

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
WELDONA, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended  
June 30, 2016**



**RECEIVED**

*By Justin L. Smith at 2:43 pm, Jan 04, 2017*

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
WELDONA, COLORADO**

**ROSTER OF SCHOOL OFFICIALS**

**JUNE 30, 2016**

**BOARD OF EDUCATION**

Mike Linton – President

Tracy Parachini – Vice President

Karl Cline – Secretary

Chad Lorenzini – Treasurer

Zoey Loomis – Member

**ADMINISTRATION**

Doug Pfau – Superintendent

Stacey Garrett – Business Manager

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## **FINANCIAL SECTION**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Required Supplementary Information - Unaudited)

## **WELDON VALLEY SCHOOL DISTRICT RE-20J MANAGEMENT DISCUSSION AND ANALYSIS**

The discussion and analysis of Weldon Valley School District RE-20J's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

### **Financial Highlights - Financial Statements as of June 30, 2016**

- The assets of the District exceed its liabilities at the close of June 30, 2016 by \$4,481,627 (net position) as reported in the government wide financial statements.
- The District's outstanding debt from General Obligation Bonds totaled \$525,000
- Program revenues of \$396,631 offset expenses from governmental activities of \$3,014,743 General revenues from property taxes and state equalization amounted to \$2,625,903
- At the close of June 30, 2016, the District reported \$2,207,088 combined fund balances for the Governmental Funds, an increase of \$239,790.
- The General Fund ending fund balance was \$1,872,239, an increase of \$238,613 from the prior year.

### **Overview of the Financial Statements**

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise of three components: 1) government wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the District's net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Both of the government-wide financial statements distinguish functions of the District that are supported by taxes from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the District include the General Fund, Debt Service Fund, Building Fund and Special Revenue Funds.

The government-wide financial statements can be found on pages 3 - 4 of this report.

*Fund financial statements.* A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds, and fiduciary funds.

## **WELDON VALLEY SCHOOL DISTRICT RE-20J MANAGEMENT DISCUSSION AND ANALYSIS**

*Governmental funds.* Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the District's near-term financing requirements. The annual budget is provided on the basis of the governmental fund financial statements.

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

The District maintains five individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Reserve Projects Fund because they are major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining and individual statements in supplementary schedules with this report.

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

*Fiduciary funds* Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Weldon Valley School District No. RE-20J's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the basic financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other information.* The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented after the notes to the financial statements. A budget comparison is provided for each non-major fund. The additional schedule required as part of the Colorado Public School Finance Act can also be found after the notes to the financial statements.

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
MANAGEMENT DISCUSSION AND ANALYSIS**

**Government-Wide Financial Analysis**

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and other assets are current assets. These assets are available to provide resources for the near-term operations of the District. A good portion of the current assets are the result of the property tax collection process; the District received about 65% of the annual property tax assessment between April and June.

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and unearned revenues. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2016.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$4,481,627 at the close of the most recent fiscal year.

**TABLE 1 - CONDENSED STATEMENT OF NET POSITION**

	<b>Governmental Activities</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
Current Assets	\$ 2,380,673	\$ 2,079,608
Non Current Assets	7,082,639	7,281,245
Deferred Outflow of Financial resources	<u>593,208</u>	<u>221,456</u>
<b>Total Assets</b>	<b><u>10,056,520</u></b>	<b><u>9,582,309</u></b>
Current Liabilities	169,465	111,227
Non Current Liabilities	<u>5,116,080</u>	<u>4,861,153</u>
<b>Total Liabilities</b>	<b><u>5,285,545</u></b>	<b><u>4,972,380</u></b>
Deferred Inflows of Financial Resources	<u>289,348</u>	<u>167,552</u>
Net Investment in Capital Assets	6,549,319	6,684,819
Restricted Net Position	369,492	438,490
Unrestricted Net Position	<u>(2,437,184)</u>	<u>(2,680,932)</u>
<b>Total Net Position (Deficit)</b>	<b><u>\$ 4,481,627</u></b>	<b><u>\$ 4,442,377</u></b>

The District's reported assets consist of current assets of \$2,380,673 and capital assets of \$7,082,639. The ratio of Current Assets to Current Liabilities of 18.7 to 1 indicates the District's ability to meet current obligations.

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
MANAGEMENT DISCUSSION AND ANALYSIS**

*Governmental activities.* Governmental activities increased the District's net position in 2016 by \$39,250 and 2015 decrease by \$71,018 .

	<b>Governmental Activities</b>	
	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Program Revenues:</b>		
Charges for Services	\$ 186,927	\$ 170,741
Operating Grants	209,704	149,587
Capital Grants	-	4,726
Total Program Revenues	<u>396,631</u>	<u>325,054</u>
<b>General Revenues:</b>		
Taxes	618,351	580,269
State Equalization	2,007,552	1,930,766
Investment Income	5,076	1,943
Miscellaneous	<u>26,383</u>	<u>35,446</u>
Total General Revenues	<u>2,657,362</u>	<u>2,548,424</u>
<b>Total Revenues</b>	<u><b>3,053,993</b></u>	<u><b>2,873,478</b></u>
<b>Expenses</b>		
Instruction	1,770,518	1,689,491
Supporting Services	1,229,025	1,247,120
Debt Service Interest	<u>15,200</u>	<u>7,885</u>
<b>Total Expenses</b>	<u><b>3,014,743</b></u>	<u><b>2,944,496</b></u>
<b>Change in Net Position</b>	39,250	(71,018)
<b>Net Position - Beginning</b>	<u>4,442,377</u>	<u>4,513,395</u>
<b>Net Position - Ending</b>	<u><b>\$ 4,481,627</b></u>	<u><b>\$ 4,442,377</b></u>

**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,207,088 increase of \$239,790.

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
MANAGEMENT DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights**

The District is required to adopt a budget by June 30 for the following fiscal year. The Board of Education may make final changes to the previously adopted budget by January 31.

**Capital Asset and Debt Administration**

*Capital assets.* The District's investment in capital assets for governmental activities as of June 30, 2016 amounts to 7,082,639 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, office, food service and instructional equipment.

	<b>Balance July 1 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30 2016</b>
<b>Governmental Activities:</b>				
Capital Assets not depreciated:				
Land and Sites	\$ 2,500	\$ -	\$ -	\$ 2,500
Capital Assets being depreciated:				
Buildings and Improvements	8,853,329	-	-	8,853,329
Transportation Equipment	519,322	43,249	-	562,571
Food Service Equipment	53,399	-	-	53,399
Equipment	369,867	-	-	369,867
Total Capital Assets being depreciated	<u>9,795,917</u>	<u>43,249</u>	<u>-</u>	<u>9,839,166</u>
Total Capital Assets	<u>9,798,417</u>	<u>43,249</u>	<u>-</u>	<u>9,841,666</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,818,228)	(215,500)	-	(2,033,728)
Transportation Equipment	(363,665)	(14,256)	-	(377,921)
Food Service Equipment	(50,729)	-	-	(50,729)
Equipment	(284,550)	(12,099)	-	(296,649)
Total Accumulated Depreciation	<u>(2,517,172)</u>	<u>(241,855)</u>	<u>-</u>	<u>(2,759,027)</u>
<b>Net Capital Assets</b>	<u>\$ 7,281,245</u>	<u>\$ (198,606)</u>	<u>\$ -</u>	<u>\$ 7,082,639</u>

**WELDON VALLEY SCHOOL DISTRICT RE-20J  
MANAGEMENT DISCUSSION AND ANALYSIS**

As of June 30, 2016, the District had outstanding \$5,056,080 long term obligations.

	<b>Restated Balance July 1, 2015</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance June 30, 2016</b>	<b>Current Portion</b>
G.O. Bonds - Series 2013	\$ 585,000	\$ -	\$ 60,000	\$ 525,000	\$ 60,000
Unamortized Premium	19,025	-	4,348	14,677	4,530
PERA Net Pension Liability	4,234,463	333,620	-	4,568,083	-
Early Retirement	11,239	-	11,239	-	-
Copier Lease	11,426	-	3,106	8,320	3,297
Total Long-term Debt	<u>\$ 4,861,153</u>	<u>\$ 333,620</u>	<u>\$ 78,693</u>	<u>\$ 5,116,080</u>	<u>\$ 67,827</u>
Charge on Refunding	<u>\$ (17,925)</u>	<u>\$ -</u>	<u>\$ 4,097</u>	<u>\$ (13,828)</u>	<u>\$ 4,268</u>

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

The District is expecting increase of 3.4 percent for salaries and the District had outstanding \$5,116,080 long term obligations. The District will be required to spend approximately \$135,000 on technology updates including updated phone and intercom system. We also anticipate purchase of kitchen equipment of approximately \$45,000, transportation equipment of \$80,000 and \$15,000 for a practice field for football.

**Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of Morgan County School District RE-20J's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 911 North Avenue, Weldona, Colorado 80653.

# Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Education  
Weldon Valley School District RE-20J  
Weldona, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weldon Valley School District RE-20J, Colorado, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weldon Valley School District RE-20J, Colorado, as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Weldon Valley School District RE-20J's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules - Unaudited***

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 30-31 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.

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 32-36 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. In addition, the combining and individual fund schedules on pages 37-42 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 43-46 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, CO  
December 5, 2016

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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2016.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Statement of Net Position**  
**June 30, 2016**

	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 2,252,702
Cash with Fiscal Agent	9,445
Taxes Receivable	34,900
Grants Receivable	11,660
Other Accounts Receivable	2,731
Inventory	1,961
Prepaid Expenses	<u>67,275</u>
<b>Total Current Assets</b>	<u>2,380,673</u>
<b>Noncurrent Assets</b>	
Capital Assets, not being depreciated	2,500
Capital Assets, being depreciated	<u>7,080,139</u>
<b>Total Noncurrent Assets</b>	<u>7,082,639</u>
<b>TOTAL ASSETS</b>	<u>9,463,312</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
Deferred Charge on Refunding	13,828
Contributions Subsequent to Measurement Date	130,642
Difference Between Actual and Expected Experience - net	60,322
Difference Between Projected and Actual Returns on Pension Plan Investments - net	<u>388,416</u>
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>593,208</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 10,056,520</u>
<b>LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 64,168
Accrued Salaries & Benefits	<u>105,297</u>
<b>Total Current Liabilities</b>	<u>169,465</u>
<b>Noncurrent Liabilities</b>	
Due Within One Year	78,693
Due In More Than One Year	<u>5,037,387</u>
<b>Total Noncurrent Liabilities</b>	<u>5,116,080</u>
<b>TOTAL LIABILITIES</b>	<u>5,285,545</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Deferred Inflows Other	4,120
Difference Between Projected and Actual Pension Plan Experience - net	190
Changes of Assumptions - net	64,555
Change in Proportionate Share of Net Pension Liability - net	<u>220,483</u>
<b>TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	<u>289,348</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,549,319
Restricted Net Position	369,492
Unrestricted Net Position	<u>(2,437,184)</u>
<b>Total Net Position</b>	<u>4,481,627</u>
<b>TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 10,056,520</u>

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



**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<u>General Fund</u>	<u>Special Revenue Food Service Fund</u>	<u>Debt Service Bond Redemption Fund</u>	<u>Capital Projects Capital Reserve Project Fund</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,954,375	\$ 23,800	\$ 153,464	\$ 33,100
Cash with Fiscal Agent	8,631	-	814	-
Taxes Receivable	30,263	-	4,637	-
Interfund Accounts Receivable	4,244	-	-	-
Grants Receivable	7,692	3,968	-	-
Other Accounts Receivable	1,488	1,242	-	-
Inventory	-	1,961	-	-
Prepaid Expenses	-	-	67,275	-
<b>TOTAL ASSETS</b>	<u>\$ 2,006,693</u>	<u>\$ 30,971</u>	<u>\$ 226,190</u>	<u>\$ 33,100</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Accounts Payable	\$ -	\$ 4,244	\$ -	\$ -
Accounts Payable	34,648	36	-	29,484
Accrued Salaries & Benefits	99,806	5,491	-	-
<b>Total Liabilities</b>	<u>134,454</u>	<u>9,771</u>	<u>-</u>	<u>29,484</u>
<b>Deferred Inflows of Financial Resources</b>				
Deferred Inflows	-	3,007	1,113	-
<b>Fund Balance</b>				
Nonspendable Fund Balance	-	1,961	67,275	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	157,802	-
Restricted for TABOR Emergencies	82,000	-	-	-
Restricted for Colorado Preschool Program	129,690	-	-	-
Committed Fund Balance				
Committed for Insurance Expenditures	25,936	-	-	-
Assigned Fund Balance				
Assigned for Fund Activities	-	16,232	-	3,616
Unassigned Fund Balance (Deficit)	1,634,613	-	-	-
<b>Total Fund Balance</b>	<u>1,872,239</u>	<u>18,193</u>	<u>225,077</u>	<u>3,616</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 2,006,693</u>	<u>\$ 30,971</u>	<u>\$ 226,190</u>	<u>\$ 33,100</u>

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

Other Governmental Funds	Totals	
	2016	2015
\$ 87,963	\$ 2,252,702	\$ 2,026,018
-	9,445	7,124
-	34,900	31,429
-	4,244	4,244
-	11,660	8,567
-	2,730	3,036
-	1,961	3,434
-	67,275	-
<u>\$ 87,963</u>	<u>\$ 2,384,917</u>	<u>\$ 2,083,852</u>
\$ -	\$ 4,244	\$ 4,244
-	64,168	14,557
-	105,297	94,474
-	173,709	113,275
-	4,120	3,279
-	69,236	3,434
-	157,802	224,865
-	82,000	82,000
-	129,690	131,625
-	25,936	20,911
87,963	107,811	105,373
-	1,634,613	1,399,090
<u>87,963</u>	<u>2,207,088</u>	<u>1,967,298</u>
<u>\$ 87,963</u>	<u>\$ 2,384,917</u>	<u>\$ 2,083,852</u>

**INTENTIONALLY LEFT BLANK**

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2016**

Fund Balance - Governmental Funds	\$	2,207,088
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$	2,500
Capital assets, being depreciated		9,839,166
Accumulated depreciation		<u>(2,759,027)</u>
		7,082,639
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Deferred charge (gain) on refunding		13,828
Bond premiums, net		<u>(14,677)</u>
		(849)
Certain long-term pension related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date		130,642
Difference between actual and expected experience		83,171
Amortization of experience difference		(22,849)
Difference between projected and actual investment returns on the pension plan		514,611
Amortization of investment return difference		(126,195)
Net pension liability		(4,568,083)
Difference between projected and actual pension plan experience		(414)
Amortization of pension plan experience difference		224
Changes of assumptions		(89,008)
Amortization of change in assumptions		24,453
Change in District's proportionate share of net pension liability		(374,527)
Amortization of change in proportion		<u>154,044</u>
		(4,273,931)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds		
Bonds payable		(525,000)
Capital leases payable		<u>(8,320)</u>
		(533,320)
Total Net Position - Governmental Activities	\$	<u><u>4,481,627</u></u>

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

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
		<u>Food Service Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Project Fund</u>
<b>REVENUES</b>				
Local Sources	\$ 615,134	\$ 26,390	\$ 75,362	\$ -
Intermediate Sources	452	-	-	-
State Sources	2,133,256	937	-	-
Federal Sources	41,630	40,979	-	-
<b>TOTAL REVENUES</b>	<u>2,790,472</u>	<u>68,306</u>	<u>75,362</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	1,454,726	-	-	-
Pupil Support	82,712	-	-	-
Staff Support	34,827	-	-	-
General Administration	132,158	-	300	-
School Administration	150,337	-	-	-
Business Services	57,229	-	-	-
Operations and Maintenance	321,026	-	-	-
Transportation	95,739	-	-	43,249
Other Central Support	2,321	-	-	-
Risk Management	3,734	-	-	-
Food Service	-	113,811	-	-
Community Support	30,343	-	-	-
Facilities	-	-	-	75,497
Debt Service	3,707	-	74,850	-
<b>TOTAL EXPENDITURES</b>	<u>2,368,859</u>	<u>113,811</u>	<u>75,150</u>	<u>118,746</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>421,613</u>	<u>(45,505)</u>	<u>212</u>	<u>(118,746)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	-	-	-
Transfer In (Out) - net	(183,000)	55,000	-	108,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(183,000)</u>	<u>55,000</u>	<u>-</u>	<u>108,000</u>
<b>CHANGE IN FUND BALANCE</b>	<u>238,613</u>	<u>9,495</u>	<u>212</u>	<u>(10,746)</u>
<b>BEGINNING FUND BALANCE</b>	<u>1,633,626</u>	<u>8,698</u>	<u>224,865</u>	<u>14,362</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,872,239</u>	<u>\$ 18,193</u>	<u>\$ 225,077</u>	<u>\$ 3,616</u>

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

Other Governmental Funds	Totals	
	2016	2015
\$ 119,853	\$ 836,739	\$ 788,399
-	452	5,221
-	2,134,193	1,997,991
-	82,609	81,867
<u>119,853</u>	<u>3,053,993</u>	<u>2,873,478</u>
137,637	1,592,363	1,479,841
-	82,712	68,801
-	34,827	32,707
-	132,458	115,392
-	150,337	149,541
-	57,229	54,865
-	321,026	323,810
-	138,988	117,073
-	2,321	115
-	3,734	3,643
-	113,811	115,683
-	30,343	39,007
-	75,497	87,295
-	78,557	9,737
<u>137,637</u>	<u>2,814,203</u>	<u>2,597,510</u>
<u>(17,784)</u>	<u>239,790</u>	<u>275,968</u>
-	-	13,153
<u>20,000</u>	-	-
<u>20,000</u>	-	<u>13,153</u>
2,216	239,790	289,121
<u>85,747</u>	<u>1,967,298</u>	<u>1,678,177</u>
<u>\$ 87,963</u>	<u>\$ 2,207,088</u>	<u>\$ 1,967,298</u>

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2016**

Change in Fund Balance - Governmental Funds	\$	239,790
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	\$	43,249
Depreciation Expense		<u>(241,855)</u>
		(198,606)
Pension expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to measurement date		14,802
Change in the difference between actual and expected experience		83,171
Change in the amortization of experience difference		(22,849)
Current year projected to actual investment return difference		417,176
Current year amortization of overall investment return differences		(116,451)
Change in net pension liability		(333,620)
Current year projected to actual pension plan experience difference		(98)
Current year amortization of overall pension plan experience differences		181
Change in the changes of assumptions		(89,008)
Change in the amortization of change in assumptions		24,453
Current year change in proportionate share of cost-sharing plan liability		(182,089)
Current year amortization of overall proportionate share differences		<u>127,802</u>
		(76,530)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on bonds payable		60,000
Principal payments on capital leases		3,106
Amortization of charge on refundings		(4,097)
Amortization of premiums and discounts		4,348
Change in early retirement incentive		<u>11,239</u>
		<u>74,596</u>
Change in Net Position - Governmental Activities	\$	<u><u>39,250</u></u>

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

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Cafeteria Agency Fund**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<b>Totals</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash and Investments	\$ 1,194	\$ 2,568
<b>NET POSITION</b>		
Restricted Net Position	\$ 1,194	\$ 2,568

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

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Weldon Valley School District RE-20J (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

**Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

**Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

**Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following major governmental funds:

General Fund – This 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.

Debt Service (Bond Redemption) Fund – This fund is used to account for the repayment of the District's general obligation indebtedness.

The District reports the following nonmajor governmental funds:

Special Revenue Funds (Food Service and Student Activity Funds) – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

Capital Projects Funds (Capital Reserve Project Fund): These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

Agency Fund (Cafeteria Agency Fund) – This fund is used to account for assets held in trust by the District for District employee benefits provided under Internal Revenue Code Section 125. This fund is custodial and does not measure the results of operations.

**Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements**

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

**Governmental Fund Financial Statements**

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus and Basis of Accounting** (Continued)

Governmental Fund Financial Statements (Continued)

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**

**Cash and Investments** - Cash is kept in interest bearing accounts which are comprised of checking accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Investments are recorded at fair value.

**Cash and Cash Equivalents** - The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Receivables** - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Inventory** - Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

**Capital Assets** - Capital assets used in governmental activities operations are shown on the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10-40 years
Vehicles	5-15 years
Other Equipment	15 years

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

**Vacation, Sick Leave, and Other Compensated Absences** - District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. Vacation can be carried over upon the superintendent's approval.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position reports 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 so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category, a deferred charge related to bond refinancing and amounts related to outstanding pension obligations and further described in Note 10.

In addition to liabilities, the statement of financial position reports 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 so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for property taxes as described below and pension related deferrals as further described in Note 10.

**Net Position/Fund Balance** - In the government-wide financial statements net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

**Net Position/Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Revenues and Expenditures/Expenses**

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

**Property Tax Revenues** - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer in accordance with the State of Colorado's funding formula. Amounts collected beyond 60 days subsequent to the end of the fiscal year are shown as deferred revenues (outflows) in the Bond Redemption and governmental activities. Uncollected property taxes levied in 2015 for collection in 2016 are identified as property taxes receivable at June 30.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2: CASH AND INVESTMENTS**

The following is a reconciliation of cash on the statement of net position to the summary of cash and investments shown below:

Cash deposits	\$ 906,049
Investments	1,347,668
Cash on hand	<u>200</u>
Total Cash and Investments	<u><u>\$2,253,917</u></u>

These balances are allocated as follows in the financial statements:

Govt Act - Unrestricted	\$2,252,723
Fiduciary	<u>1,194</u>
Total Cash and Investments	<u><u>\$2,253,917</u></u>

The District has restricted a portion of its cash and investment balances as shown above.

**DEPOSITS**

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2016, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2016, the District's deposits had bank and carrying values as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 597,159	\$ 597,159
PDPA collateralized *	<u>325,821</u>	<u>308,890</u>
Total deposits	<u><u>\$ 922,980</u></u>	<u><u>\$ 906,049</u></u>

\* - Not in District's Name

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**INVESTMENTS**

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

A summary of the District's investments is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<b>Weighted Average Maturity (in Years)</b>	<b>Rating</b>
Investment Pools	\$ -	\$ 1,347,668	\$ -	\$ 1,347,668	-	AAAm

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- Investment Pools: Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended June 30, 2016, the District invested funds in Colostrust and CSAFE. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**INVESTMENTS** (Continued)

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2016, the District did not have any investments requiring safekeeping.

**NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2016 of \$1,961, consisted of purchased and donated commodities amounting to \$36 and \$1,925, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 4: CAPITAL ASSETS**

Activity for capital assets which are capitalized by the District is summarized below:

	<b>Balance July 1 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30 2016</b>
<b>Governmental Activities:</b>				
Capital Assets not depreciated:				
Land and Sites	\$ 2,500	\$ -	\$ -	\$ 2,500
Capital Assets being depreciated:				
Buildings and Improvements	8,853,329	-	-	8,853,329
Transportation Equipment	519,322	43,249	-	562,571
Food Service Equipment	53,399	-	-	53,399
Equipment	369,867	-	-	369,867
Total Capital Assets being depreciated	<u>9,795,917</u>	<u>43,249</u>	<u>-</u>	<u>9,839,166</u>
Total Capital Assets	<u>9,798,417</u>	<u>43,249</u>	<u>-</u>	<u>9,841,666</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,818,228)	(215,500)	-	(2,033,728)
Transportation Equipment	(363,665)	(14,256)	-	(377,921)
Food Service Equipment	(50,729)	-	-	(50,729)
Equipment	(284,550)	(12,099)	-	(296,649)
Total Accumulated Depreciation	<u>(2,517,172)</u>	<u>(241,855)</u>	<u>-</u>	<u>(2,759,027)</u>
<b>Net Capital Assets</b>	<u>\$ 7,281,245</u>	<u>\$ (198,606)</u>	<u>\$ -</u>	<u>\$ 7,082,639</u>

Depreciation has been allocated to the governmental activities as follows for the statement of activities:

Instruction	\$ 140,779
Supporting Services	<u>101,076</u>
<b>Total Depreciation</b>	<u>\$ 241,855</u>

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2016, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2016, are as follows:

General Fund	\$ 99,806
Food Service Fund	<u>5,491</u>
Total	<u><u>\$ 105,297</u></u>

**NOTE 6: LONG-TERM DEBT**

The District's long-term debt transactions for the year ended June 30, 2016, were as follows:

	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
G.O. Bonds - Series 2013	\$ 585,000	\$ -	\$ 60,000	\$ 525,000	\$ 60,000	\$ 14,850
Unamortized Premium	19,025	-	4,348	14,677	4,530	-
PERA Net Pension Liability	4,234,463	333,620	-	4,568,083	-	-
Early Retirement	11,239	-	11,239	-	-	-
Copier Lease	11,426	-	3,106	8,320	3,297	3,297
Total Long-term Debt	<u>\$ 4,861,153</u>	<u>\$ 333,620</u>	<u>\$ 78,693</u>	<u>\$5,116,080</u>	<u>\$ 67,827</u>	<u>\$ 18,147</u>
Charge on Refunding	<u>\$ (17,925)</u>	<u>\$ -</u>	<u>\$ 4,097</u>	<u>\$ (13,828)</u>	<u>\$ 4,268</u>	<u>\$ -</u>

**Capital Lease**

In November 2014, the District entered into a capital lease for the purchase of three copiers. The lease provides for 48 payments of \$309 per month beginning December 2014. Interest is at the rate of 6.0% per year. The value of the equipment recorded under this capital lease was \$13,153. The future minimum payments on the lease are as follows:

<u>Fiscal Year:</u>	<u>Total</u>
2017	3,707
2018	3,707
2019	<u>1,545</u>
Total Payments	8,959
Interest at 6.0%	<u>(639)</u>
Present Value of Payments	<u>\$ 8,320</u>

**2004 General Obligation Bonds**

In January, 2004, the District issued \$1,000,000 of general obligation bonds to finance the construction of additions to existing school buildings. The bonds were issued at a premium of \$38,251 with a final maturity of July 1, 2023. The bonds were secured by the District's full faith and credit, and all taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the bonds.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 6: LONG-TERM DEBT (Continued)**

**2004 General Obligation Bonds** (Continued)

The bonds require annual principal payments each year and semi-annual interest payments. These bonds were refunded upon the issuance of the 2013 bonds described below.

In November 2013, the District issued \$650,000 General Obligation Refunding Bonds to advance refund the outstanding 2004 bonds. The bonds are secured by the District's full faith and credit, and all taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the bonds. Bond principal payments are due annually on July 1 and interest payments are due semiannually on July 1 and January 1. The bonds bear interest starting at 1% and increase to 3%. These bonds are repaid through the Bond Redemption Fund.

In conjunction with the issuance of the 2004 and 2013 bonds, the District is required to provide an annual report each year; as well as, report certain material events, if they occur, to the national reporting website for bond issuances, EMMA, which is located at emma.msrb.org. For the fiscal year ended June 30, 2016, the District appears to be in compliance with these requirements.

**2013 Bond Premiums**

Upon the issuance of the 2013 general obligation bonds, the District recognized bond premiums of \$23,554. This premium will be amortized over the life of the bonds through December, 2019. The District recognized a net present value savings of \$38,065 on the refunding.

Annual debt service requirements for the bonds, and premium and charge amortization are as follows:

<u>Fiscal Year:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Premium Amort.</u>	<u>Charge Amort.</u>
2017	\$ 60,000	\$ 13,950	\$ 73,950	\$ 4,530	\$ (4,268)
2018	60,000	12,750	72,750	4,892	(4,609)
2019	60,000	11,250	71,250	5,255	(4,951)
2020	65,000	9,375	74,375	-	-
2021	65,000	7,425	72,425	-	-
2022-2024	215,000	9,675	224,675	-	-
Totals	<u>\$ 525,000</u>	<u>\$ 64,425</u>	<u>\$ 589,425</u>	<u>\$ 14,677</u>	<u>\$ (13,828)</u>

**NOTE 7: JOINTLY GOVERNED ORGANIZATION**

The District is a participant among fifteen Districts in a jointly governed organization to operate the Centennial Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2016, the District received federal and state funds through the BOCES of \$25,600, and paid \$49,892 in assessments. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2020 Clubhouse Drive, Greeley, CO 80634.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 8: INTERNAL ACTIVITY**

Interfund Payables and Receivables

The outstanding balances owed by the Food Service Fund to the General Fund in the amount of \$4,244 results from the negative cash balance in the Food Service Fund as of June 30, 2016. This negative cash balance will be monitored during fiscal year 2015 to determine if additional amounts will need to be transferred from the General Fund to recover this negative balance.

Interfund Transfers

Transfers are used to 1) move revenues from the fund that statute or budget requires for collection to the fund that statute or budget requires to expend or, 2) use unrestricted revenues collected in the General Fund in accordance with budgetary authorizations.

During the year ended June 30, 2016, routine transfers were made supporting fund operations as well as for the District's portion of facility improvements. Transfers were as follows:

<b><u>General Fund</u></b>	
Transfer to Student Activity Fund	\$ (20,000)
Transfer to Food Service Fund	(55,000)
Transfer to Capital Reserve Projects Fund	(108,000)
<b><u>Student Activity Fund</u></b>	
Transfer from General Fund	20,000
<b><u>Capital Reserve Projects Fund</u></b>	
Transfer from General Fund	108,000
<b><u>Food Service Fund</u></b>	
Transfer from General Fund	55,000
Net Transfers	\$ -

**NOTE 9: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school 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 CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP 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 actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2016.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9: RISK MANAGEMENT** (Continued)

Property and Liability Coverage (Continued)

CSDSIP 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 readily determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension 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.

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the School Division Trust Fund (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 that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* 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

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula 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.* Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

January 1 <sup>st</sup> through December 31 <sup>st</sup>	2014 <sup>1</sup>	2015 <sup>1</sup>
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%
<b>Total employer contribution rate to the SCHDTF</b>	<b>16.43%</b>	<b>17.33%</b>

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$217,459 for the plan year ended December 31, 2015 and \$240,375 for the fiscal year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$4,568,083 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was .029868%, which was a decrease of .002884% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$454,038. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 60,322	\$ (190)
Changes of assumptions or other inputs	\$ -	\$ (64,555)
Net difference between projected and actual earnings on pension plan	\$ 388,415	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (220,483)
Contributions subsequent to the measurement date	\$ 130,642	\$ -
Total	\$ 579,379	\$ (285,228)

\$130,642 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, 2017. 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:	Fiscal Year Total
2017	\$ 828
2018	(14,808)
2019	(69,881)
2020	(79,648)
Total	\$ (163,509)

*Actuarial assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increase, including wage inflation	3.90-10.10%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using 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 analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Rate of Return</b>
U.S Equity - Large Cap	26.76%	5.00%
U.S Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

\* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and 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. Based on those assumptions, 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. 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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ (5,921,570)	\$ (4,568,083)	\$ (3,442,233)

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

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

*Plan Description* - The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District is required to contribute at a rate of 1.02% of covered salary from July 1, 2015 through June 30, 2016 for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. The District's contributions to HCTF for the years ending June 30, 2016, 2015, and 2014 were \$12,858, \$12,832, and \$13,245, respectively, equal to their required contributions for each year.

**NOTE 12: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2016 program members contributed \$7,097.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. 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.

TABOR Amendment – In November 1992, Colorado voters passed Article X, Section 20, (the TABOR Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. On November 4, 1997, voters within the District authorized the District to collect, retain and expend all revenues lawfully received in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$82,000 as required by the Amendment.

**NOTE 14: NET POSITION DEFICIT**

The Governmental Activities has an unrestricted net position deficit of \$2,437,184, primarily due to the PERA net pension liability of \$4,568,083, as further described in Note 10. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Pension Schedules Unaudited)**

**WELDON VALLEY SCHOOL DISTRICT RE-20J**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)  
PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension asset (liability)	0.029868%	0.031243%	0.032752%
District's proportionate share of the net pension asset (liability)	\$ (4,568,083)	\$ (4,234,463)	\$ (4,177,462)
District's covered-employee payroll	\$ 1,301,636	\$ 1,308,854	\$ 1,320,323
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.84%	64.07%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

WELDON VALLEY SCHOOL DISTRICT RE-20J

SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
Contractually required contributions	\$ 225,573	\$ 215,045	\$ 205,046
Actual contributions	<u>(225,573)</u>	<u>(215,045)</u>	<u>(205,046)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,301,636	\$ 1,308,854	\$ 1,320,323
Contributions as a percentage of covered-employee payroll	17.33%	16.43%	15.53%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
(Budgetary Comparison Schedules)

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016				
	Original	Final	Actual	Variance	2015
	Budget	Budget		with Final	Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 460,000	\$ 460,000	\$ 486,415	\$ 26,415	\$ 444,644
Specific Ownership Taxes	58,000	58,000	55,595	(2,405)	58,474
Delinquent Taxes	2,000	2,000	1,580	(420)	2,129
Investment Earnings	1,560	1,560	4,435	2,875	1,682
Community Service Revenue	17,000	17,000	16,749	(251)	12,219
Rent Revenue	19,000	19,000	21,700	2,700	20,101
Local BOCES Passthrough	-	-	2,275	2,275	-
Other Local	53,050	45,916	26,385	(19,531)	10,447
Total Local Sources	<u>610,610</u>	<u>603,476</u>	<u>615,134</u>	<u>11,658</u>	<u>549,696</u>
<b>Intermediate Sources</b>					
Mineral Leases	450	450	452	2	495
Impact Fee Revenue	300	300	-	(300)	3,997
Total Intermediate Sources	<u>750</u>	<u>750</u>	<u>452</u>	<u>(298)</u>	<u>4,492</u>
<b>State Sources</b>					
State Equalization	1,962,571	1,962,711	2,007,551	44,840	1,930,766
Transportation	32,000	32,000	31,583	(417)	35,868
State Grants from CDE					
State ELPA	-	-	1,062	1,062	2,013
Small Rural Schools Funding	-	-	57,635	57,635	-
Additional At- Risk	-	-	1,131	1,131	-
Read Act	-	-	7,124	7,124	4,766
State Grants from Other Agencies					
State Vocational Education	18,900	18,900	24,480	5,580	20,885
State Grants Provided through BOCES	2,500	2,500	2,690	190	2,690
Total State Sources	<u>2,015,971</u>	<u>2,016,111</u>	<u>2,133,256</u>	<u>117,145</u>	<u>1,996,988</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
NCLB Title VI, Part B - REAP/Rural Education	18,500	18,500	18,720	220	19,826
Federal Provided through BOCES	24,200	24,200	22,910	(1,290)	25,638
Total Federal Sources	<u>42,700</u>	<u>42,700</u>	<u>41,630</u>	<u>(1,070)</u>	<u>45,464</u>
<b>TOTAL REVENUES</b>	<u>2,670,031</u>	<u>2,663,037</u>	<u>2,790,472</u>	<u>127,435</u>	<u>2,596,640</u>

(Continued)

See the accompanying Independent Auditors' Report

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016			Variance with Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	995,799	960,699	889,902	70,797	847,775
Benefits	331,557	335,372	327,958	7,414	300,042
PS - Professional	94,050	91,550	72,159	19,391	73,722
PS - Property	1,000	1,000	1,151	(151)	1,060
PS - Other	69,840	69,810	63,171	6,639	59,844
Supplies	101,990	107,490	78,386	29,104	44,385
Property	27,060	27,200	9,111	18,089	19,328
Other Expenses	12,025	14,725	12,889	1,836	9,572
Total Instruction	<u>1,633,321</u>	<u>1,607,846</u>	<u>1,454,727</u>	<u>153,119</u>	<u>1,355,728</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	60,834	60,834	57,800	3,034	51,244
Benefits	24,385	24,385	23,265	1,120	16,264
PS - Professional	800	800	178	622	175
PS - Other	600	600	-	600	80
Supplies	1,220	1,220	982	238	1,038
Property	750	750	487	263	-
Other Expenses	300	300	-	300	-
Total Pupil Support	<u>88,889</u>	<u>88,889</u>	<u>82,712</u>	<u>6,177</u>	<u>68,801</u>
<b>Staff Support</b>					
Salaries	16,854	16,854	16,542	312	15,780
Benefits	9,790	9,790	9,653	137	9,366
PS - Professional	400	400	170	230	-
Supplies	8,550	8,550	8,462	88	7,320
Property	900	900	-	900	241
Other Expenses	2,850	2,850	-	2,850	-
Total Staff Support	<u>39,344</u>	<u>39,344</u>	<u>34,827</u>	<u>4,517</u>	<u>32,707</u>
<b>General Administration</b>					
Salaries	83,738	83,738	95,128	(11,390)	81,221
Benefits	21,400	21,400	24,384	(2,984)	19,806
PS - Professional	13,650	13,650	8,780	4,870	9,548
PS - Property	500	500	-	500	-
PS - Other	3,600	3,600	1,874	1,726	2,491
Supplies	575	575	198	377	215
Property	500	500	14	486	147
Other Expenses	1,350	2,050	1,780	270	1,664
Total General Administration	<u>125,313</u>	<u>126,013</u>	<u>132,158</u>	<u>(6,145)</u>	<u>115,092</u>
<b>School Administration</b>					
Salaries	97,998	97,998	95,942	2,056	100,089
Benefits	33,201	33,201	29,028	4,173	28,868
PS - Professional	6,000	6,000	758	5,242	320
PS - Property	1,000	1,000	-	1,000	-
PS - Other	27,950	27,950	16,244	11,706	11,853
Supplies	3,075	3,075	2,183	892	3,462
Property	1,400	1,400	1,360	40	-
Other Expenses	6,650	6,650	4,822	1,828	4,949
Total School Administration	<u>177,274</u>	<u>177,274</u>	<u>150,337</u>	<u>26,937</u>	<u>149,541</u>

(Continued)

See the accompanying Independent Auditors' Report

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016			Variance with Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	37,414	37,414	37,311	103	36,147
Benefits	13,400	13,400	13,115	285	12,358
PS - Professional	5,200	5,200	5,077	123	4,735
PS - Property	400	400	-	400	-
PS - Other	1,050	1,050	99	951	1,138
Supplies	800	800	482	318	487
Property	1,150	1,150	1,145	5	-
Other Expenses	875	800	-	800	-
Total Business Services	<u>60,289</u>	<u>60,214</u>	<u>57,229</u>	<u>2,985</u>	<u>54,865</u>
<b>Operations and Maintenance</b>					
Salaries	106,600	106,600	112,142	(5,542)	102,922
Benefits	40,270	40,720	41,497	(777)	38,577
PS - Property	14,950	18,950	19,479	(529)	14,572
PS - Other	76,050	76,050	65,852	10,198	75,088
Supplies	90,500	90,500	71,820	18,680	80,589
Property	8,000	8,000	5,200	2,800	6,823
Other Expenses	2,000	5,500	5,036	464	5,239
Total Operations and Maintenance	<u>338,370</u>	<u>346,320</u>	<u>321,026</u>	<u>25,294</u>	<u>323,810</u>
<b>Transportation</b>					
Salaries	48,750	48,750	36,252	12,498	43,692
Benefits	29,025	29,025	25,717	3,308	26,853
PS - Professional	2,300	2,300	270	2,030	144
PS - Property	16,200	16,200	12,074	4,126	18,381
PS - Other	3,000	3,000	3,152	(152)	2,264
Supplies	35,900	36,000	17,881	18,119	25,684
Property	1,500	1,500	393	1,107	-
Other Expenses	-	-	-	-	55
Total Transportation	<u>136,675</u>	<u>136,775</u>	<u>95,739</u>	<u>41,036</u>	<u>117,073</u>
<b>Other Central Support</b>					
PS - Professional	9,000	9,000	2,075	6,925	-
PS - Other	400	400	246	154	115
Total Other Central Support	<u>9,400</u>	<u>9,400</u>	<u>2,321</u>	<u>7,079</u>	<u>115</u>
<b>Risk Management</b>					
PS - Other	4,305	4,305	3,734	571	3,641
<b>Community Support</b>					
Salaries	10,000	24,000	15,230	8,770	27,755
Benefits	9,500	15,800	15,112	688	11,252
Total Community Support	<u>19,500</u>	<u>39,800</u>	<u>30,342</u>	<u>9,458</u>	<u>39,007</u>
<b>Debt Service</b>					
Principal	-	-	3,106	(3,106)	1,728
Interest	-	-	601	(601)	434
Total Debt Service	<u>-</u>	<u>-</u>	<u>3,707</u>	<u>(3,707)</u>	<u>2,162</u>
<b>Contingency</b>	<u>196,739</u>	<u>134,137</u>	<u>-</u>	<u>134,137</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>2,829,419</u>	<u>2,770,317</u>	<u>2,368,859</u>	<u>401,458</u>	<u>2,262,542</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(159,388)	(107,280)	421,613	528,893	334,098
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	(133,000)	(133,000)	(183,000)	(50,000)	(134,000)
Capital Lease Proceeds	-	-	-	-	13,153
<b>CHANGE IN FUND BALANCE</b>	(292,388)	(240,280)	238,613	478,893	213,251
<b>BEGINNING FUND BALANCE</b>	292,388	240,280	1,633,626	1,393,346	1,420,375
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,872,239</u>	<u>\$ 1,872,239</u>	<u>\$ 1,633,626</u>

See accompanying Independent Auditors' Report.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Food Service Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>2016</b>			<b>2015</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>				
<b>Local Sources</b>				
Food Service Revenue	\$ 25,050	\$ 26,389	\$ 1,339	\$ 29,915
<b>State Sources</b>				
State Match - Child Nutrition	800	801	1	763
Smart Start Nutrition	-	62	62	114
State K-2 Reduced Lunch	60	74	14	126
Total State Sources	<u>860</u>	<u>937</u>	<u>77</u>	<u>1,003</u>
<b>Federal Sources</b>				
Federal Grants from CDE				
School Breakfast Program	3,700	5,797	2,097	3,711
National School Lunch Program	21,500	31,633	10,133	25,749
Federal Grants from Other State Agencies				
Commodities	-	3,550	3,550	6,943
Total Federal Sources	<u>25,200</u>	<u>40,980</u>	<u>15,780</u>	<u>36,403</u>
<b>TOTAL REVENUES</b>	<u>51,110</u>	<u>68,306</u>	<u>17,196</u>	<u>67,321</u>
<b>EXPENDITURES</b>				
<b>Food Service</b>				
Salaries	40,314	44,626	(4,312)	43,874
Benefits	19,120	19,906	(786)	19,492
PS - Professional	800	249	551	249
PS - Property	2,500	834	1,666	2,862
PS - Other	400	113	287	188
Supplies	2,900	6,295	(3,395)	2,377
Food	48,300	36,926	11,374	40,107
Commodities	700	4,862	(4,162)	6,536
Other Expenses	2,966	-	2,966	-
<b>TOTAL EXPENDITURES</b>	<u>118,000</u>	<u>113,811</u>	<u>4,189</u>	<u>115,685</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(66,890)	(45,505)	21,385	(48,364)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	55,000	55,000	-	58,000
<b>CHANGE IN FUND BALANCE</b>	(11,890)	9,495	21,385	9,636
<b>BEGINNING FUND BALANCE</b>	11,890	8,698	(3,192)	(938)
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 18,193</u>	<u>\$ 18,193</u>	<u>\$ 8,698</u>

See accompanying Independent Auditors' Report.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on the cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- The District has until January 31st of each year to revise the budget.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund balance at fiscal year-end because they have lapsed and are pending reinstatement.

## **OTHER SUPPLEMENTARY INFORMATION**

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Balance Sheet**  
**Nonmajor Governmental Funds**  
**Student Activity Fund**  
**June 30, 2016**  
**(With Comparative Totals for June 30, 2015)**

	<b>Totals</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash and Investments	<u>\$ 87,963</u>	<u>\$ 85,747</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>		
<b>Fund Balance</b>		
Assigned Fund Balance		
Assigned for Fund Activities	<u>\$ 87,963</u>	<u>\$ 85,747</u>

See accompanying Independent Auditors' Report.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**Student Activity Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>Totals</b>	
	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Local Sources	\$ 119,853	\$ 108,550
<b>EXPENDITURES</b>		
Instruction	137,637	124,113
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(17,784)	(15,563)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer In (Out) - net	20,000	16,000
<b>CHANGE IN FUND BALANCE</b>	2,216	437
<b>BEGINNING FUND BALANCE</b>	85,747	85,310
<b>ENDING FUND BALANCE</b>	\$ 87,963	\$ 85,747

See accompanying Independent Auditors' Report.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Fund (Food Service Fund and Student Activity Fund) – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Student Activity Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<b>2016</b>			<b>2015</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>				
<b>Local Sources</b>				
Investment Earnings	\$ -	\$ 39	\$ 39	\$ 44
Pupil Activity Revenues	<u>25,000</u>	<u>119,814</u>	<u>94,814</u>	<u>108,506</u>
<b>TOTAL REVENUES</b>	25,000	119,853	94,853	108,550
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Supplies	<u>185,000</u>	<u>137,637</u>	<u>47,363</u>	<u>124,113</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(160,000)	(17,784)	142,216	(15,563)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>14,500</u>	<u>20,000</u>	<u>5,500</u>	<u>16,000</u>
<b>CHANGE IN FUND BALANCE</b>	(145,500)	2,216	147,716	437
<b>BEGINNING FUND BALANCE</b>	<u>145,500</u>	<u>85,747</u>	<u>(59,753)</u>	<u>85,310</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 87,963</u>	<u>\$ 87,963</u>	<u>\$ 85,747</u>

See accompanying Independent Auditors' Report.

## **DEBT SERVICE FUND**

This fund is used to account for the repayment of the District's bonded debt.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
<b>Local Sources</b>				
Property Taxes	\$ 67,000	\$ 74,487	\$ 7,487	\$ 74,627
Delinquent Taxes	1,500	274	(1,226)	394
Investment Earnings	200	601	401	217
Other Local	1,600	-	(1,600)	-
Total Local Sources	<u>70,300</u>	<u>75,362</u>	<u>5,062</u>	<u>75,238</u>
<b>Intermediate Sources</b>				
Impact Fee Revenue	<u>250</u>	<u>-</u>	<u>(250)</u>	<u>729</u>
<b>TOTAL REVENUES</b>	<u>70,550</u>	<u>75,362</u>	<u>4,812</u>	<u>75,967</u>
<b>EXPENDITURES</b>				
<b>General Administration</b>				
PS - Professional	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
<b>Debt Service</b>				
Principal	76,000	60,000	16,000	-
Interest	<u>6,500</u>	<u>14,850</u>	<u>(8,350)</u>	<u>7,575</u>
Total Debt Service	<u>82,500</u>	<u>74,850</u>	<u>7,650</u>	<u>7,575</u>
<b>TOTAL EXPENDITURES</b>	<u>82,800</u>	<u>75,150</u>	<u>7,650</u>	<u>7,875</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(12,250)	212	12,462	68,092
<b>BEGINNING FUND BALANCE</b>	<u>12,250</u>	<u>157,590</u>	<u>145,340</u>	<u>156,773</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 157,802</u>	<u>\$ 157,802</u>	<u>\$ 224,865</u>

See accompanying Independent Auditors' Report.

## **CAPITAL PROJECTS FUND**

Capital Reserve Project Fund - This fund is used to account for the District's major capital outlay activity.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Reserve Project Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>2016</u>		<b>Variance with Final Budget</b>	<u>2015</u>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>					
<b>Local Sources</b>					
Other Local	\$ -	\$ -	\$ -	\$ 25,000	
<b>EXPENDITURES</b>					
<b>Transportation</b>					
Property	85,000	43,249	41,751	-	
<b>Facilities/Capital Outlay</b>					
Buildings	-	29,484	(29,484)	-	
Equipment	25,000	31,289	(6,289)	87,295	
Non-Capitalized Equipment	15,100	14,724	376	-	
Total Facilities/Capital Outlay	40,100	75,497	(35,397)	87,295	
<b>TOTAL EXPENDITURES</b>	<b>125,100</b>	<b>118,746</b>	<b>6,354</b>	<b>87,295</b>	
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(125,100)</b>	<b>(118,746)</b>	<b>6,354</b>	<b>(62,295)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	-	108,000	108,000	60,000	
<b>CHANGE IN FUND BALANCE</b>	<b>(125,100)</b>	<b>(10,746)</b>	<b>114,354</b>	<b>(2,295)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>125,100</b>	<b>14,362</b>	<b>(110,738)</b>	<b>16,657</b>	
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 3,616</b>	<b>\$ 3,616</b>	<b>\$ 14,362</b>	

See accompanying Independent Auditors' Report.

## **FIDUCIARY (TRUST AND AGENCY) FUNDS**

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established an Agency Fund (Cafeteria Agency Fund) to account for assets held in trust by the District for District employee benefits provided under Internal Revenue Code Section 125. This fund is custodial and does not measure the results of operations.

**WELDON VALLEY SCHOOL DISTRICT RE-20J**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Cafeteria Agency Fund**  
**For the Year Ended June 30, 2016**  
**(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>2016</u>		<b>Variance with Final Budget</b>	<u>2015</u>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>					
Local Sources	\$ 8,500	\$ 3,170	\$ (5,330)	\$ 7,107	
<b>DEDUCTIONS</b>					
Other Supporting Services	<u>8,500</u>	<u>4,544</u>	<u>3,956</u>	<u>6,262</u>	
<b>CHANGE IN NET POSITION</b>	-	(1,374)	(1,374)	845	
<b>BEGINNING NET POSITION</b>	-	<u>2,568</u>	<u>2,568</u>	<u>1,723</u>	
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 1,194</u>	<u>\$ 1,194</u>	<u>\$ 2,568</u>	

See accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2505 - WELDON VALLEY RE-20(I)  
 Fiscal Year 2015-16  
 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	1,481,090	2,465,649	2,230,126	1,716,612
18 Risk Mgmt Sub-Fund of General Fund	20,911	61,043	56,018	25,936
19 Colorado Preschool Program Fund	131,625	80,781	82,716	129,691
<b>Sub- Total</b>	<b>1,633,626</b>	<b>2,607,472</b>	<b>2,368,860</b>	<b>1,872,239</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	8,698	123,306	113,811	18,193
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	85,747	139,853	137,637	87,963
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	224,865	75,362	75,150	225,077
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	14,362	108,000	118,746	3,616
<b>Totals</b>	<b>1,967,297</b>	<b>3,053,994</b>	<b>2,814,204</b>	<b>2,207,087</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	2,568	3,170	4,544	1,194
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>2,568</b>	<b>3,170</b>	<b>4,544</b>	<b>1,194</b>

FINAL

\*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 2505 - WELDON VALLEY RE-20(0)

Fiscal Year 2015-16

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Cash and Investments (8100-8104,8111)	1,815,297	0	139,078	23,800	87,963	153,464	33,100	0	0	0	1,194	0	2,253,896	
Cash with Fiscal Agent (8105)	8,631	0	0	0	0	814	0	0	0	0	0	0	9,445	
Taxes Receivable (8121,8122)	30,263	0	0	0	0	4,637	0	0	0	0	0	0	34,900	
Interfund Loans Receivable (8131,8132)	4,244	0	0	0	0	0	0	0	0	0	0	0	4,244	
Grants Accounts Receivable (8142)	7,692	0	0	3,968	0	0	0	0	0	0	0	0	11,660	
Other Receivables (8151-8154,8161)	1,488	0	0	1,242	0	0	0	0	0	0	0	0	2,730	
Inventories (8171,8172,8173)	0	0	0	1,961	0	0	0	0	0	0	0	0	1,961	
Prepaid Expenses 8181,8182)	0	0	0	0	0	67,275	0	0	0	0	0	0	67,275	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Assets</b>	<b>1,867,615</b>	<b>0</b>	<b>139,078</b>	<b>30,971</b>	<b>87,963</b>	<b>226,190</b>	<b>33,100</b>	<b>0</b>	<b>0</b>	<b>1,194</b>	<b>0</b>	<b>0</b>	<b>2,386,111</b>	

Governmental ..... Proprietary ..... Fiduciary

<b>LIABILITIES &amp; FUND EQUITY</b>	<b>Governmental</b>							<b>Proprietary</b>			<b>Fiduciary</b>	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Interfund Payables (7401,7402)	0	0	0	4,244	0	0	0	0	0	0	0	4,244
Other Payables (7421-7423)	33,294	0	1,355	37	0	0	29,484	0	0	0	0	64,170
Accrued Expenses (7461)	91,773	0	8,032	5,491	0	0	0	0	0	0	0	105,297
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	3,007	0	1,113	0	0	0	0	0	4,120
<b>Total Liabilities</b>	<b>125,067</b>	<b>0</b>	<b>9,388</b>	<b>12,779</b>	<b>0</b>	<b>1,113</b>	<b>29,484</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>177,830</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	1,961	0	67,275	0	0	0	0	0	0	69,236
Restricted Fund Balance 6720	0	0	0	0	0	157,802	0	0	0	0	0	0	157,802
TABOR 3% Emergency Reserve 6721	82,000	0	0	0	0	0	0	0	0	0	0	0	82,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	129,691	0	0	0	0	0	0	0	0	0	129,691
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	25,936	0	0	0	0	0	0	0	0	0	0	0	25,936
Assigned Fund Balance 6760	0	0	0	16,231	87,963	0	3,616	0	0	0	0	0	107,810
Unassigned Fund Balance 6770	1,634,612	0	0	0	0	0	0	0	0	0	1,194	0	1,635,806
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>1,742,548</b>	<b>0</b>	<b>129,691</b>	<b>18,193</b>	<b>87,963</b>	<b>225,077</b>	<b>3,616</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,194</b>	<b>0</b>	<b>2,208,281</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	1,867,615	0	139,078	30,971	87,963	226,190	33,100	0	0	0	1,194	0	2,386,111
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes