

**WELD COUNTY SCHOOL DISTRICT RE-10J  
BRIGGSDALE, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2016**



**RECEIVED**

*By Justin L. Smith at 8:42 am, Mar 02, 2017*

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**BRIGGSDALE, COLORADO**

**ROSTER OF SCHOOL OFFICIALS**

**JUNE 30, 2016**

**BOARD OF EDUCATION**

Kelly Johnston - President  
Alphretta Erdman - Vice President  
Wendy Tucker - Secretary  
Jeffrey Bauer - Member  
Leonard Krise - Member

**ADMINISTRATIVE STAFF**

Rick Mondt  
Superintendent of Schools

Kim Fokken  
Office Manager

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## **FINANCIAL SECTION**

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

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

This section of the Weld County School District RE-10J (the "District") financial report offers readers of the District's financial statements management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status increased slightly over the course of the 2016 fiscal year. Total net position ended at \$1,031,716. The net position related to governmental activities had major changes based on the implementation of the GASB 68 governmental reporting requirements.
- The District had \$3,383,058 in expenses related to governmental activities; only \$61,006 of these expenses was offset by program specific charges for services, operating grants and contributions. General revenues, property taxes, of \$3,419,622 were received to provide for these programs.
- The District's net position on June 30, 2015 was \$934,146. Due to the GASB 68, the requirement to share PERA's unfunded liability, implementation the net position was \$1,031,716 on June 30, 2016.
- General revenues of Governmental Activities totaled \$3,480,628 general purpose taxes accounts for \$2,790,228, or 80.3 percent, and specific ownership taxes \$184,549 or 5.3 percent of all revenues. Taxes levied for debt service totaled \$369,183 or 10.6 percent while other revenues and earnings on investments and gain on sale of capital assets accounted for \$131,040, or 3.8 percent of total revenues.
- Beginning fund balance for the Food Service Fund was decreased by \$39,216 and the fiduciary activities decreased by \$7,056.
- The General Fund and Debt Service Fund are the District's major funds. These two funds had \$3,405,136 in revenues and other sources and \$3,147,888 in expenditures, transfers, and other uses. The fund balances increased to \$1,844,107 from \$1,586,859, due primarily to revenues and other sources exceeding expenditures and transfers.
- Enrollment of the District increased 0.67 percent to a full-time equivalent (FTE) of 163.1 students, which represents an increase of 1.1 FTE.

**Overview of the Financial Statements**

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like a business, such as nutritional services.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

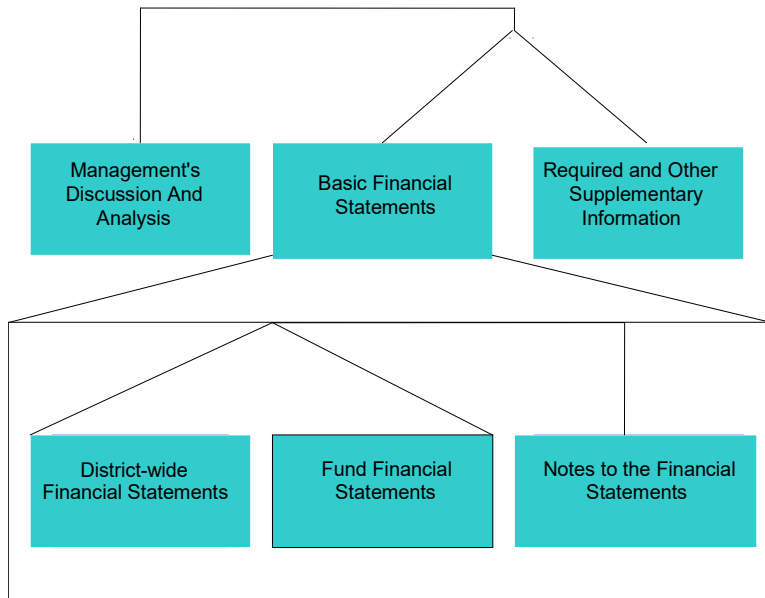
The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required and other supplementary information

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

that further explains and supports the financial statements with a comparison of the District's budget for the year. This section also includes any Colorado mandated reports.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1  
Organization of the District's Annual Financial Report**



**SUMMARY**  $\longleftrightarrow$  **DETAIL**

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

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Table 2  
Major Features of the Government-wide and Fund Financial Statements**

	Government-wide Statements	Governmental Funds	Fund Financial Statements	
			Proprietary Funds (None reported in 2016)	Fiduciary Funds
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education.	Activities the District operates similar to private businesses: Nutritional services.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies.
<b>Required Financial Statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, and short-term and long-term.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can.
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

**Government-wide Statements**

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

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenue (governmental activities) Included in governmental activities are most of the District's basic services such as regular and special education, transportation, maintenance and operations, administration and food service. The basic government-wide financial statements can be found on pages 4 - 10 of this report.

***Fund Financial Statements***

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

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service (major funds), food service and capital projects(nonmajor) funds of the District.

The District does not currently have any enterprise funds.

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The District currently has two fiduciary funds, the private purpose trust fund and the agency fund. The private-purpose trust fund is used to account for scholarship activity. The agency fund is used to account for the student activities.

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 - 34 of this report.

**Other Information**

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

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

**Net Position and Changes in Net Position**

The District's combined net position on June 30, 2016 changed significantly due to the major GASB 68 implementation (Note 7). On June 30, 2015 the net position was \$934,146 and after the implementation of the GASB 68 requirements the net position ended June 30, 2016 at \$1,031,716. Table 3 provides a summary of the District's net position at June 30, 2016.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current Assets	\$ 2,195,736	\$ 1,828,590
Other Assets	5,928,343	6,114,495
Total Assets	8,124,079	7,943,085
Deferred Outflows of Financial Resources	806,514	458,095
Current Liabilities	147,845	227,380
Long-Term Liabilities	7,688,473	7,239,457
Total Liabilities	7,836,318	7,466,837
Deferred Inflows of Financial Resources	62,559	197
Net Investment in Capital Assets	2,848,343	2,711,586
Restricted Net Position	590,978	565,826
Unrestricted Net Position	(2,407,605)	(2,343,266)
<b>Total Net Position (Deficit)</b>	<b>\$ 1,031,716</b>	<b>\$ 934,146</b>

At the end of the 2016 fiscal year, District assets reflect a negative change in Governmental Activities and a decrease in total net position from 2015. The change in net position is a reflecting of the GASB 68, PERA reporting requirements.

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (the "Act"). Under this Act, the District received \$13,913 per funded student. Funding for the School Finance Act comes from property taxes, specific ownership tax, and state equalization. The District receives 0 percent of this funding from state equalization, 93 percent from property tax and specific ownership tax, and the remaining is from federal funding and other miscellaneous revenue sources.

Federal governments subsidized certain programs with grants and contributions in the amount of \$45,055 compared to \$33,773 in the previous year.

The governmental funds monitor cash resources and expenditures. During the current year the District expended \$31,006 on capital outlay and expended \$91,723 in capital outlay during the fiscal ended June 30, 2015. This expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities on page 7, the net difference between capital outlays and depreciation expense was (\$186,152) for the year ended June 30, 2016, and (\$112,507) for the year ending June 30, 2015.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 4 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes.

**Table 4**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>Program Revenues:</b>		
Charges for Services	\$ 32,554	\$ 46,378
Operating Grants	28,452	137,186
Total Program Revenues	61,006	183,564
<b>General Revenues:</b>		
Taxes	3,344,979	2,957,606
Debt Service	-	384,220
Investment Earnings	1,672	-
Miscellaneous	72,971	83,990
Total General Revenues	3,419,622	3,425,816
<b>Total Revenues</b>	<b>3,480,628</b>	<b>3,609,380</b>
<b>Expenses</b>		
Instruction	1,770,828	1,648,021
Supporting Services	1,547,915	1,215,553
Food Service	-	122,952
Interest on Long Term Debt	64,315	101,203
<b>Total Expenses</b>	<b>3,383,058</b>	<b>3,087,729</b>
<b>Change in Net Position</b>	97,570	521,651
<b>Net Position - Beginning</b>	934,146	412,495
<b>Net Position (Deficit) - Ending</b>	<b>\$ 1,031,716</b>	<b>\$ 934,146</b>

Most of the District's costs were financed by District taxpayers.

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Financial Analysis of District's Funds**

Even though the fund balance in the General Fund increased, this is not necessarily indicative of the District's net resources available for spending at the end of the fiscal year. In the General Fund budgetary highlights section of this analysis, details regarding the components of the General Fund's fund balance are available.

**General Fund Budgetary Highlights**

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the General Fund anticipated that revenues would exceed expenditures by \$437,344. The actual results for the year show revenues exceeding expenditures by \$246,760.

- Actual revenues were \$178,882 less than anticipated, due to a repayment of state share funds during the fiscal year.
- The actual expenditures were \$63,152 over budget.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2016, the District's TABOR reserve amounted to \$91,000.

**Capital Assets and Debt Administration**

**Capital Assets**

By the end of the fiscal year 2016, the District had invested \$5,928,343, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (See Table 5). This amount represents a net decrease of \$186,152 from last year. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

**Table 5  
Capital Assets (Net of Depreciation)**

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 62,593	\$ -	\$ -	\$ 62,593
Capital Assets, being depreciated:				
Buildings and Improvements	8,027,945	31,006	-	8,058,951
Transportation Equipment	577,492	-	-	577,492
Food Service Equipment	68,808	-	-	68,808
Other Equipment	200,055	-	-	200,055
Total Capital Assets being depreciated	<u>8,874,300</u>	<u>31,006</u>	<u>-</u>	<u>8,905,306</u>
Accumulated Depreciation:				
Buildings and Improvements	(2,250,404)	(175,148)	-	(2,425,552)
Transportation Equipment	(429,536)	(29,880)	-	(459,416)
Food Service Equipment	(44,251)	(4,865)	-	(49,116)
Other Equipment	(98,207)	(7,265)	-	(105,472)
Total Accum. Depreciation	<u>(2,822,398)</u>	<u>(217,158)</u>	<u>-</u>	<u>(3,039,556)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 6,114,495</u></b>	<b><u>\$ (186,152)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,928,343</u></b>

**Weld County School District RE-10J  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Long-Term Debt**

More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements. During the 2016 fiscal year, the District continued to pay down its debt. Colorado Revised Statute 22-42-04 states that a school district shall have a limited bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

	<u>Balance 7/1/15</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 6/30/16</u>
General obligation bonds, Series 2012	\$ 3,355,000	\$ -	\$ 275,000	\$ 3,080,000
General obligation bonds, Series 2012 Premiums	177,129	-	6,699	170,430
Capital Leases Payable	84,493	-	84,493	-
PERA Net Pension Liability	3,622,835	790,995	-	4,413,830
Accrued compensated absences	-	24,213	-	24,213
<b>Total</b>	<b>\$ 7,239,457</b>	<b>\$ 815,208</b>	<b>\$ 366,192</b>	<b>\$ 7,688,473</b>

	<u>Accrued Interest</u>	<u>Interest Paid</u>	<u>Interest Expense</u>
General obligation bonds, Series 2012	6,746	83,700	84,625
Capital Leases Payable	-	2,255	2,255
<b>Total</b>	<b>\$ 6,746</b>	<b>\$ 85,955</b>	<b>\$ 86,880</b>

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

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

- Every year our District depends on the state formula for the funding we are going to receive for the General Fund and the key factor for the formula is based on enrollment. We are projecting a slow increase in enrollment over the next three years. Our student enrollment will be the stabilizer of finances in our District.
- The District continues to search for grants to provide: additional upgrades of equipment, improve facilities, and educational opportunities.
- The District is experiencing an increase in assessed value, which will provide more opportunities for additional funding to help in capital purchases, retaining and recruiting staff, and completing projects around the campus.
- Our District wants to provide all students with the best possible opportunity to learn. This includes: staff, curriculum, safety, and technology. We recognize the challenges of being a small district with limited resources and living in an outlying area.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Business Services, Weld County School District RE-10J, 515 Leslie Street, Briggsdale, Colorado 80611.

# 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  
Weld County School District RE-10J  
Briggsdale, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Weld County School District RE-10J, Colorado, as of and for the year ended June 30, 2016, 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 Weld County School District RE-10J, 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.

**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-M8 and pension schedules on pages 35-36 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. 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 37-39 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 40-45 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' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 46-49 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.

*Holscher, Mayberry + Company, LLC*

Englewood, CO  
February 15, 2017

## **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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**Statement of Net Position**

**June 30, 2016**

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>Assets</b>	
Cash and Investments	\$ 1,907,731
Cash with Fiscal Agent	15,561
Taxes Receivable	7,431
Internal Balances	22,174
Grants Receivable	9,764
Inventory	6,571
Deferred Charge on Refunding	226,504
Capital Assets, not being depreciated	62,593
Capital Assets, being depreciated	5,865,750
<b>Total Assets</b>	<b>8,124,079</b>
<b>Deferred Outflows of Financial Resources</b>	
Contributions Subsequent to Measurement Date	124,090
Difference Between Actual and Expected Experience - net	58,285
Difference Between Projected and Actual Returns on Pension Plan Investments - net	375,300
Change in District Fund's Proportionate Share of Net Pension Liability - net	248,839
<b>Total Deferred Outflows of Financial Resources</b>	<b>806,514</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 8,930,593</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 7,332
Accrued Interest	6,746
Accrued Salaries & Benefits	133,767
Non-Current Liabilities	
Due Within One Year	275,000
Due In More Than One Year	7,413,473
<b>Total Liabilities</b>	<b>7,836,318</b>
<b>Deferred Inflows of Financial Resources</b>	
Difference Between Projected and Actual Pension Plan Experience - net	184
Changes of Pension Plan Assumptions - net	62,375
<b>Total Deferred Inflows of Financial Resources</b>	<b>62,559</b>
<b>Net Position</b>	
Net Investment in Capital Assets	2,848,343
Restricted Net Position	590,978
Unrestricted Net Position	(2,407,605)
<b>Total Net Position</b>	<b>1,031,716</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSTION</b>	<b>\$ 8,930,593</b>

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

WELD COUNTY SCHOOL DISTRICT RE-10J  
Statement of Activities  
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating Grants</u> <u>and Contributions</u>	<u>Revenue and</u> <u>Change in Net</u> <u>Position</u>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Instruction	\$ 1,770,828	\$ -	\$ (29,059)	\$ (1,799,887)
Supporting Services	1,547,915	32,554	57,511	(1,457,850)
Interest on Long Term Debt	64,315	-	-	(64,315)
<b>Total Primary Government</b>	<u>\$ 3,383,058</u>	<u>\$ 32,554</u>	<u>\$ 28,452</u>	<u>(3,322,052)</u>
<b>General Revenues</b>				
Property Taxes				3,160,430
Specific Ownership Taxes				184,549
Investment Earnings				1,672
Other Revenues				72,971
<b>Total General Revenues and Transfers</b>				<u>3,419,622</u>
<b>Change in Net Position</b>				97,570
<b>Beginning Net Position</b>				<u>934,146</u>
<b>Ending Net Position</b>				<u>\$ 1,031,716</u>

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

WELD COUNTY SCHOOL DISTRICT RE-10J

Balance Sheet

Governmental Funds

June 30, 2016

	General Fund	Debt Service		Totals 2016
		Bond Redemption Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash and Investments	\$ 1,393,670	\$ 499,212	\$ 14,849	\$ 1,907,731
Cash with Fiscal Agent	15,442	119	-	15,561
Taxes Receivable	6,784	647	-	7,431
Interfund Accounts Receivable	58,189	-	100	58,289
Grants Receivable	9,764	-	-	9,764
Inventory	-	-	6,571	6,571
<b>TOTAL ASSETS</b>	<u>\$ 1,483,849</u>	<u>\$ 499,978</u>	<u>\$ 21,520</u>	<u>\$ 2,005,347</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Accounts Payable	\$ -	\$ -	\$ 36,115	\$ 36,115
Accounts Payable	7,332	-	-	7,332
Accrued Salaries & Benefits	132,388	-	1,379	133,767
<b>Total Liabilities</b>	<u>139,720</u>	<u>-</u>	<u>37,494</u>	<u>177,214</u>
<b>Fund Balance</b>				
Nonspendable Fund Balance	-	-	6,571	6,571
Restricted Fund Balance				
Restricted for Debt Service	-	499,978	-	499,978
Restricted for TABOR Emergencies	91,000	-	-	91,000
Unassigned Fund Balance	1,253,129	-	(20,816)	1,232,313
<b>Total Fund Balance</b>	<u>1,344,129</u>	<u>499,978</u>	<u>(15,974)</u>	<u>1,828,133</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,483,849</u>	<u>\$ 499,978</u>	<u>\$ 21,520</u>	<u>\$ 2,005,347</u>

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

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2016**

Fund Balance - Governmental Funds		\$ 1,828,133
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	62,593	
Capital assets, being depreciated	8,905,306	
Accumulated depreciation	<u>(3,039,556)</u>	5,928,343
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date	124,090	
Difference between actual and expected experience	80,363	
Amortization of experience difference	(22,078)	
Difference between projected and actual investment returns on the pension plan	497,234	
Amortization of the investment return difference	(121,934)	
Net pension liability	(4,413,830)	
Difference between projected and actual pension plan experience	(400)	
Amortization of pension plan experience difference	216	
Changes of assumptions	(86,002)	
Amortization of change in assumptions	23,627	
Change in District proportionate share of the net pension liability	378,466	
Amortization of the change in proportion	<u>(129,627)</u>	(3,669,875)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Charge on refunding - net of amortization	226,504	
Bond premiums	<u>(170,430)</u>	56,074
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(3,080,000)	
Accrued interest payable	(6,746)	
Accrued compensated absences	<u>(24,213)</u>	<u>(3,110,959)</u>
Total Net Position - Governmental Activities		<u>\$ 1,031,716</u>

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

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

		<u>Debt Service</u>		
		<u>Bond</u>	<u>Other</u>	<u>Totals</u>
	<u>General Fund</u>	<u>Redemption</u>	<u>Governmental</u>	
		<u>Fund</u>	<u>Funds</u>	<u>2016</u>
<b>REVENUES</b>				
Local Sources	\$ 3,044,832	\$ 369,183	\$ 39,522	\$ 3,453,537
Intermediate Sources	29,417	-	-	29,417
State Sources	(83,351)	-	1,189	(82,162)
Federal Sources	45,055	-	34,781	79,836
<b>TOTAL REVENUES</b>	<u>3,035,953</u>	<u>369,183</u>	<u>75,492</u>	<u>3,480,628</u>
<b>EXPENDITURES</b>				
Instruction	1,442,113	-	-	1,442,113
Pupil Support	7,234	-	-	7,234
Staff Support	27,239	-	-	27,239
General Administration	462,197	-	-	462,197
Business Services	40,079	-	-	40,079
Operations and Maintenance	605,964	-	-	605,964
Transportation	109,661	-	-	109,661
Other Central Support	7,958	-	-	7,958
Food Service	-	-	114,708	114,708
Debt Service	86,748	358,695	-	445,443
<b>TOTAL EXPENDITURES</b>	<u>2,789,193</u>	<u>358,695</u>	<u>114,708</u>	<u>3,262,596</u>
<b>CHANGE IN FUND BALANCE</b>	246,760	10,488	(39,216)	218,032
<b>BEGINNING FUND BALANCE</b>	<u>1,097,369</u>	<u>489,490</u>	<u>23,242</u>	<u>1,610,101</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,344,129</u>	<u>\$ 499,978</u>	<u>\$ (15,974)</u>	<u>\$ 1,828,133</u>

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

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**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	\$	218,032	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	31,006	
Depreciation Expense		<u>(217,158)</u>	(186,152)
Pension expense at the fund level represents 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 the measurement date		16,783	
Change in the difference between actual and expected experience		80,560	
Change in the amortization of experience difference		(22,078)	
Current year projected to actual investment return difference		430,583	
Current year amortization of overall investment return differences		(121,934)	
Change in net pension liability		(790,995)	
Current year projected to actual pension plan experience difference		(400)	
Current year amortization of overall experience differences		216	
Change in the changes of assumptions		(86,002)	
Change in the amortization of change in assumptions		23,627	
Current year change in proportionate share of cost-sharing plan liability		308,042	
Current year amortization of overall proportionate share differences		(129,627)	
Change in refunding		<u>12,791</u>	(278,434)
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		275,000	
Principal payments on capital leases		84,493	
Change in accrued interest payable		2,145	
Amortization of costs, premiums and discounts		6,699	
Change in accrued compensated absences		<u>(24,213)</u>	<u>344,124</u>
Change in Net Position - Governmental Activities	\$		<u><u>97,570</u></u>

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

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	<b>Scholarship</b>	<b>Pupil Activity</b>	<b>Totals</b>
	<b>Agency Fund</b>	<b>Agency Fund</b>	<b>2016</b>
<b>ASSETS</b>			
Cash and Investments	\$ 29,008	\$ 43,945	\$ 72,953
<b>LIABILITIES</b>			
Interfund Accounts Payable	\$ -	\$ 22,174	\$ 22,174
Accounts Payable	-	300	300
<b>TOTAL LIABILITIES</b>	-	22,474	22,474
<b>NET POSITION</b>			
Restricted Net Position	29,008	21,471	50,479
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 29,008</b>	<b>\$ 43,945</b>	<b>\$ 72,953</b>

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

# WELD COUNTY SCHOOL DISTRICT RE-10J

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Weld County School District RE-10J (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.

#### **Jointly Governed Organizations**

The District is a participant among fourteen 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. 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 #230, Greeley, CO 80634.

#### **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.

# WELD COUNTY SCHOOL DISTRICT RE-10J

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

#### **Basis of Presentation** (Continued)

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.

#### **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 each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

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) – This fund is used to account for the repayment of the District's general obligation indebtedness.

In addition, the District reports the following nonmajor governmental funds:

Special Revenue (Food Service) 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 Project (Building Fund) – This fund accounts for the District's routine capital projects.

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) – These funds are used to account for the money held in trust by the District for student organizations and for scholarships. These funds are custodial and do not measure the results of operations.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

##### **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. 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.

##### **Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

##### **Budgets and Budgetary Accounting** (Continued)

- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets may be revised until January 31st of the budget year.
- 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 and amended by the Board of Education.
- Encumbrance accounting is not utilized.

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

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

Inventories – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

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

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

Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the disbursement 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	10-50 years
Furniture and Other Equipment	5-15 years
Vehicles	8 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2015 property taxes were both measurable and available at June 30, 2016, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2016 but not collected by June 30, 2016.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2016, the District has recorded accrued leave as disclosed in Note 6.

Long-Term Debt – The District’s general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. The District’s capital leases are paid through the General Fund and are shown as expenditures in that fund. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

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

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

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 several items that qualify for reporting in this category, all related to outstanding pension obligations and further described in Note 7.

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 related to pension liabilities as further described in Note 7.

**Net Position/Fund Balances** In the government-wide financial statements and for the proprietary fund statements, net position are 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.

Fund balance 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, 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.

# WELD COUNTY SCHOOL DISTRICT RE-10J

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

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

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 other remaining governmental balances are reported as unassigned.

#### **Net Position/ Fund Balance and 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 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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

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

**Revenues and Expenditures/Expenses**

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. 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.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying basic 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.

**NOTE 2: CASH AND INVESTMENTS**

A reconciliation of the cash components on the balance sheet to the cash categories in this footnote are as follows:

Deposits	\$ 1,979,335
Cash on Hand	1,349
<b>Total Cash and Investments</b>	<b><u>\$ 1,980,684</u></b>
Governmental Activities	\$ 1,907,731
Fiduciary	72,953
<b>Total Cash and Investments</b>	<b><u>\$ 1,980,684</u></b>

**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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2016**

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

**Deposits (Continued)**

Custodial Credit Risk - Deposits(Continued)

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.

	<b>Bank Balance</b>	<b>Carrying Balance</b>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	1,892,457	1,730,684
<b>Total Deposits</b>	<b><u>\$ 2,142,457</u></b>	<b><u>\$ 1,980,684</u></b>

**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):

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Weighted Average Maturity</b>
Local Gov't Invest Pool - Unrestricted	<u>\$ -</u>	<u>\$ 1,367,932</u>	<u>\$ -</u>	<u>\$ 1,367,932</u>	<u>-</u>

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.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

##### Investments(Continued)

##### 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. For the fiscal year ended June 30, 2016, the District did not have any investments requiring disclosure. During the year ended June 30, 2016, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests 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 pool operates 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. This fund is rated AAAM by the Standard and Poor's Corporation.

##### Concentration of Credit Risk

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

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

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

**Investments(Continued)**

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 of \$6,571 as of June 30, 2016, consisted of \$3,463 of purchased food and \$3,108 of donated commodities. 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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/16</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 62,593	\$ -	\$ -	\$ 62,593
Capital Assets, being depreciated:				
Buildings and Improvements	8,027,945	31,006	-	8,058,951
Transportation Equipment	577,492	-	-	577,492
Food Service Equipment	68,808	-	-	68,808
Other Equipment	<u>200,055</u>	<u>-</u>	<u>-</u>	<u>200,055</u>
Total Capital Assets being depreciated	<u>8,874,300</u>	<u>31,006</u>	<u>-</u>	<u>8,905,306</u>
Accumulated Depreciation:				
Buildings and Improvements	(2,250,404)	(175,148)	-	(2,425,552)
Transportation Equipment	(429,536)	(29,880)	-	(459,416)
Food Service Equipment	(44,251)	(4,865)	-	(49,116)
Other Equipment	<u>(98,207)</u>	<u>(7,265)</u>	<u>-</u>	<u>(105,472)</u>
Total Accum. Depreciation	<u>(2,822,398)</u>	<u>(217,158)</u>	<u>-</u>	<u>(3,039,556)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 6,114,495</u></b>	<b><u>\$ (186,152)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,928,343</u></b>
Instruction		\$ 111,387		
Support Services		<u>105,771</u>		
Governmental Depreciation Allocation		<b><u>\$ 217,158</u></b>		

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation is computed on a straight-line basis over the expected use life of the underlying asset.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2016**

**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 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$ 132,388
Food Service Fund	<u>1,379</u>
<b>Total Accrued Salaries and Benefits</b>	<b><u>\$ 133,767</u></b>

**NOTE 6: LONG-TERM DEBT**

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2016:

	<u>Balance 7/1/15</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 6/30/16</u>	<u>Current Portion</u>
General obligation bonds, Series 2012	\$ 3,355,000	\$ -	\$ 275,000	\$ 3,080,000	\$ 275,000
General obligation bonds, Series 2012 Premiums	177,129	-	6,699	170,430	-
Capital Leases Payable	84,493	-	84,493	-	-
PERA Net Pension Liability	3,622,835	790,995	-	4,413,830	-
Accrued compensated absences	-	<u>24,213</u>	-	<u>24,213</u>	-
<b>Total</b>	<b><u>\$ 7,239,457</u></b>	<b><u>\$ 815,208</u></b>	<b><u>\$ 366,192</u></b>	<b><u>\$ 7,688,473</u></b>	<b><u>\$ 275,000</u></b>

An interest summary of the District's long-term debt is as follows:

	<u>Accrued Interest</u>	<u>Interest Paid</u>	<u>Interest Expense</u>
General obligation bonds, Series 2012	6,746	83,700	84,625
Capital Leases Payable	-	<u>2,255</u>	<u>2,255</u>
<b>Total</b>	<b><u>\$ 6,746</u></b>	<b><u>\$ 85,955</u></b>	<b><u>\$ 86,880</u></b>

**General Obligation Bonds**

In 2012, the District issued \$3,760,000 of general obligation bonds for an advanced refunding of \$3,530,000 on the 2005 issued bonds. Principal is due annually on December 1, and interest at rates from 2.0% to 3.0% is due semiannually on June 1 and December 1. The bonds were sold at a premium of \$208,058 with associated issuance costs of \$98,513. Payments are made through the Bond Redemption Fund of the District. Bond payments, to maturity, are as follows:

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**General Obligation Bonds**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 275,000	\$ 78,200	\$ 353,200
2018	280,000	72,650	352,650
2019	290,000	66,225	356,225
2020	290,000	58,975	348,975
2021-2025	1,595,000	172,575	1,767,575
2026	350,000	5,250	355,250
<b>Total</b>	<b><u>\$ 3,080,000</u></b>	<b><u>\$ 453,875</u></b>	<b><u>\$ 3,533,875</u></b>

**Capital Leases**

In 2013, the District entered into a capital lease agreement for the purchase of small equipment, capitalized equipment, a vehicle, and facility improvements during the fiscal years ended June 30, 2013 and 2014. The lease required 28 monthly payments beginning April 2012 of \$7,229, including interest at 2.7%. The lease paid off during the current fiscal period.

**NOTE 7: 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.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

#### NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

##### 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
- 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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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:

# WELD COUNTY SCHOOL DISTRICT RE-10J

## NOTES TO FINANCIAL STATEMENTS

June 30, 2016

### NOTE 7: 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 \$217,956 for the plan year ended December 31, 2015 and \$234,789 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 \$4,413,830 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 .0289%, which was an increase of .0029% from its proportion measured as of December 31, 2014.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

For the year ended June 30, 2016 the District recognized pension expense of \$438,706. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 58,285	\$ (184)
Changes of assumptions or other inputs	\$ -	\$ (62,375)
Net difference between projected and actual earnings on pension plan investments	\$ 375,300	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ 248,839
Contributions subsequent to the measurement date	\$ 124,090	\$ -
<b>Total</b>	<b>\$ 557,675</b>	<b>\$ 186,280</b>

\$124,090 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 Totals
2017	\$ (201,333)
2018	(193,540)
2019	(148,032)
2020	(76,960)
<b>Total</b>	<b>\$ (619,865)</b>

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

As 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:

<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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

*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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ (5,721,614)	\$ (4,413,830)	\$ (3,325,998)

*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 8: 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 \$10,414.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

#### NOTE 9: 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 PERA-includable salary 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 contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the District contributions to the HCTF were \$10,552, \$12,021 and \$10,908, respectively, equal to their required contributions for each year.

#### NOTE 10: RISK MANAGEMENT

##### 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.

## WELD COUNTY SCHOOL DISTRICT RE-10J

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

#### NOTE 10: RISK MANAGEMENT (Continued)

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.

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 recently 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.

#### Health Insurance

The District partially self-insured for employee health coverage in prior years. All potential claims from that coverage have now been settled. The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier.

#### NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT 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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES(Continued)**

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$91,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

**NOTE 12: JOINTLY GOVERNED ORGANIZATION**

Centennial Board of Cooperative Educational Services

The District, in conjunction with other surrounding districts, participates in the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. For the fiscal year ended June 30, 2016, the District paid net assessments totaling \$34,439 to the BOCES. Financial statements for the Centennial BOCES can be obtained from the BOCES Administrative offices at 2020 Clubhouse Drive, Greeley, Colorado 80634.

**NOTE 13: DEFICIT NET POSITION**

The Governmental Activities has a deficit unrestricted net position of \$3,337,197, primarily due to the adding the PERA net pension liability of \$4,413,830 further described in Note 7. As the District has no control over pension benefits or contribution rates, we expect this deficit to continue going forward.

**NOTE 14: BUDGET VIOLATION**

The District's expenditures exceeded appropriations in the General Fund by \$63,152, Food Service Fund by \$10,457, Pupil Activity Fund by \$24,714 and Scholarship Fund by \$2,000. This may be a violation of state statute.

**REQUIRED SUPPLEMENTARY INFORMATION**

Pension Schedules (Unaudited)

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**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)	0.028859%	0.026730%	0.025974%
District's proportionate share of the net pension asset (liability)	\$ (4,413,830)	\$ (3,622,834)	\$ (3,312,917)
District's covered-employee payroll	\$ 1,257,683	\$ 1,119,802	\$ 1,047,076
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.

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**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	\$ 217,956	\$ 183,983	\$ 162,611
Actual contributions	<u>(217,956)</u>	<u>(183,983)</u>	<u>(162,611)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,257,683	\$ 1,119,802	\$ 1,047,076
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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**BUDGETARY COMPARISON SCHEDULES**

(Required Supplementary Information)

WELD COUNTY SCHOOL DISTRICT RE-10J  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2016

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>Local Sources</b>				
Property Taxes	\$ 2,225,600	\$ 2,723,905	\$ 2,790,228	\$ 66,323
Specific Ownership Taxes	37,270	201,450	184,549	(16,901)
Delinquent Taxes	43,000	43,000	470	(42,530)
Other Taxes	540,120	-	1,549	1,549
Investment Earnings	300	300	671	371
Fees	-	-	(6,968)	(6,968)
Donations	-	-	1,360	1,360
Local BOCES Passthrough	8,100	8,100	-	(8,100)
Other Local	25,000	115,230	72,973	(42,257)
Total Local Sources	<u>2,879,390</u>	<u>3,091,985</u>	<u>3,044,832</u>	<u>(47,153)</u>
<b>Intermediate Sources</b>				
Forest Service	15,100	15,100	28,424	13,324
Other Intermediate Source Revenue	6,750	6,750	993	(5,757)
Total Intermediate Sources	<u>21,850</u>	<u>21,850</u>	<u>29,417</u>	<u>7,567</u>
<b>State Sources</b>				
Transportation	32,000	32,000	(34,027)	(66,027)
State Grants from CDE				
State ECEA	-	-	(35,566)	(35,566)
State ELPA	-	-	(410)	(410)
State Gifted and Talented	-	-	(19,178)	(19,178)
READ Act Grant	-	-	3,624	3,624
Library Grant	-	-	3,500	3,500
At Risk	-	-	738	738
Other CDE State Grants	(42,500)	-	42,806	42,806
State Grants from Other Agencies				
State Vocational Education	32,000	32,000	(46,781)	(78,781)
State Grants Provided through BOCES	2,000	2,000	1,943	(57)
Total State Sources	<u>23,500</u>	<u>66,000</u>	<u>(83,351)</u>	<u>(149,351)</u>
<b>Federal Sources</b>				
Federal Grants from CDE				
NCLB Title I, Part A - Improving Basic Programs	14,000	13,500	11,785	(1,715)
NCLB Title III, Part A - English Language Acquisition	-	-	99	99
NCLB Title II, Part A - Teacher & Principal Training	3,500	3,500	3,450	(50)
Other Federal Grants	-	-	90	90
Direct Federal Revenue				
NCLB Title VI, Part B - REAP/Rural Education	18,000	18,000	18,665	665
Federal Provided through BOCES	-	-	10,966	10,966
Total Federal Sources	<u>53,500</u>	<u>35,000</u>	<u>45,055</u>	<u>10,055</u>
<b>TOTAL REVENUES</b>	<u>2,978,240</u>	<u>3,214,835</u>	<u>3,035,953</u>	<u>(178,882)</u>

(Continued)

See the accompanying Independent Auditors' Report

WELD COUNTY SCHOOL DISTRICT RE-10J  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2016

	2016			Variance with Final Budget
	Original Budget	Final Budget	Actual	
(Continued)				
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Salaries	846,455	838,665	893,740	(55,075)
Benefits	288,570	261,911	242,293	19,618
PS - Professional	16,225	17,275	18,007	(732)
PS - Other	83,390	83,390	105,788	(22,398)
Supplies	109,325	130,350	172,658	(42,308)
Other Expenses	6,500	6,500	9,627	(3,127)
Total Instruction	<u>1,350,465</u>	<u>1,338,091</u>	<u>1,442,113</u>	<u>(104,022)</u>
<b>Supporting Services</b>				
<b>Pupil Support</b>				
Salaries	50,000	50,000	431	49,569
Benefits	10,000	10,000	64	9,936
Supplies	3,010	3,010	6,739	(3,729)
Total Pupil Support	<u>63,010</u>	<u>63,010</u>	<u>7,234</u>	<u>55,776</u>
<b>Staff Support</b>				
Salaries	17,500	17,500	16,167	1,333
Benefits	11,000	11,000	4,363	6,637
Supplies	2,150	2,150	6,709	(4,559)
Total Staff Support	<u>30,650</u>	<u>30,650</u>	<u>27,239</u>	<u>3,411</u>
<b>General Administration</b>				
Salaries	291,180	291,180	257,952	33,228
Benefits	75,970	75,970	117,226	(41,256)
PS - Other	10,600	10,600	27,987	(17,387)
Supplies	21,200	21,200	22,541	(1,341)
Other Expenses	30,000	30,000	36,491	(6,491)
Total General Administration	<u>428,950</u>	<u>428,950</u>	<u>462,197</u>	<u>(33,247)</u>

(Continued)

See the accompanying Independent Auditors' Report

WELD COUNTY SCHOOL DISTRICT RE-10J  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2016

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget
(Continued)				
<b>EXPENDITURES (Continued)</b>				
<b>Supporting Services (Continued)</b>				
<b>Business Services</b>				
PS - Professional	-	-	5,641	(5,641)
PS - Other	46,900	46,900	34,438	12,462
Total Business Services	<u>46,900</u>	<u>46,900</u>	<u>40,079</u>	<u>6,821</u>
<b>Operations and Maintenance</b>				
Salaries	81,225	81,225	97,835	(16,610)
Benefits	26,000	26,000	29,942	(3,942)
PS - Other	259,650	259,650	287,494	(27,844)
Supplies	181,000	181,000	150,040	30,960
Property	-	-	11,120	(11,120)
Other Expenses	1,000	1,000	29,533	(28,533)
Total Operations and Maintenance	<u>548,875</u>	<u>548,875</u>	<u>605,964</u>	<u>(57,089)</u>
<b>Transportation</b>				
Salaries	43,050	43,050	42,748	302
Benefits	37,740	37,740	19,578	18,162
PS - Professional	225	225	590	(365)
PS - Property	43,150	43,150	-	43,150
PS - Other	20,650	20,650	24,003	(3,353)
Supplies	35,750	35,750	22,742	13,008
Other Expenses	2,000	2,000	-	2,000
Total Transportation	<u>182,565</u>	<u>182,565</u>	<u>109,661</u>	<u>72,904</u>
<b>Other Central Support</b>				
PS - Other	8,000	8,000	7,958	42
<b>Debt Service</b>				
Principal	-	-	84,493	(84,493)
Interest	-	-	2,255	(2,255)
Total Debt Service	<u>-</u>	<u>-</u>	<u>86,748</u>	<u>(86,748)</u>
<b>Contingency</b>	<u>79,000</u>	<u>79,000</u>	<u>-</u>	<u>79,000</u>
<b>TOTAL EXPENDITURES</b>	<u>2,738,415</u>	<u>2,726,041</u>	<u>2,789,193</u>	<u>(63,152)</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>239,825</u>	<u>488,794</u>	<u>246,760</u>	<u>(242,034)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(25,000)	(50,000)	-	50,000
Escrow Payment	(1,450)	(1,450)	-	1,450
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(26,450)</u>	<u>(51,450)</u>	<u>-</u>	<u>51,450</u>
<b>CHANGE IN FUND BALANCE</b>	<u>213,375</u>	<u>437,344</u>	<u>246,760</u>	<u>(190,584)</u>
<b>BEGINNING FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>1,097,369</u>	<u>1,097,369</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 213,375</u>	<u>\$ 437,344</u>	<u>\$ 1,344,129</u>	<u>\$ 906,785</u>

See accompanying Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

**WELD COUNTY SCHOOL DISTRICT RE-10J**

**Balance Sheet**

**Nonmajor Governmental Funds**

**June 30, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>
	<b>Food Service</b>		
	<u>Fund</u>	<u>Building Fund</u>	<u>2016</u>
<b>ASSETS</b>			
Cash and Investments	\$ 14,849	\$ -	\$ 14,849
Interfund Accounts Receivable	-	100	100
Inventory	6,571	-	6,571
<b>TOTAL ASSETS</b>	<u>\$ 21,420</u>	<u>\$ 100</u>	<u>\$ 21,520</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Accounts Payable	\$ 36,015	\$ 100	\$ 36,115
Accrued Salaries & Benefits	1,379	-	1,379
<b>Total Liabilities</b>	<u>37,394</u>	<u>100</u>	<u>37,494</u>
<b>Fund Balance</b>			
Nonspendable Fund Balance	6,571	-	6,571
Unassigned Fund Balance	(20,816)	-	(20,816)
<b>Total Fund Balance</b>	<u>(15,974)</u>	<u>-</u>	<u>(15,974)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 21,420</u>	<u>\$ 100</u>	<u>\$ 21,520</u>

See accompanying Independent Auditors' Report.

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>
	<b>Food Service</b>		
	<u>Fund</u>	<u>Building Fund</u>	<u>2016</u>
<b>REVENUES</b>			
Local Sources	\$ 39,522	\$ -	\$ 39,522
State Sources	1,189	-	1,189
Federal Sources	<u>34,781</u>	-	<u>34,781</u>
<b>TOTAL REVENUES</b>	75,492	-	75,492
<b>EXPENDITURES</b>			
Food Service	<u>114,708</u>	-	<u>114,708</u>
<b>CHANGE IN FUND BALANCE</b>	(39,216)	-	(39,216)
<b>BEGINNING FUND BALANCE</b>	<u>23,242</u>	-	<u>23,242</u>
<b>ENDING FUND BALANCE</b>	<u>\$ (15,974)</u>	<u>\$ -</u>	<u>\$ (15,974)</u>

See accompanying Independent Auditors' Report.

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## **SPECIAL REVENUE FUND**

Special Revenue 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:

The District reports the following Special Revenue Funds:

Food Service and Athletics Fund

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Food Service Fund**  
**For the Year Ended June 30, 2016**

	<b>2016</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Food Service Revenue	35,300	39,522	4,222
<b>State Sources</b>			
State Match - Child Nutrition	220	725	505
Smart Start Nutrition	400	163	(237)
State K-2 Reduced Lunch	400	301	(99)
Total State Sources	1,020	1,189	169
<b>Federal Sources</b>			
School Breakfast Program	8,000	4,929	(3,071)
National School Lunch Program	27,900	29,852	1,952
Total Federal Sources	35,900	34,781	(1,119)
<b>TOTAL REVENUES</b>	<b>72,220</b>	<b>75,492</b>	<b>3,272</b>
<b>EXPENDITURES</b>			
<b>Food Service</b>			
Salaries	34,000	37,365	(3,365)
Benefits	6,100	21,159	(15,059)
PS - Other	1,000	939	61
Supplies	-	1,175	(1,175)
Food	56,000	51,339	4,661
Property	2,000	-	2,000
Depreciation	5,000	-	5,000
Other Expenses	150	2,731	(2,581)
<b>TOTAL EXPENDITURES</b>	<b>104,250</b>	<b>114,708</b>	<b>(10,458)</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(32,030)</b>	<b>(39,216)</b>	<b>(7,186)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	25,000	-	(25,000)
<b>CHANGE IN FUND BALANCE</b>	<b>(7,030)</b>	<b>(39,216)</b>	<b>(32,186)</b>
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>23,242</b>	<b>23,242</b>
<b>ENDING FUND BALANCE</b>	<b>\$ (7,030)</b>	<b>\$ (15,974)</b>	<b>\$ (8,944)</b>

See accompanying Independent Auditors' Report.

## **DEBT SERVICE FUND**

Debt Service Funds These funds are used to account for the repayment of the District's general obligation indebtedness.

The District has the following debt service fund:

Bond Redemption Fund

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
<b>Local Sources</b>			
Property Taxes	\$ 400,000	\$ 368,183	\$ (31,817)
Investment Earnings	500	1,000	500
<b>TOTAL REVENUES</b>	<u>400,500</u>	<u>369,183</u>	<u>(31,317)</u>
<b>EXPENDITURES</b>			
PS - Professional	900	-	900
<b>Debt Service</b>			
Principal	275,000	275,000	-
Interest	100,000	83,695	16,305
Total Debt Service	375,000	358,695	16,305
<b>TOTAL EXPENDITURES</b>	<u>375,900</u>	<u>358,695</u>	<u>17,205</u>
<b>CHANGE IN FUND BALANCE</b>	24,600	10,488	(14,112)
<b>BEGINNING FUND BALANCE</b>	-	489,490	489,490
<b>ENDING FUND BALANCE</b>	<u>\$ 24,600</u>	<u>\$ 499,978</u>	<u>\$ 475,378</u>

See accompanying Independent Auditors' Report.

## **FIDUCIARY (AGENCY) FUNDS**

Fiduciary (Agency) Funds are used to account for assets held by the District as an agent for individuals, private and student groups. The agency funds are custodial in nature and do not involve measurement of results of operations.

### Scholarship Fund

The District has established a scholarship agency fund to account for annual student scholarships given through memorial donations.

### Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Scholarship Agency Fund**  
**For the Year Ended June 30, 2016**

	<b>2016</b>		
	<b>Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
	<b>Budget</b>		<b>Budget</b>
<b>ADDITIONS</b>			
Local Sources	\$ -	\$ 77	\$ 77
<b>DEDUCTIONS</b>			
Other Supporting Services	-	2,000	(2,000)
<b>CHANGE IN NET POSITION</b>	-	(1,923)	(1,923)
<b>BEGINNING NET POSITION</b>	-	30,931	30,931
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 29,008</u>	<u>\$ 29,008</u>

See accompanying Independent Auditors' Report.

**WELD COUNTY SCHOOL DISTRICT RE-10J**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Pupil Activity Agency Fund**  
**For the Year Ended June 30, 2016**

	<b>2016</b>		
	<b>Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
	<b>Budget</b>		<b>Budget</b>
<b>ADDITIONS</b>			
Local Sources	\$ 56,110	\$ 80,982	\$ 24,872
<b>DEDUCTIONS</b>			
Instruction	<u>61,700</u>	<u>86,414</u>	<u>(24,714)</u>
<b>CHANGE IN NET POSITION</b>	(5,590)	(5,432)	158
<b>BEGINNING NET POSITION</b>	<u>-</u>	<u>26,903</u>	<u>26,903</u>
<b>ENDING NET POSITION</b>	<u>\$ (5,590)</u>	<u>\$ 21,471</u>	<u>\$ 27,061</u>

See accompanying Independent Auditors' Report.

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## **STATE COMPLIANCE**

This report includes information required by the Colorado Department of Education.



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3146 - BRIGGS DALE RE-10  
 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	1,097,369	3,035,953	2,685,666	1,447,656
18 Risk Mgmt Sub-Fund of General Fund	0	0	103,527	-103,527
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>1,097,369</b>	<b>3,035,953</b>	<b>2,789,193</b>	<b>1,344,129</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	23,242	75,492	114,707	-15,974
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	489,490	369,183	358,695	499,978
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	0	0	0	0
<b>Totals</b>	<b>1,610,101</b>	<b>3,480,628</b>	<b>3,262,595</b>	<b>1,828,133</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	30,931	77	2,000	29,008
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	26,903	80,982	86,414	21,471
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>57,834</b>	<b>81,059</b>	<b>88,414</b>	<b>50,479</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: 3146 - BRIGGS DALE RE-10

Fiscal Year 2015-16

Colorado School District/BOCES

See accompanying Independent Auditor's Report

ASSETS	Governmental							Proprietary					Fiduciary		Totals
	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			
Cash and Investments (8100-8104,8111)	1,393,670	0	0	14,849	0	499,212	0	0	0	0	72,953	0	1,980,684		
Cash with Fiscal Agent (8105)	15,442	0	0	0	0	119	0	0	0	0	0	0	15,560		
Taxes Receivable (8121,8122)	6,784	0	0	0	0	648	0	0	0	0	0	0	7,432		
Interfund Loans Receivable (8131,8132)	58,189	0	0	0	0	0	100	0	0	0	0	0	58,289		
Grants Accounts Receivable (8142)	9,764	0	0	0	0	0	0	0	0	0	0	0	9,764		
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0		
Inventories (8171,8172,8173)	0	0	0	6,571	0	0	0	0	0	0	0	0	6,571		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Assets</b>	<b>1,483,849</b>	<b>0</b>	<b>0</b>	<b>21,420</b>	<b>0</b>	<b>499,978</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>72,953</b>	<b>0</b>	<b>0</b>	<b>2,078,300</b>		

Governmental
Proprietary
Fiduciary

	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 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>													
<b>LIABILITIES</b>													
Interfund Payables (7401,7402)	0	0	0	36,015	0	0	100	0	0	22,174	0	0	58,289
Other Payables (7421-7423)	7,332	0	0	0	0	0	0	0	0	300	0	0	7,632
Accrued Expenses (7461)	132,388	0	0	1,379	0	0	0	0	0	0	0	0	133,767
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>139,720</b>	<b>0</b>	<b>0</b>	<b>37,394</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>22,474</b>	<b>0</b>	<b>0</b>	<b>199,688</b>

See accompanying Independent Auditor's Report

**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	6,571	0	0	0	0	0	0	0	0	6,571
Restricted Fund Balance 6720	0	0	0	0	0	499,978	0	0	0	0	0	0	499,978
TABOR 3% Emergency Reserve 6721	91,000	0	0	0	0	0	0	0	0	0	0	0	91,000
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	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	50,479	0	50,479
Unassigned Fund Balance 6770	1,253,129	0	0	-22,545	0	0	0	0	0	0	0	0	1,230,584
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>1,344,129</b>	<b>0</b>	<b>0</b>	<b>-15,974</b>	<b>0</b>	<b>499,978</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,479</b>	<b>0</b>	<b>1,878,612</b>

<b>Total Liabilities &amp; 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
	1,483,849	0	0	21,420	0	499,978	100	0	0	0	72,953	0	2,078,300

	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
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes