles	(1,872,361)	(242,060)	-	(2,114,421)
<b>Total accumulated depreciation</b>	<b>(24,909,863)</b>	<b>(1,322,308)</b>	<b>-</b>	<b>(26,232,171)</b>
<b>Total capital assets, being depreciated, net</b>	<b>21,937,596</b>	<b>(1,294,383)</b>	<b>-</b>	<b>20,643,213</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 77,005,883</b>	<b>\$ 10,652,269</b>	<b>\$ -</b>	<b>\$ 87,658,152</b>

Depreciation is allocated to the following functions for governmental activities on the statement of activities:

<b>Governmental Activities:</b>	
Instruction	\$ 1,071,030
Pupil transportation	242,060
Food service operations	9,218
<b>Total depreciation expense, governmental activities</b>	<b>\$ 1,322,308</b>

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

### 5. Accrued Salary and Benefits

Salaries and benefits of teachers and certain other classified personnel under contract to the District are paid over a twelve-month period from August 1 to July 31, but the salaries are earned over the school period of approximately nine months. The salaries earned and the related benefits have been accrued as of June 30, 2020, amounting to \$1,111,319 in the governmental activities.

### 6. Long-Term Debt

The following is a summary of changes in long-term debt of the District for the year June 30, 2020:

	Balance Beginning	Additions	Reductions	Balance Ending	Amounts Due in One Year
<b>General obligation bonds:</b>					
2017 General Obligation Bonds	53,640,000	-	3,055,000	50,585,000	3,180,000
Unamortized bond premium	6,365,726	-	728,405	5,637,321	n/a
<b>Total long term debt</b>	<b>\$ 60,005,726</b>	<b>\$ -</b>	<b>\$ 3,783,405</b>	<b>\$ 56,222,321</b>	<b>\$ 3,180,000</b>

#### *General Obligation Bonds- Series 2017*

During 2017, the District issued general obligation bonds for \$59,405,000, with varying interest rates of 4.0% to 5.0%, for the purpose of the construction of new school buildings, and improving, repairing and making additions to existing school buildings. The bonds were issued for a fifteen year period with final maturity during fiscal year 2032.

The annual requirements to amortize the general obligation bond is outstanding as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2021	\$ 3,180,000	\$ 2,676,250	\$ 5,856,250
2022	3,335,000	2,517,250	5,852,250
2023	3,505,000	2,350,500	5,855,500
2024	3,680,000	2,175,250	5,855,250
2025	3,865,000	1,991,250	5,855,250
2026-2030	22,410,000	6,858,250	29,270,500
2031-2032	10,610,000	1,096,250	11,706,250
<b>Total</b>	<b>\$ 50,585,000</b>	<b>\$ 19,665,000</b>	<b>\$ 70,251,250</b>

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### 7. Defined Benefit Pension Plan

#### *General Information about the Pension Plan*

*Plan description.* Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (“C.R.S.”), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (“CAFR”) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2019.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2020:* Eligible employees, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

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

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

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,698,758 for the year ended June 30, 2020.

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

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

At June 30, 2020, the District reported a liability of \$34,788,511 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	34,788,511
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		4,412,480
Total	\$	39,200,991

At December 31, 2019, the District's proportion was 0.2329 percent, which was a decrease of 0.0033 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension income of \$3,777,354 and revenue of \$334,203 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The \$1,365,070 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,895,997	\$ -
Net difference between projected and actual earnings on pension plan investments	-	4,121,045
Changes of assumptions or other inputs	993,159	15,779,739
Changes in proportionate share	-	4,691,019
District contributions subsequent to the measurement date	1,365,070	-
<b>Total</b>	<b>\$ 4,254,226</b>	<b>\$ 24,591,803</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2021	\$ (11,950,883)
2022	(8,315,798)
2023	(34,109)
2024	(1,401,857)
<b>Total</b>	<b>\$ (21,702,647)</b>

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

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

<sup>1</sup> For 2019, the annual increase was 0.00 percent.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

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

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

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

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

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

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

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.28%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District’s proportionate share of the net pension liability	\$ 46,137,015	\$ 34,788,511	\$ 25,260,454

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### 8. Defined Benefit Other Post-Employment Benefits Plan

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated.

All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

#### ***PERA Benefit Structure***

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$142,040 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$1,710,539 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.1522 percent, which was a decrease of 0.0012 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2019, the District recognized OPEB expense of \$102,848. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,676	\$ 287,433
Net difference between projected and actual earnings on OPEB plan investments	-	28,551
Changes of assumptions or other inputs	14,191	-
Changes in proportionate share	-	23,814
District contributions subsequent to the measurement date	71,846	-
<b>Total</b>	<b>\$ 91,713</b>	<b>\$ 339,798</b>

The \$71,846 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amortization
2021	\$ (64,336)
2022	(64,332)
2023	(57,838)
2024	(71,242)
2025	(58,673)
Thereafter	(3,510)
	<b>\$ (319,931)</b>

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

Medicare Part A premiums	gradually decreasing to 4.50 percent in 2029 3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
--------------------------	---

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.

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

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

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

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

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

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

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

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

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

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

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

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

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,669,906	\$ 1,710,539	\$ 1,757,493

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB liability	\$ 1,934,108	\$ 1,710,539	\$ 1,519,340

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

## 9. Defined Contribution Pension Plan

### *Plan Description*

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

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### *Funding Policy*

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$62,978 for the Voluntary Investment Program.

### **10. Jointly Governed Organization**

#### *Centennial Board of Cooperative Educational Services*

The District, in conjunction with other surrounding school districts, created the Centennial Board of Cooperative Education Services ("BOCES"). The BOCES is an organization that provides member districts educational and computer 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, 2020, the District received federal and state funds through the BOCES in the amount of \$347,138 and paid the BOCES \$86,324 for services. The BOCES is not included as a component unit of the general-purpose financial statements of the District as the District has no financial accountability for the BOCES. The BOCES financial statements can be obtained at their administrative office located at 2020 Clubhouse Drive, Greeley, Colorado 80634.

### **11. Risk Management**

The District belongs to the Colorado School Districts Self-insurance Pool (the "Pool") that was formed in 1981 to give individual districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by the Pool is property, crime, general liability, auto liability and physical damage, and errors and omissions. The Board of Directors is composed of seven persons who are district school board members, superintendents or district business officials. The Pool became self-administered in May 1997, and currently has eleven employees.

Each member's premium contribution is determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income, and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuary study is conducted annually. These reports may be obtained by contacting the Pool's administrative offices at 6857 South Spruce Street, Centennial, Colorado 80112.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### 12. Commitments and Contingencies

#### *Grant Programs*

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

#### *Self-Insurance Pool*

As discussed in Note 11, the District is a member of the Colorado School Districts' Self-insurance Pool. The Pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the Pool is not presently determinable.

#### *Litigation*

The District is subject to claims and litigation from outside parties in the ordinary course of operations. After consultation with legal counsel, the District believes the ultimate outcome of such matters will not materially affect its financial condition.

#### *Commitments*

The District has various construction contracts with remaining contractual commitments of approximately \$19 million as of June 30, 2019.

#### *COVID-19*

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 Outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

The District's operations are heavily dependent on State and Federal funding, based on student headcounts, which the funding may decrease as a result of COVID-19. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of national, regional, or statewide economic slowdown. This situation has not depressed State or Federal funding during fiscal year 2020, but these funding sources may depress in the future.

The District continues to examine the impact that the CARES Act may have on its operations. As of June 30, 2020, the District received federal funding awards under the CARES Act in the amount of \$1,205,765. The District spent \$182,657 of this funding during fiscal year 2020; the remaining amount of \$1,023,108 is recorded as unearned revenue.

### 13. Taxes, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt.

Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary of fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$661,000 for this purpose. On November 5, 1996, the voting citizens of the District authorized the District to retain, appropriate, and utilize, by expenditure, retention for reserves, or carryover fund balance the full proceeds and revenues received from every source, without limitation, in 1997, and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. This effectively removed all revenue and spending limits imposed by TABOR.

# Weld County School District RE-1

## Notes to Financial Statements

June 30, 2020

---

### 14. Subsequent Events

The District evaluated subsequent events through February 28, 2021, the date these financial statements were available to be issued. There were no other material subsequent events that require recognition or additional disclosure.

## Required Supplementary Information

---

# Weld County School District RE-1

## Budgetary Comparison Schedule General Fund Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 14,617,932	\$ 14,617,932	\$ 14,404,845	\$ (213,087)
State	6,976,457	6,976,457	8,053,408	1,076,951
Federal	444,028	444,028	521,845	77,817
Appropriated reserves	5,500,000	5,500,000	-	(5,500,000)
<b>Total revenues</b>	<b>27,538,417</b>	<b>27,538,417</b>	<b>22,980,098</b>	<b>(4,558,319)</b>
<b>Expenditures</b>				
Current:				
Instruction	12,652,789	12,652,789	12,174,856	477,933
Supporting services:				
Pupil and instructional	3,037,205	3,037,205	3,019,291	17,914
General administration	916,560	916,560	699,837	216,723
School administration	1,263,954	1,263,954	1,323,361	(59,407)
Business services	341,351	341,351	433,555	(92,204)
Maintenance and operations	2,589,469	2,589,469	2,875,760	(286,291)
Pupil transportation	830,890	830,890	683,259	147,631
Central supporting services	1,185,746	1,185,746	897,096	288,650
Community services and other	92,749	92,749	33,093	59,656
Capital outlay	1,266,000	1,266,000	476,296	789,704
<b>Total expenditures</b>	<b>24,176,713</b>	<b>24,176,713</b>	<b>22,616,404</b>	<b>1,560,309</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,361,704</b>	<b>3,361,704</b>	<b>363,694</b>	<b>(2,998,010)</b>
<b>Other financing sources (uses)</b>				
Transfers out	(1,200,000)	(1,200,000)	(1,280,000)	(80,000)
<b>Total other financing sources (uses)</b>	<b>(1,200,000)</b>	<b>(1,200,000)</b>	<b>(1,280,000)</b>	<b>(80,000)</b>
<b>Change in fund balance</b>	<b>\$ 2,161,704</b>	<b>\$ 2,161,704</b>	<b>(916,306)</b>	<b>\$ (3,078,010)</b>
<b>Fund balance at beginning of year</b>			<b>12,791,752</b>	
<b>Fund balance at end of year</b>			<b>\$ 11,875,446</b>	

*See accompanying Independent Auditor's Report.*

# Weld County School District RE-1

## Note to Budgetary Comparison Schedule

June 30, 2020

---

### *Budgets*

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- During May, the District superintendent submits to the District Board of Education a proposed operating budget for the fiscal year beginning the following July 1. The operating budget includes proposed expenditures and the means of financing them. The public is notified by a legal notice that the budget is available for review.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to June 30, the budget is legally adopted by formal resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Education through passage of a formal resolution.
- The District legally adopts budgets for all of the funds. Budgets for the General, Bond Redemption, Capital Projects, Food Service and Student Activity Funds are adopted on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the District Board of Education. All appropriations lapse at year end.

# Weld County School District RE-1

## Schedule of the District's Proportionate Share of the Net Pension Liability Last Ten Years

December 31,	2019	2018
District's proportion of the net pension liability	0.23286%	0.23618%
District's proportionate share of the net pension liability	\$ 34,788,511	\$ 41,819,942
State's proportionate share of the net pension liability associated with the District **	\$ 4,412,480	\$ 5,718,296
<b>Total</b>	<b>\$ 39,200,991</b>	<b>\$ 47,538,238</b>
District's covered payroll	\$ 13,683,697	\$ 12,976,243
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.23%	322.28%
Plan fiduciary net position as a percentage of the total pension	57.01%	57.01%

\* The amounts presented for each fiscal year were determined as of 12/31.

\*\* A direction distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years

2017	2016	2015	2014	2013
0.27424%	0.27116%	0.27118%	0.26465%	0.24564%
\$ 88,680,804	\$ 80,733,480	\$ 41,474,856	\$ 35,869,131	\$ 30,396,753
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 88,680,804	\$ 80,733,480	\$ 41,474,856	\$ 35,869,131	\$ 30,396,753
\$ 12,650,551	\$ 12,169,941	\$ 11,806,117	\$ 11,083,333	\$ 9,900,917
701.00%	663.38%	351.30%	323.63%	307.01%
43.96%	43.10%	59.20%	62.84%	64.07%

*See accompanying Independent Auditor's Report*

**Weld County School District RE-1**  
**Schedule of District Contributions - Pension**  
**Last Ten Years**

Years Ended June 30,	2020	2019	2018	2017
Statorily required contribution	\$ 2,698,758	\$ 2,569,272	\$ 2,618,561	\$ 2,269,355
Contributions in relation to the statorily required contribution	2,698,758	2,569,272	2,618,561	2,269,355
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,925,468	\$ 13,430,585	\$ 13,855,390	\$ 12,344,610
Contributions as a percentage of covered payroll	19.38%	19.13%	18.90%	18.38%

2016	2015	2014	2013	2012	2011
\$ 2,251,307	\$ 1,952,240	\$ 1,697,250	\$ 1,495,052	\$ 1,378,360	\$ 1,369,232
2,251,307	1,952,240	1,697,250	1,495,052	1,378,360	1,369,232
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,004,029	\$ 11,560,387	\$ 10,616,063	\$ 9,931,052	\$ 9,720,207	\$ 10,312,761
18.75%	16.89%	15.99%	15.05%	14.18%	13.28%

*See accompanying Independent Auditor's Report*

## Weld County School District RE-1

### Schedule of the District's Proportionate Share of the Net OPEB Liability Last Ten Years

December 31,	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.15218%	0.15343%	0.15582%	0.15413%
District's proportionate share of the net OPEB liability	\$ 1,710,539	\$ 2,087,419	\$ 2,025,094	\$ 1,998,322
District's covered payroll	\$ 13,683,697	\$ 12,976,243	\$ 12,650,551	\$ 12,169,941
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB	24.49%	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of 12/31.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-1**  
**Schedule of District Contributions - OPEB**  
**Last Ten Years**

Years Ended June 30,	2020	2019	2018	2017
Statutorily required contribution	\$ 142,040	\$ 136,993	\$ 141,326	\$ 125,915
Contributions in relation to the statutorily required contribution	142,040	136,993	141,326	125,915
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,925,468	\$ 13,430,585	\$ 13,855,390	\$ 12,344,610
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

2016	2015	2014	2013	2012	2011
\$ 122,441	\$ 117,916	\$ 108,284	\$ 101,297	\$ 99,146	\$ 105,190
122,441	117,916	108,284	101,297	99,146	105,190
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,004,029	\$ 11,560,387	\$ 10,616,063	\$ 9,931,052	\$ 9,720,207	\$ 10,312,761
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*See accompanying Independent Auditor's Report.*

## Other Supplementary Information

---

# Weld County School District RE-1

## Budgetary Comparison Schedule

### Capital Projects Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Cash in lieu of land dedication	\$ -	\$ -	\$ 52,193	\$ 52,193
Other revenue	50,000	50,000	405,444	355,444
Earnings on investments	100,500	100,500	168,275	67,775
Reserves and contingencies	14,600,000	14,600,000	-	(14,600,000)
<b>Total revenues</b>	<b>14,750,500</b>	<b>14,750,500</b>	<b>625,912</b>	<b>(14,124,588)</b>
<b>Expenditures</b>				
Maintenance and operations	2,950,000	2,950,000	772,922	2,177,078
Capital outlay	21,950,000	21,950,000	11,958,251	9,991,749
<b>Total expenditures</b>	<b>24,900,000</b>	<b>24,900,000</b>	<b>12,731,173</b>	<b>12,168,827</b>
Deficiency of revenues over expenditures	(10,149,500)	(10,149,500)	(12,105,261)	(1,955,761)
<b>Other financing sources</b>				
Transfer in	1,100,000	1,100,000	1,100,000	-
<b>Total other financing sources</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>-</b>
<b>Change in fund balance</b>	<b>\$ (9,049,500)</b>	<b>\$ (9,049,500)</b>	<b>(11,005,261)</b>	<b>\$ (1,955,761)</b>
<b>Fund balance at beginning of year</b>			<u>14,617,969</u>	
<b>Fund balance at end of year</b>			<u>\$ 3,612,708</u>	

*See accompanying Independent Auditor's Report.*

# Weld County School District RE-1

## Budgetary Comparison Schedule

### Bond Redemption Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 6,015,000	\$ 6,015,000	\$ 4,316,241	\$ (1,698,759)
Reserves and contingencies	5,039,941	5,039,941	-	(5,039,941)
<b>Total revenues</b>	<b>11,054,941</b>	<b>11,054,941</b>	<b>4,316,241</b>	<b>(6,738,700)</b>
<b>Expenditures</b>				
Debt service	5,665,350	5,665,350	5,654,259	11,091
<b>Total expenditures</b>	<b>5,665,350</b>	<b>5,665,350</b>	<b>5,654,259</b>	<b>11,091</b>
<b>Change in fund balance</b>	<b>\$ 5,389,591</b>	<b>\$ 5,389,591</b>	<b>(1,338,018)</b>	<b>\$ (6,727,609)</b>
<b>Fund balance at beginning of year</b>			<u>5,261,265</u>	
<b>Fund balance at end of year</b>			<u>\$ 3,923,247</u>	

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-1**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Food Service Fund	Student Activity Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 86,950	\$ 432,908	\$ 519,858
Grants receivable	162	-	162
Inventories	14,918	-	14,918
<b>Total assets</b>	<b>\$ 102,030</b>	<b>\$ 432,908</b>	<b>\$ 534,938</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 376	\$ -	\$ 376
Accrued salaries and benefits	31,108	-	31,108
Due to other funds	7,303	-	7,303
Unearned revenue	14,537	-	14,537
<b>Total liabilities</b>	<b>53,324</b>	<b>-</b>	<b>53,324</b>
<b>Fund balances</b>			
Nonspendable	14,918	-	14,918
Assigned	33,788	432,908	466,696
<b>Total fund balances</b>	<b>48,706</b>	<b>432,908</b>	<b>481,614</b>
<b>Total liabilities and fund balances</b>	<b>\$ 102,030</b>	<b>\$ 432,908</b>	<b>\$ 534,938</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-1**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2020**

	Food Service Fund	Student Activity Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Local	\$ -	\$ 519,679	\$ 519,679
State	13,233	-	13,233
Federal	427,626	-	427,626
Charges for services	115,055	-	115,055
Other revenues	129	-	129
<b>Total revenues</b>	<b>556,043</b>	<b>519,679</b>	<b>1,075,722</b>
<b>Expenditures</b>			
Current			
Instruction	-	486,342	486,342
Food service operations	758,562	-	758,562
Capital outlay	4,319	-	4,319
<b>Total expenditures</b>	<b>762,881</b>	<b>486,342</b>	<b>1,249,223</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(206,838)</b>	<b>33,337</b>	<b>(173,501)</b>
<b>Other financing sources</b>			
Transfers in	180,000	-	180,000
<b>Total other financing sources</b>	<b>180,000</b>	<b>-</b>	<b>180,000</b>
<b>Net change in fund balances</b>	<b>(26,838)</b>	<b>33,337</b>	<b>6,499</b>
<b>Fund balances at beginning of year</b>	<b>75,544</b>	<b>-</b>	<b>75,544</b>
<b>Cumulative effect of a change in accounting principle (see Note 2)</b>	<b>-</b>	<b>399,571</b>	<b>399,571</b>
<b>Fund balances at end of year</b>	<b>\$ 48,706</b>	<b>\$ 432,908</b>	<b>\$ 481,614</b>

*See accompanying Independent Auditor's Report.*

# Weld County School District RE-1

## Budgetary Comparison Schedule

### Food Service Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Food sales	\$ 148,400	\$ 148,400	\$ 115,055	\$ (33,345)
USDA reimbursements	505,000	505,000	380,507	(124,493)
Donated commodities	60,000	60,000	47,119	(12,881)
State reimbursement	14,000	14,000	13,233	(767)
Other revenues	10,375	10,375	129	(10,246)
<b>Total revenues</b>	<b>737,775</b>	<b>737,775</b>	<b>556,043</b>	<b>(181,732)</b>
<b>Expenditures</b>				
Salaries and benefits	401,672	401,672	446,828	(45,156)
Supplies and materials	408,603	408,603	311,734	96,869
Capital outlay	27,500	27,500	4,319	23,181
<b>Total expenditures</b>	<b>837,775</b>	<b>837,775</b>	<b>762,881</b>	<b>74,894</b>
Deficiency of revenues over expenditures	(100,000)	(100,000)	(206,838)	(106,838)
<b>Other financing sources</b>				
Transfer in	100,000	100,000	180,000	80,000
<b>Total other financing sources</b>	<b>100,000</b>	<b>100,000</b>	<b>180,000</b>	<b>80,000</b>
<b>Change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(26,838)</b>	<b>\$ (26,838)</b>
<b>Fund balance at beginning of year</b>			<b>75,544</b>	
<b>Fund balance at end of year</b>			<b>\$ 48,706</b>	

*See accompanying Independent Auditor's Report.*

# Weld County School District RE-1

## Budgetary Comparison Schedule

### Student Activity Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 700,000	\$ 700,000	\$ 519,679	\$ (180,321)
Reserves and contingencies	407,861	407,861	-	(407,861)
Total revenues	1,107,861	1,107,861	519,679	(588,182)
<b>Expenditures</b>				
Instruction	1,107,861	1,107,861	486,342	621,519
Total expenditures	1,107,861	1,107,861	486,342	621,519
<b>Change in fund balance</b>	\$ -	\$ -	33,337	\$ 33,337
Fund balance at beginning of year			399,571	
Fund balance at end of year			\$ 432,908	

*See accompanying Independent Auditor's Report.*



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3080 - Weld County RE-1  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	12,571,108		21,687,900	22,383,561		11,875,447
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>12,571,108</b>		<b>21,687,900</b>	<b>22,383,561</b>		<b>11,875,447</b>
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	75,544		736,046	762,885		48,705
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	399,570		519,678	486,339		432,909
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	5,261,265		4,316,242	5,654,259		3,923,248
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	16,081,428		1,725,912	14,194,632		3,612,708
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>34,388,916</b>		<b>28,985,777</b>	<b>43,481,676</b>		<b>19,893,016</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

FINAL

## Statistical Section

---

**Weld County School District RE-1**  
**Schedule of Expenditures by Function and Revenues by Source**  
**Ten Fiscal Years Ended**

June 30,	2020	2019	2018	2017	2016
<b>General government expenditures by function</b>					
Instruction	\$ 12,661,198	\$11,964,989	\$ 11,145,745	\$ 10,881,006	\$ 10,582,739
Supporting services:					
Pupil and instructional	3,019,291	3,094,867	2,430,521	2,395,456	2,195,334
General administration	699,837	781,684	682,156	569,441	578,427
School administration	1,323,361	1,285,016	1,238,212	1,217,497	1,160,266
Maintenance and operations	3,648,682	2,370,270	2,311,846	2,415,083	2,220,415
Pupil transportation	683,259	758,760	789,371	715,464	694,125
Business services	433,555	304,071	314,615	268,361	238,868
Central supporting services	897,096	747,342	526,045	495,067	462,635
Community services and other	33,093	16,670	78,067	95,696	120,236
Food service operations	758,562	759,990	736,575	779,814	780,310
Debt service:					
Principal	3,055,000	3,009,426	2,930,543	142,831	186,045
Interest	2,599,259	2,721,353	2,832,643	1,305,383	6,655
Bond issuance costs	-	-	-	484,243	-
Capital projects:					
Capital outlay	464,289	471,477	-	147,093	-
Land and improvements	-	-	-	-	11,844
Construction in progress	11,946,652	33,369,032	19,264,106	1,950,846	-
Buildings	-	-	882,222	555,509	468,473
Equipment and vehicles	27,925	239,782	340,420	418,347	513,536
<b>Total expenditures</b>	<b>\$ 42,251,059</b>	<b>\$ 61,894,729</b>	<b>\$ 46,503,087</b>	<b>\$ 24,837,137</b>	<b>\$ 20,219,908</b>
<b>General government revenues by source</b>					
General property taxes	\$ 17,463,610	\$ 20,349,756	\$ 20,338,443	\$ 15,572,565	\$ 14,321,061
Specific ownership taxes	1,257,002	1,481,398	1,376,733	1,050,702	626,242
Interest on delinquent taxes	474	6,671	23,674	4,904	759
Earnings on investments	153,728	170,774	52,011	10,619	2,789
Other local sources	1,106,918	1,385,639	2,114,910	1,761,223	1,595,216
Federal grants	949,600	848,519	408,706	379,650	468,262
State sources	8,066,641	8,943,969	7,835,236	8,160,125	3,885,268
Proceeds from bond issuance	-	-	-	59,405,000	-
Bond premium	-	-	-	8,086,358	-
<b>Total revenues</b>	<b>\$ 28,997,973</b>	<b>\$ 33,186,726</b>	<b>\$ 32,149,713</b>	<b>\$ 94,431,146</b>	<b>\$ 20,899,597</b>

\* Food services were reported as an enterprise fund until the fiscal year ended June 30, 2015.

2015*	2014	2013	2012	2011	2010
\$ 10,198,793	\$ 9,550,335	\$ 9,179,601	\$ 8,414,847	\$ 9,125,799	\$ 10,051,949
2,035,728	1,925,705	1,592,348	1,557,628	1,706,668	2,102,266
599,386	588,225	601,192	404,920	438,296	410,135
1,093,570	988,510	833,349	855,690	802,600	863,707
2,275,922	1,670,700	1,661,077	1,777,490	1,690,193	155,113
699,470	633,935	657,656	649,367	670,936	1,724,666
261,394	246,819	207,369	188,985	176,656	670,908
474,011	503,963	436,940	468,162	431,420	405,894
15,962	10,512	14,316	38,519	50,121	31,210
781,781	-	-	-	-	-
152,076	152,559	152,313	166,715	200,944	161,069
6,911	7,363	7,512	8,261	10,006	9,997
-	-	-	-	-	-
-	-	-	-	-	-
149,249	-	10,000	-	-	-
-	-	-	-	-	-
768,324	1,670,682	389,121	-	-	-
637,084	405,613	208,834	151,568	217,683	257,799
\$ 20,149,661	\$ 18,354,921	\$ 15,951,628	\$ 14,682,152	\$ 15,521,322	\$ 16,844,713
\$ 11,834,202	\$ 10,694,043	\$ 10,726,243	\$ 7,862,912	\$ 6,257,717	\$ 8,494,941
830,198	866,865	649,592	518,976	430,421	511,550
1,882	2,537	2,008	1,719	1,295	3,512
756	804	2,772	2,873	3,970	1,078
1,777,157	1,229,105	180,908	361,553	394,163	257,004
424,612	601,687	578,434	595,868	1,182,114	897,340
4,404,100	4,962,192	4,939,233	6,217,606	8,293,861	6,722,538
-	-	-	-	-	-
-	-	-	-	-	-
\$ 19,272,907	\$ 18,357,233	\$ 17,079,190	\$ 15,561,507	\$ 16,563,541	\$ 16,887,963

**Weld County School District RE-1**  
**Schedule of Statistical Data**  
**Ten Fiscal Years Ended**

June 30,	2020	2019	2018	2017
Estimated value of taxable property	\$ 3,705,120,723	\$ 2,894,727,869	\$ 2,901,182,839	\$ 2,411,815,058
Assessed valuation	\$ 1,403,443,856	\$ 1,047,787,447	\$ 1,059,267,343	\$ 920,507,235
Mill levy by fund				
General fund	9.501	9.936	9.891	10.444
Bond redemption fund	4.271	5.721	5.659	6.512
Total district mill levy	13.772	15.657	15.550	16.956
Mill levy including overlapping				
Governments - by population center				
Gilcrest	74.221	84.707	84.052	82.311
LaSalle	85.469	73.625	76.369	74.025
Platteville	74.195	73.433	68.618	69.110
General property tax revenue - net				
General fund	18,874,832	13,807,327	14,386,170	9,614,190
Bond redemption fund	5,981,685	5,795,093	5,975,947	5,943,876
Total general property tax revenue - net	\$ 24,856,517	\$ 19,602,420	\$ 20,362,117	\$ 15,558,066
State equalization entitlement	\$ 6,941,710	\$ 7,817,957	\$ 7,077,618	\$ 7,626,650
Legal debt margin - end of year	\$ 280,688,771	\$ 209,557,489	\$ 211,853,469	\$ 184,121,124

2016	2015	2014	2013	2012	2011
\$ 3,073,623,314	\$ 2,670,289,691	\$ 2,295,051,264	\$ 2,222,955,571	\$ 1,832,950,253	\$ 1,031,556,600
\$ 1,550,245,510	\$ 1,371,573,470	\$ 1,096,631,446	\$ 1,101,343,912	\$ 905,404,150	\$ 661,409,550
9.163	9.069	9.760	9.745	8.683	9.393
-	-	-	-	-	-
9.163	9.069	9.760	9.745	8.683	9.393
73.856	73.904	74.414	72.527	72.316	69.221
64.211	67.080	65.281	65.281	70.056	68.284
60.931	60.703	56.063	57.951	55.044	56.119
14,321,829	\$ 11,836,084	\$ 11,909,325	\$ 10,765,243	\$ 7,862,912	\$ 6,257,717
-	-	-	-	-	-
\$ 14,321,829	\$ 11,836,084	\$ 11,909,325	\$ 10,765,243	\$ 6,257,717	\$ 8,494,941
\$ 3,402,418	\$ 3,982,261	\$ 4,677,482	\$ 4,553,829	\$ 5,713,892	\$ 7,715,385
\$ 310,049,102	\$ 274,314,694	\$ 219,326,289	\$ 181,080,830	\$ 132,281,910	\$ 206,311,320

*See accompanying Independent Auditor's Report.*