

**WIGGINS SCHOOL DISTRICT RE-50J
WIGGINS, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

**WIGGINS SCHOOL DISTRICT RE-50J
WIGGINS, COLORADO**

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2018

BOARD OF EDUCATION

Kris Musgrave – President

Jerry Wolfswinkel – Vice President

Troy Freauff – Secretary/Treasurer

Sara Kopetzky – Member

Mike Miller – Member

Superintendent – Trent Kerr

Board Clerk/Business Manager - Cary Allen

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FINANCIAL SECTION

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2018

The discussion and analysis of Wiggins School District RE-50J's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The District's budget continues to remain fairly constant. Any increases in revenue are generally used to offset the cost of salary and benefits for additional staff and/or programs. The District continues to maintain a healthy fund balance in the General Fund. The District budgets sufficient contingencies greater than required by law to cover any unanticipated operational needs.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's total net position was \$(2,682,916) as of June 30, 2018.

The District's governmental net position increased by \$2,164,069 from 2017 to 2018. The net position includes the long-term pension related liabilities with PERA and bonds payable. The general fund had an increase of \$785,552 to fund balance and food service fund had an increase of \$30,595.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

A condensed summary of the Districts Net Position is as follows:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current Assets	\$ 23,330,986	\$ 37,585,306
Capital Assets - Net	<u>25,663,897</u>	<u>7,827,025</u>
Total Assets	<u>48,994,883</u>	<u>45,412,331</u>
Deferred Outflows of Financial Resources	<u>6,447,872</u>	<u>7,562,040</u>
Current Liabilities	3,769,330	953,613
Long-Term Liabilities	<u>53,061,182</u>	<u>52,366,171</u>
Total Liabilities	<u>56,830,512</u>	<u>53,319,784</u>
Deferred Inflows of Financial Resources	<u>1,295,159</u>	<u>173,434</u>
Net Investment in Capital Assets	(3,836,103)	(22,892,975)
Restricted Net Position	1,884,745	2,105,731
Unrestricted Net Position	<u>(731,558)</u>	<u>20,268,397</u>
Total Net Position	<u>\$ (2,682,916)</u>	<u>\$ (518,847)</u>

Most of the district's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted to finance future purchases or capital projects as planned by the District and for debt repayment.

A condensed Statement of Activities and Changes in Net Position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Program Revenues:		
Charges for Services	\$ 144,314	\$ 141,965
Operating Grants	681,903	427,803
Capital Grants & Contributions	<u>17,390</u>	<u>-</u>
Total Program Revenues	<u>843,607</u>	<u>569,768</u>
General Revenues:		
Taxes	6,894,693	7,156,082
State Equalization	497,883	103,343
Investment Income	434,641	144,113
Gain (Loss) on Capital Disposals	(827)	-
Miscellaneous	<u>59,353</u>	<u>102,854</u>
Total General Revenues	<u>7,885,743</u>	<u>7,506,392</u>
Total Revenues	<u>8,729,350</u>	<u>8,076,160</u>
Expenses		
Instruction	5,465,983	5,153,230
Supporting Services	3,771,095	3,723,199
Interest on Long Term Debt	<u>1,204,912</u>	<u>602,619</u>
Total Expenses	<u>10,441,990</u>	<u>9,479,048</u>
Change in Net Position	<u>(1,712,640)</u>	<u>(1,402,888)</u>
Net Position - Beginning	(518,847)	884,041
Prior Period Adjustments	<u>(451,429)</u>	<u>-</u>
Net Position - Beginning (As Restated)	<u>(970,276)</u>	<u>884,041</u>
Net Position - Ending	<u>\$ (2,682,916)</u>	<u>\$ (518,847)</u>

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Capital Reserve, Pupil Activity, Bond Redemption and Food Service Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Reserve, Bond Redemption Funds, Bond Project and Food Service Fund. The General Fund accounts for the majority of the District's instruction and support operations. The Capital Reserve Fund accounts for the District's capital needs, the Bond Redemption Fund accounts for the repayment of the District's bonded debt and the Food Service Fund accounts for the District's food service program.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund is the Pupil Activity Fund. The Pupil Activity Fund generally accounts for student generated revenues and expenditures related to non-classroom activities.

Fund Financial Statements

As of June 30, 2018, the District's governmental funds reported a combined fund balance of \$19,664,289 which is a decrease of \$17,071,542 from the June 30, 2017 balance. The majority of the decrease is from the building fund for the new school.

Capital Assets

As of June 30, 2018 the District had \$25,663,897 invested in a broad range of capital assets, including land, buildings, furniture, equipment and construction in progress. This amount represents a net increase (including additions, deletions, and depreciation) of \$17,842,866 which is from construction in progress and the purchase of land. A summary of the District's Capital Assets is as follows:

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ -	\$ 175,119	\$ -	\$ 175,119
Construction in Progresss	1,620,126	17,891,780	-	19,511,906
Total Capital Assets not being depreciated	<u>1,620,126</u>	<u>18,066,899</u>	<u>-</u>	<u>19,687,025</u>
Capital Assets being depreciated:				
Land and Buildings	8,992,727	8,300	10,000	8,991,027
Equipment	299,601	14,689	-	314,290
Food Service Equipment	12,579	-	-	12,579
Transportation Equipment	880,966	-	-	880,966
Total Capital Assets being depreciated	<u>10,185,873</u>	<u>22,989</u>	<u>10,000</u>	<u>10,198,862</u>
Accumulated Depreciation:				
Land and Buildings	(3,091,411)	(197,427)	(7,003)	(3,281,835)
Equipment	(227,225)	(16,575)	-	(243,800)
Food Service Equipment	(10,063)	(1,258)	-	(11,321)
Transportation Equipment	(650,275)	(34,759)	-	(685,034)
Total Accumulated Depreciation	<u>(3,978,974)</u>	<u>(250,019)</u>	<u>(7,003)</u>	<u>(4,221,990)</u>
Net Capital Assets	<u>\$ 7,827,025</u>	<u>\$ 17,839,869</u>	<u>\$ 2,997</u>	<u>\$ 25,663,897</u>

Debt Administration

As of June 30, 2018 the District had total outstanding long-term debt as follows:

	Balance As Restated			Balance	Current	Interest
	06/30/17	Advances	Payments	06/30/18	Portion	Expense
2006 GO Refunding Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 General Obligation Bond	30,720,000	-	1,220,000	29,500,000	1,035,000	1,319,150
2017 GO Bond Premiums	2,822,420	-	112,088	2,710,332	95,091	-
Interest Free Loan Program	-	-	-	-	-	-
Net OPEB Liability	465,239	-	350	464,889	-	-
PERA Net Pension Liability	18,795,978	1,561,969	-	20,357,947	-	-
Accrued Leave	27,773	3,272	3,031	28,014	-	-
Total	<u>\$52,831,410</u>	<u>\$ 1,565,241</u>	<u>\$ 1,335,469</u>	<u>\$53,061,182</u>	<u>\$ 1,130,091</u>	<u>\$ 1,319,150</u>

The District passed a bond election in November 2016 which was funded in 2017 in the amount of \$30,720,000. The accrued compensated absences and early retirement liabilities represent the amounts to be funded for earned but unused vacation and sick leave as well as post termination payments to retiring employees that participate in the early retirement program. Additional information related to the District's debt can be found in Note 6 to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization and Specific Ownership Tax.

General Fund revenues were \$276,520 more than budgeted. Specific Ownership taxes and State Equalization accounted for the most significant revenue increases. General Fund expenditures were \$305,101 under budget after adjusting for budgeted contingency reserves of \$3,394,424. Instructional expenditures accounted for the most significant budget differences. Savings were across most budget areas.

Next Year's Budgets and Rates

A bond passed in November 2016 for approximately \$31 million. The bond is to build a new middle/high school and repair/improve existing facilities. With the bond fund excluded, the District will be maintaining a similar budget to 2017-18.

Requests for Information

This financial report is designed to provide a general overview of the Wiggins School District RE-50J's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Director, 320 Chapman Street, Wiggins, Colorado 80654-1374.

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

Board of Education
Wiggins School District RE-50J
Wiggins, 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 Wiggins School District RE-50J, Colorado, as of and for the year ended June 30, 2018, 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 an opinion 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 opinion.

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 Wiggins School District RE-50J, Colorado, as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Wiggins School District RE-50J's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the 2017 financial statements have been restated to reflect the adoption of GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required restatement of the beginning June 30, 2018 fiscal year net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 41-44 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 schedule on pages 45-47 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 48-54 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report and Bolded Balance Sheet reports on pages 55-58 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
December 13, 2018

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, 2018.

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 4,389,437
Restricted Cash and Investments	18,675,941
Cash with Fiscal Agent	41,104
Taxes Receivable	106,732
Grants Receivable	73,992
Other Accounts Receivable	3,843
Inventory	3,499
Prepaid Expenses	36,438
Total Current Assets	<u>23,330,986</u>
Noncurrent Assets	
Capital Assets, not being depreciated	19,687,025
Capital Assets, being depreciated	5,976,872
Total Noncurrent Assets	<u>25,663,897</u>
TOTAL ASSETS	<u>48,994,883</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Pension Deferred Outflows	6,431,497
Net OPEB Deferred Outflows	16,375
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>6,447,872</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 55,442,755</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	2,247,232
Retainage Payable	860,057
Accrued Interest	108,404
Accrued Salaries & Benefits	553,637
Total Current Liabilities	<u>3,769,330</u>
Non-Current Liabilities	
Due Within One Year	1,130,091
Due In More Than One Year	51,931,091
Total Noncurrent Liabilities	<u>53,061,182</u>
Total Liabilities	<u>56,830,512</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Net Pension Deferred Inflows	1,280,401
Net OPEB Deferred Inflows	8,987
Deferred Inflows Other	5,681
Deferred Inflows Grants	90
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>1,295,159</u>
NET POSITION	
Net Investment in Capital Assets	(3,836,103)
Restricted Net Position	1,884,745
Unrestricted Net Position	(731,558)
TOTAL NET POSITION	<u>(2,682,916)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 55,442,755</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Activities
For the Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>	<u>Change in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary Government					
Governmental Activities					
Instruction	\$ 5,465,983	\$ 54,530	\$ 454,686	\$ -	\$ (4,956,767)
Supporting Services	3,771,095	89,784	227,217	17,390	(3,436,704)
Interest on Long Term Debt	1,204,912	-	-	-	(1,204,912)
Total Primary Government	\$ 10,441,990	\$ 144,314	\$ 681,903	\$ 17,390	(9,598,383)
General Revenues					
Property Taxes					6,338,905
Specific Ownership Taxes					555,788
State Equalization					497,883
Investment Earnings					434,641
Gain (Loss) on Capital Asset Disposals					(827)
Other Revenues					59,353
Total General Revenues and Transfers					7,885,743
Change in Net Position					(1,712,640)
Beginning Net Position					(518,847)
Prior Period Restatement					(451,429)
Beginning Net Position (As Restated)					(970,276)
Ending Net Position					\$ (2,682,916)

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

WIGGINS SCHOOL DISTRICT RE-50J
Balance Sheet
Governmental Funds
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>General Fund</u>	<u>Special Revenue Food Service Fund</u>	<u>Debt Service Bond Redemption Fund</u>	<u>Capital Projects Building Fund</u>
ASSETS				
Cash and Investments	\$ 4,093,854	\$ 196,984	\$ -	\$ -
Restricted Cash and Investments	50,817	-	1,647,054	16,978,070
Cash with Fiscal Agent	25,881	-	15,223	-
Taxes Receivable	67,264	-	39,468	-
Interfund Accounts Receivable	14,348	-	-	-
Grants Receivable	73,583	409	-	-
Other Accounts Receivable	3,798	45	-	-
Inventory	-	3,499	-	-
Prepaid Expenses	36,438	-	-	-
TOTAL ASSETS	<u>\$ 4,365,983</u>	<u>\$ 200,937</u>	<u>\$ 1,701,745</u>	<u>\$ 16,978,070</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ 14,348	\$ -	\$ -
Accounts Payable	21,987	-	-	2,151,811
Retainage Payable	-	-	-	857,155
Accrued Salaries & Benefits	541,318	12,319	-	-
Total Liabilities	<u>563,305</u>	<u>26,667</u>	<u>-</u>	<u>3,008,966</u>
Deferred Inflows of Financial Resources				
Deferred Inflows Other	-	5,681	-	-
Deferred Inflows Grants	90	-	-	-
Total Deferred Inflows of Financial Resources	<u>90</u>	<u>5,681</u>	<u>-</u>	<u>-</u>
Fund Balance				
Nonspendable Fund Balance	36,438	3,499	-	-
Restricted Fund Balance	-	-	1,701,745	-
Restricted for Debt Service	-	-	1,701,745	-
Restricted for TABOR Emergencies	183,000	-	-	-
Committed Fund Balance	-	165,090	-	-
Committed for Fund Purposes	-	165,090	-	-
Assigned Fund Balance	-	-	-	13,969,104
Assigned for Fund Purposes	-	-	-	13,969,104
Unassigned Fund Balance	3,583,150	-	-	-
Total Fund Balance	<u>3,802,588</u>	<u>168,589</u>	<u>1,701,745</u>	<u>13,969,104</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,365,983</u>	<u>\$ 200,937</u>	<u>\$ 1,701,745</u>	<u>\$ 16,978,070</u>

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

Other Governmental Funds	Totals	
	2018	2017
\$ 98,599	\$ 4,389,437	\$ 37,441,020
-	18,675,941	-
-	41,104	11,492
-	106,732	54,007
-	14,348	3,166
-	73,992	48,121
-	3,843	7,234
-	3,499	3,223
-	36,438	20,209
<u>\$ 98,599</u>	<u>\$ 23,345,334</u>	<u>\$ 37,588,472</u>
\$ -	\$ 14,348	\$ 3,166
73,434	2,247,232	290,152
2,902	860,057	-
-	553,637	552,007
<u>76,336</u>	<u>3,675,274</u>	<u>845,325</u>
-	5,681	7,226
-	90	90
-	5,771	7,316
-	39,937	63,369
-	1,701,745	1,857,731
-	183,000	248,000
-	-	-
-	165,090	134,495
22,263	13,991,367	240,495
-	3,583,150	34,191,741
<u>22,263</u>	<u>19,664,289</u>	<u>36,735,831</u>
<u>\$ 98,599</u>	<u>\$ 23,345,334</u>	<u>\$ 37,588,472</u>

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WIGGINS SCHOOL DISTRICT RE-50J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2018

Fund Balance - Governmental Funds		\$	19,664,289
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	19,687,025		
Capital assets, being depreciated	10,198,862		
Accumulated depreciation	<u>(4,221,990)</u>	25,663,897	
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds			
Bond premiums, net		(2,710,332)	
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			
PERA Pension			
Net pension deferred outflows	6,431,497		
Net pension liability	(20,357,947)		
Net pension deferred intflows	<u>(1,280,401)</u>	(15,206,851)	
PERA Health Care Trust Fund (OPEB)			
Net OPEB deferred outflows	16,375		
Net OPEB liability	(464,889)		
Net OPEB deferred intflows	<u>(8,987)</u>	(457,501)	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable	(29,500,000)		
Accrued interest payable	(108,404)		
Accrued compensated absences	<u>(28,014)</u>	<u>(29,636,418)</u>	
Total Net Position - Governmental Activities		\$	<u>(2,682,916)</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>General Fund</u>	<u>Special Revenue Food Service Fund</u>	<u>Debt Service Bond Redemption Fund</u>	<u>Capital Projects Building Fund</u>
REVENUES				
Local Sources	\$ 4,666,240	\$ 90,931	\$ 2,384,064	\$ 406,681
Intermediate Sources	1,130	-	-	-
State Sources	864,393	6,264	-	-
Federal Sources	138,980	156,227	-	-
TOTAL REVENUES	<u>5,670,743</u>	<u>253,422</u>	<u>2,384,064</u>	<u>406,681</u>
EXPENDITURES				
Instruction	2,947,683	-	-	-
Pupil Support	184,266	-	-	-
Staff Support	68,283	-	-	-
General Administration	248,469	-	-	31,969
School Administration	268,691	-	-	-
Operations and Maintenance	663,163	-	-	-
Transportation	246,832	-	-	-
Other Central Support	159,432	-	-	-
Risk Management	48,372	-	-	-
Food Service	-	222,827	-	-
Facilities	-	-	-	18,043,724
Debt Service	-	-	2,540,050	-
TOTAL EXPENDITURES	<u>4,835,191</u>	<u>222,827</u>	<u>2,540,050</u>	<u>18,075,693</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>835,552</u>	<u>30,595</u>	<u>(155,986)</u>	<u>(17,669,012)</u>
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	-	-	-
Transfer In (Out) - net	(50,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	785,552	30,595	(155,986)	(17,669,012)
BEGINNING FUND BALANCE	<u>3,017,036</u>	<u>137,994</u>	<u>1,857,731</u>	<u>31,638,116</u>
ENDING FUND BALANCE	<u>\$ 3,802,588</u>	<u>\$ 168,589</u>	<u>\$ 1,701,745</u>	<u>\$ 13,969,104</u>

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

Other Governmental Funds		Totals	
		2018	2017
\$ 47	\$ 7,547,963	\$ 7,582,310	
-	1,130	852	
17,390	888,047	167,262	
-	295,207	325,736	
<u>17,437</u>	<u>8,732,347</u>	<u>8,076,160</u>	
-	2,947,683	3,021,985	
-	184,266	132,002	
-	68,283	87,044	
-	280,438	677,610	
-	268,691	268,029	
-	663,163	628,479	
-	246,832	239,985	
-	159,432	233,359	
-	48,372	43,904	
-	222,827	242,673	
130,128	18,173,852	1,727,573	
-	2,540,050	2,497,342	
<u>130,128</u>	<u>25,803,889</u>	<u>9,799,985</u>	
<u>(112,691)</u>	<u>(17,071,542)</u>	<u>(1,723,825)</u>	
-	-	33,542,420	
50,000	-	-	
<u>50,000</u>	<u>-</u>	<u>33,542,420</u>	
(62,691)	(17,071,542)	31,818,595	
84,954	36,735,831	4,917,236	
<u>\$ 22,263</u>	<u>\$ 19,664,289</u>	<u>\$ 36,735,831</u>	

WIGGINS SCHOOL DISTRICT RE-50J
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2018

Change in Fund Balance - Governmental Funds \$ (17,071,541)

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	18,089,888	
Depreciation Expense	(250,019)	
Gain (Loss) on Asset Disposals	<u>(2,997)</u>	17,836,872

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.

PERA Pension

Change in deferred pension outflows	(1,130,543)	
Change in net pension liability	(1,561,969)	
Change in deferred pension inflows	<u>(1,114,283)</u>	(3,806,795)

PERA Health Care Trust Fund

Change in deferred OPEB outflows	1,915	
Change in net OPEB liability	1,000	
Change in deferred OPEB inflows	<u>(8,987)</u>	(6,072)

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	1,220,000	
Change in accrued interest payable	3,050	
Amortization of premiums and discounts	112,088	
Change in accrued compensated absences	<u>(241)</u>	<u>1,334,897</u>

Total Change in Net Position - Governmental Activities \$ (1,712,639)

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

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Fiduciary Net Position
Fiduciary Funds
Pupil Activity Agency Fund
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>Totals</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 137,819	\$ 150,882
NET POSITION		
Restricted Net Position	<u>\$ 137,819</u>	<u>\$ 150,882</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Wiggins School District RE-50J (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* and as subsequently amended.

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

Basis of Presentation

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

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

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

Fund Financial Statements

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

Building (Capital Reserve Projects) Fund – This fund is used to account for the construction of the District's Building Project, funded by the issuance of General Obligation Bonds.

The District reports the following nonmajor governmental funds:

Special Revenue Fund (Food Service Fund) – The Food Service Fund accounts for the District's food service program.

Capital Projects Fund (Capital Reserve Projects Fund) – This fund is used to account for the District's major capital outlay activity.

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity Fund) – This fund is used to account for the money held in trust by the District for student organizations. This fund is custodial and does not measure the results of operations.

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, they are both restricted and unrestricted net position available to finance the programs. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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:

- o 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.
- o Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- o Prior to June 30, the budget is adopted by formal resolution.
- o Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- o Expenditures may not legally exceed appropriations at the fund level.
- o Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- o Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education or as amended.
- o Encumbrance accounting is not utilized.

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

Cash and Investments – The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized. Investments are stated at fair value.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost and capitalized on items purchased with a value over \$5,000. 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	10-75 years
Vehicles	15-30 years
Other Equipment	5-20 years

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, 2018, the District has recorded accrued leave as disclosed in Note 5.

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. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

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 and OPEB obligations and further described in Notes 8 and 10.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports pension and OPEB related deferrals as further described in Notes 8 and 10 as well as Food Service student prepayments and grant carryovers.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balances - In the government-wide financial statements, net position is either shown as net investment in capital assets, 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.

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

All remaining fund balance in the General Fund or deficits in other governmental funds are reported as unassigned.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures/Expenses

Revenues 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. Revenues that are directly attributable to a program are shown as program revenues for the statement of activities. These revenues consist of, but are not limited to grants, fees and other charges for services.

Expenditures, where eligible, are first charged to restricted net position prior to being charged against unrestricted net position.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on October 1. Assessed values are an approximation of market value. The 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.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, uncollected property taxes levied in the current fiscal year for collection in the subsequent fiscal year are identified as property taxes receivable at June 30, and are presented net of an estimated allowance for uncollectible taxes.

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 2: CASH AND INVESTMENTS

A summary of deposits and investments at June 30, 2018, follows:

Cash deposits	\$ 2,719,528
Investments	20,483,393
Cash on hand	<u>275</u>
Total cash and investments	<u>\$ 23,203,196</u>

These balances are allocated as follows in the financial statements:

Unrestricted	<u>\$ 4,389,436</u>
<u>Restricted</u>	
Restricted for capital projects	17,028,887
Restricted for debt service	<u>1,647,054</u>
Total restricted	<u>18,675,941</u>
Total government-wide cash and investments	23,065,377
Fiduciary	<u>137,819</u>
Total cash and investments	<u>\$ 23,203,196</u>

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2018, 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

The District's deposits are allocated as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	<u>2,581,922</u>	<u>2,469,528</u>
Total Deposits	<u>\$ 2,831,922</u>	<u>\$ 2,719,528</u>

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, 2018 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds - Restricted	\$ -	\$ 1,647,054	\$ -	<u>1,647,054</u>
Total Investments	<u>\$ -</u>	<u>\$ 1,647,054</u>	<u>\$ -</u>	<u>\$ 1,647,054</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.
- **Mutual Funds:** Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2018, there were no changes in methods or assumptions utilized to derive the fair value of the District's assets and liabilities

The District has invested in mutual funds offered through UMB Corporate Trust Services, as custodian of the District's Bond Redemption Fund investments. These amounts are held for repayment of the District's general obligation debt. The custodian's internal records identify the investments owned by the mutual funds. The District has also restricted other funds as shown above.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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.

During the year ended June 30, 2018, 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.

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, 2018, the District did not have any investments requiring safekeeping.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Custodial Credit Risk – Investments (Continued)

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

	Carrying Value	Weighted Average Maturity (in Years)	Rating
Local Government Investment Pools	\$ 18,836,340	-	AAAm
Mutual Funds (Bond Trustee)	<u>1,647,054</u>	-	AAA
Total Investments	<u>\$ 20,483,394</u>		

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2018 of \$3,499, consisted of purchased inventory and donated commodities. Purchased inventories are stated at cost.

NOTE 4: CAPITAL ASSETS

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

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ -	\$ 175,119	\$ -	\$ 175,119
Construction in Progress	<u>1,620,126</u>	<u>17,891,780</u>	-	<u>19,511,906</u>
Total Capital Assets not being depreciated	<u>1,620,126</u>	<u>18,066,899</u>	-	<u>19,687,025</u>
Capital Assets being depreciated:				
Land and Buildings	8,992,727	8,300	10,000	8,991,027
Equipment	299,601	14,689		314,290
Food Service Equipment	12,579	-	-	12,579
Transportation Equipment	<u>880,966</u>	<u>-</u>	<u>-</u>	<u>880,966</u>
Total Capital Assets being depreciated	<u>10,185,873</u>	<u>22,989</u>	<u>10,000</u>	<u>10,198,862</u>
Accumulated Depreciation:				
Land and Buildings	(3,091,411)	(197,427)	(7,003)	(3,281,835)
Equipment	(227,225)	(16,575)		(243,800)
Food Service Equipment	(10,063)	(1,258)	-	(11,321)
Transportation Equipment	<u>(650,275)</u>	<u>(34,759)</u>	<u>-</u>	<u>(685,034)</u>
Total Accumulated Depreciation	<u>(3,978,974)</u>	<u>(250,019)</u>	<u>(7,003)</u>	<u>(4,221,990)</u>
Net Capital Assets	<u>\$ 7,827,025</u>	<u>\$ 17,839,869</u>	<u>\$ 2,997</u>	<u>\$ 25,663,897</u>

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation is allocated across the various functions as follows:

Instruction	\$ 31,679
Supporting Services	218,340
Total Depreciation	<u>\$ 250,019</u>

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, 2018, are as follows:

General Fund	\$ 512,731
Preschool	28,587
Food Service Fund	<u>12,319</u>
Total	<u>\$ 553,637</u>

NOTE 6: LONG-TERM DEBT

The District's long-term debt transactions for the year ended June 30, 2018, were as follows:

	Balance					
	As Restated			Balance	Current	Interest
	06/30/17	Advances	Payments	06/30/18	Portion	Expense
2006 GO Refunding Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 General Obligation Bond	30,720,000	-	1,220,000	29,500,000	1,035,000	1,319,150
2017 GO Bond Premiums	2,822,420	-	112,088	2,710,332	95,091	-
Interest Free Loan Program	-	-	-	-	-	-
Net OPEB Liability	465,239	-	350	464,889	-	-
PERA Net Pension Liability	18,795,978	1,561,969	-	20,357,947	-	-
Accrued Leave	27,773	3,272	3,031	28,014	-	-
Total	<u>\$ 52,831,410</u>	<u>\$ 1,565,241</u>	<u>\$ 1,335,469</u>	<u>\$ 53,061,182</u>	<u>\$ 1,130,091</u>	<u>\$ 1,319,150</u>

2017 General Obligation Bonds

The District's 2006 general obligation bonds were partially refunded through the issuance of \$30,720,000 of Series 2017 General Obligation Bonds. The bonds require annual principal payments by December 1st of each year and semi-annual interest payments. The bonds bear interest at rates ranging from 3% to 5% and mature December 1, 2036. Payments are made through the District's Bond Redemption Fund.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT

Annual debt service requirements for the bonds are as follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,220,000	\$ 1,319,150	\$ 2,539,150
2019	1,035,000	1,285,325	2,320,325
2020	1,065,000	1,243,175	2,308,175
2021	1,120,000	1,188,550	2,308,550
2022	1,175,000	1,131,175	2,306,175
2023-2027	6,560,000	4,725,500	11,285,500
2028-2032	8,400,000	3,135,650	11,535,650
2033-2036	<u>10,145,000</u>	<u>1,298,350</u>	<u>11,443,350</u>
Total	<u>\$ 30,720,000</u>	<u>\$ 15,326,875</u>	<u>\$ 46,046,875</u>

NOTE 7: 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. 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, 2018.

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.

Other Insurance

The District carries commercial insurance for other risks of loss, including workers compensation.

NOTE 8: 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled Changes between the measurement date of the net pension liability and June 30, 2018.

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.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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:

January 1st through December 31st	2014¹	2015¹	2016¹	2017¹
Employer contribution rate	10.15%	10.15%	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%	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%	5.00%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%	18.63%

¹ 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 \$541,037 for the plan year ended December 31, 2017 and \$495,772 for the fiscal year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$20,357,947 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2017, the District's proportion was .06296%, which was a decrease of .000172% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018 the District recognized pension expense of \$4,272,011. At June 30, 2018, 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	\$ 373,038	\$ -
Changes of assumptions or other inputs	\$ 5,208,055	\$ (31,371)
Net difference between projected and actual earnings on pension plan	\$ 385,111	\$ (1,203,062)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 193,032	\$ (45,968)
Contributions subsequent to the measurement date	\$ 272,261	\$ -
Total	\$ 6,431,497	\$ (1,280,401)

\$272,261 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, 2019. 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
2019	3,102,900
2020	1,648,440
2021	(108,290)
2022	(315,414)
Total	\$ 4,327,636

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: 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 as of December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
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)

A discount rate of 4.78 percent was used in the roll forward calculation of the total pension liability to the measurement date of December 31, 2017.

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

Asset Class	Target Allocation	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.5%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based on a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increase financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on or after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting is a discount rate of 4.78 percent.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: 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 prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78%, 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 (3.78%) or 1-percentage-point higher (5.78%) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension asset (liability)	\$ (25,715,550)	\$ (20,357,947)	\$ (15,992,113)

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.

Changes between the measurement date of the net pension liability and June 30, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Changes between the measurement date of the net pension liability and June 30, 2018
(Continued)

- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018, the District reported a liability of \$20,357,947 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$9,197,544

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$9,503,217 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

NOTE 9: 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.

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, 2018 program members contributed \$59,287.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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.

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

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

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$29,622 for the plan year ended December 31, 2017 and \$26,087 for the fiscal year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$464,889 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

At December 31, 2017, the District's proportion was 0.03577%, which was a decrease of .000112% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$36,191. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 2,199	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (7,778)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (1,209)
Contributions subsequent to the measurement date	\$ 14,176	\$ -
Total	\$ 16,375	\$ (8,987)

\$14,176 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2019	\$ (1,750)
2020	(1,750)
2021	(1,750)
2022	(1,751)
2023	195
2024	18
Total	\$ (6,788)

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial assumptions - The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.00 % for 2017, gradually rising to 4.25% in 2023

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capital health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely to actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the "No Part A Subsidy" when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the "No Part A Subsidy" but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 7.25%.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Proportionate share of the net OPEB asset (liability)	\$ (452,098)	\$ (464,889)	\$ (480,295)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (522,682)	\$ (464,889)	\$ (415,562)

OPEB plan fiduciary net position - Detailed information about the HCTF'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.

NOTE 11: 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. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited but the District believes that expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Tabor Amendment – In November 1992, Colorado voters passed Article X, Section 20, (the Tabor Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. In November, 1997, voters within the District authorized the District to collect, retain and expend all revenues lawfully received in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$183,000, as required by the Amendment.

Construction Commitments

The District entered into a construction commitment of \$2,305,775, of which \$721,775 has not been incurred.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 12: JOINTLY GOVERNED ORGANIZATION

Centennial Board of Cooperative Educational Services

The District in conjunction with other surrounding districts created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2018, the District paid total assessments of \$50,735 to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 2020 Clubhouse Drive, Greeley, CO 80634.

NOTE 13: INTERFUND ACTIVITY

The District has the following internal balances as of the year ended June 30, 2018:

General Fund	
Due From Other Funds	\$ 14,348
Food Service Fund	
Due to Other Funds	<u>(14,348)</u>
Net Internal Balance	<u><u>\$ -</u></u>

The District has recorded the following routine transfer during the year ended June 30, 2018:

General Fund	
Transfer to Capital Reserve	\$ (50,000)
Capital Reserve Project Fund	
Transfer from General Fund	<u>50,000</u>
Net Transfers	<u><u>\$ -</u></u>

NOTE 14: NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$2,682,916 and an unrestricted net position deficit of \$731,558 primarily due to the PERA net pension liability of \$20,357,947 as further described in Note 8 and the net OPEB liability of \$464,889 as further described in Note 10. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 15: PRIOR PERIOD RESTATEMENT

For the fiscal year, the District adopted GASB Statement Number 68 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future postemployment benefit obligations. The District has restated the beginning net position for the governmental activities for those balances that were applicable as of June 30, 2017. This restatement resulted in a net decrease in governmental activity net position of \$451,429.

NOTE 16: BUDGET VIOLATION

The District’s expenditures exceeded appropriations in the Building Fund by \$2,025,693. This may be a violation of state statutes.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules - Unaudited)

WIGGINS SCHOOL DISTRICT RE-50J

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

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
District's proportion of the net pension asset (liability)	0.062957%	0.069547%	0.071267%
District's proportionate share of the net pension asset (liability)	\$ (20,357,947)	\$ (20,706,852)	\$ (10,899,714)
District's covered payroll	\$ 2,904,116	\$ 3,087,339	\$ 3,105,780
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	701.00%	670.70%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%

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

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

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
0.073062%	0.073410%
\$ (9,902,369)	\$ (9,363,438)
\$ 3,060,778	\$ 2,959,395
323.52%	316.40%
62.84%	64.07%

WIGGINS SCHOOL DISTRICT RE-50J

SCHEDULE OF DISTRICT CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
Contractually required contributions	\$ 541,037	\$ 559,735	\$ 538,232
Actual contributions	<u>\$ (541,037)</u>	<u>\$ (559,735)</u>	<u>\$ (538,232)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,904,116	\$ 3,087,339	\$ 3,105,780
Contributions as a percentage of covered payroll	18.63%	18.13%	17.33%

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

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

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
\$ 502,886	\$ 459,595
<u>(502,886)</u>	<u>(459,595)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 3,060,778	\$ 2,959,395
16.43%	15.53%

WIGGINS SCHOOL DISTRICT RE-50J

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/18</u>	<u>06/30/17</u>
District's proportion of the net pension asset (liability)	0.035772%	0.035883%
District's proportionate share of the net pension asset (liability)	\$ (464,889)	\$ (465,239)
District's covered payroll	\$ 2,904,116	\$ 875,137
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	16.01%	53.16%
Plan fiduciary net position as a percentage of the total pension liability	17.53%	16.70%

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

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

See the accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J

**SCHEDULE OF DISTRICT CONTRIBUTIONS
NET OPEB ASSET (LIABILITY)
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/18</u>	<u>06/30/17</u>
Contractually required contributions	\$ 29,622	\$ 8,926
Actual contributions	<u>(29,622)</u>	<u>(8,926)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,904,116	\$ 875,137
Contributions as a percentage of covered payroll	1.02%	1.02%

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

⁽¹⁾ - 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)

WIGGINS SCHOOL DISTRICT RE-50J
 Schedule of Revenues, Expenses and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018			
	Original/ Final Budget	Actual	Variance with Final Budget	2017 Actual
REVENUES				
Local Sources				
Property Taxes	\$ 3,996,776	\$ 3,989,102	\$ (7,674)	\$ 4,437,380
Specific Ownership Taxes	286,298	555,789	269,491	431,105
Delinquent Taxes	-	2,439	2,439	1,742
Tuition From Individuals	54,174	54,530	356	50,155
Investment Earnings	20,100	23,055	2,955	10,457
Donations	31,500	12,792	(18,708)	37,294
Local BOCES Passthrough	-	1,150	1,150	-
Insurance Proceeds	-	-	-	5,453
Other Local	34,000	27,383	(6,617)	94,210
Total Local Sources	<u>4,422,848</u>	<u>4,666,240</u>	<u>243,392</u>	<u>5,067,796</u>
Intermediate Sources				
Mineral Leases	1,500	1,130	(370)	852
State Sources				
State Equalization	416,153	497,883	81,730	103,343
Transportation	54,694	48,434	(6,260)	3,200
State Grants from CDE				
State ECEA	-	-	-	(59,629)
State ELPA	30,000	18,044	(11,956)	18,402
State Gifted and Talented	-	-	-	(8,151)
Counselor Grant	31,400	31,400	-	-
READ Act Grant	22,792	22,792	-	16,941
Library Grant	5,000	3,500	(1,500)	3,500
Small Rural Schools Funding	-	199,773	199,773	-
Additional At Risk Funding	-	2,551	2,551	2,868
State Vocational Education	30,997	33,224	2,227	(23,702)
Other Agency State Grants	-	-	-	86,290
State Grants Provided through BOCES	206,625	6,793	(199,832)	18,410
Total State Sources	<u>797,661</u>	<u>864,394</u>	<u>66,733</u>	<u>161,472</u>
Federal Sources				
Federal Grants from CDE				
RTTT Early Childhood	498	368	(130)	-
NCLB Title VI, Part B - REAP/Rural Education	56,225	24,092	(32,133)	46,658
Federal Provided through BOCES	115,491	114,519	(972)	100,949
Total Federal Sources	<u>172,214</u>	<u>138,979</u>	<u>(33,235)</u>	<u>147,607</u>
TOTAL REVENUES	<u>5,394,223</u>	<u>5,670,743</u>	<u>276,520</u>	<u>5,377,727</u>

See the accompanying Independent Auditors' Report

(Continued)

WIGGINS SCHOOL DISTRICT RE-50J
 Schedule of Revenues, Expenses and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017 Actual
	Original/ Final Budget	Actual		
(Continued)				
EXPENDITURES				
Instruction				
Salaries	2,069,428	1,991,085	78,343	2,055,438
Benefits	735,928	677,565	58,363	706,901
PS - Professional	31,750	25,839	5,911	17,519
PS - Property	1,800	5,522	(3,722)	5,225
PS - Other	141,446	132,900	8,546	119,402
Supplies	133,099	112,949	20,150	111,161
Property	2,500	833	1,667	4,173
Other Expenses	1,950	991	959	2,166
Total Instruction	<u>3,117,901</u>	<u>2,947,684</u>	<u>170,217</u>	<u>3,021,985</u>
Supporting Services				
Pupil Support				
Salaries	118,760	104,011	14,749	65,832
Benefits	27,655	28,720	(1,065)	26,819
PS - Professional	1,800	795	1,005	190
PS - Other	75,108	50,735	24,373	37,248
Supplies	900	5	895	1,564
Other Expenses	450	-	450	349
Total Pupil Support	<u>224,673</u>	<u>184,266</u>	<u>40,407</u>	<u>132,002</u>
Staff Support				
Salaries	51,545	45,724	5,821	57,945
Benefits	23,125	21,006	2,119	24,127
PS - Professional	100	190	(90)	-
PS - Other	1,250	1,499	(249)	731
Supplies	5,400	(136)	5,536	4,241
Other Expenses	750	-	750	-
Total Staff Support	<u>82,170</u>	<u>68,283</u>	<u>13,887</u>	<u>87,044</u>
General Administration				
Salaries	152,500	155,027	(2,527)	162,638
Benefits	50,739	48,065	2,674	46,854
PS - Professional	26,000	18,276	7,724	23,397
PS - Other	23,500	17,307	6,193	17,380
Supplies	2,800	993	1,807	1,912
Other Expenses	2,500	8,800	(6,300)	8,010
Total General Administration	<u>258,039</u>	<u>248,468</u>	<u>9,571</u>	<u>260,191</u>
School Administration				
Salaries	182,833	189,697	(6,864)	187,793
Benefits	63,275	65,213	(1,938)	64,526
PS - Other	2,000	2,271	(271)	2,580
Supplies	16,000	10,825	5,175	11,928
Other Expenses	2,000	685	1,315	1,201
Total School Administration	<u>266,108</u>	<u>268,691</u>	<u>(2,583)</u>	<u>268,028</u>

See the accompanying Independent Auditors' Report

(Continued)

WIGGINS SCHOOL DISTRICT RE-50J
 Schedule of Revenues, Expenses and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017 Actual
	Original/ Final Budget	Actual		
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Operations and Maintenance				
Salaries	305,031	300,586	4,445	282,850
Benefits	128,469	99,824	28,645	94,220
PS - Property	59,600	73,068	(13,468)	69,790
PS - Other	13,400	8,301	5,099	11,368
Supplies	175,000	181,384	(6,384)	170,251
Other Expenses	15,035	-	15,035	-
Total Operations and Maintenance	696,535	663,163	33,372	628,479
Transportation				
Salaries	131,707	128,716	2,991	123,934
Benefits	32,899	33,516	(617)	32,085
PS - Property	20,000	14,338	5,662	16,102
PS - Other	11,429	34	11,395	10,717
Supplies	82,000	70,228	11,772	57,147
Other Expenses	400	-	400	-
Total Transportation	278,435	246,832	31,603	239,985
Other Central Support				
Salaries	48,000	48,398	(398)	87,620
Benefits	16,308	15,733	575	24,848
PS - Professional	20,000	15,406	4,594	16,145
PS - Other	30,000	31,447	(1,447)	30,174
Supplies	20,500	20,381	119	22,227
Property	25,000	28,067	(3,067)	52,345
Total Other Central Support	159,808	159,432	376	233,359
Risk Management				
PS - Other	56,623	48,372	8,251	43,904
Facilities/Capital Outlay				
Buildings	-	-	-	4,050
Contingency	3,394,424	-	3,394,424	-
TOTAL EXPENDITURES	8,534,716	4,835,191	3,699,525	4,919,027
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(3,140,493)	835,552	3,976,045	458,700
OTHER FINANCING SOURCES (USES)				
Transfers	87,313	(50,000)	(137,313)	(50,000)
CHANGE IN FUND BALANCE	(3,053,180)	785,552	3,838,732	408,700
BEGINNING FUND BALANCE	3,017,036	3,017,036	-	2,608,336
ENDING FUND BALANCE	\$ (36,144)	\$ 3,802,588	\$ 3,838,732	\$ 3,017,036

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

WIGGINS SCHOOL DISTRICT RE-50J
Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>Capital Projects</u>	<u>Totals</u>	
		<u>2018</u>	<u>2017</u>
	<u>Capital Reserve</u>		
	<u>Project Fund</u>		
ASSETS			
Cash and Investments	\$ 98,599	\$ 98,599	\$ 84,954
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Accounts Payable	73,434	73,434	-
Retainage Payable	2,902	2,902	-
Total Liabilities	<u>76,336</u>	<u>76,336</u>	<u>-</u>
Deferred Inflows of Financial Resources			
Fund Balance			
Assigned Fund Balance			
Assigned for Fund Purpose	22,263	22,263	84,954
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 98,599</u>	<u>\$ 98,599</u>	<u>\$ 84,954</u>

See the accompanying Independent Auditors' Report

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>Capital Projects</u>	<u>Totals</u>	
	<u>Capital Reserve</u>		
	<u>Project Fund</u>	<u>2018</u>	<u>2017</u>
REVENUES			
Local Sources	\$ 48	\$ 48	\$ 52
State Sources	17,390	17,390	-
TOTAL REVENUES	<u>17,438</u>	<u>17,438</u>	<u>52</u>
EXPENDITURES			
Facilities	130,129	130,129	103,396
TOTAL EXPENDITURES	<u>130,129</u>	<u>130,129</u>	<u>103,396</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(112,691)	(112,691)	(103,344)
OTHER FINANCING SOURCES (USES)			
Transfer In (Out) - net	50,000	50,000	50,000
CHANGE IN FUND BALANCE	(62,691)	(62,691)	(53,344)
BEGINNING FUND BALANCE	84,954	84,954	138,298
ENDING FUND BALANCE	<u>\$ 22,263</u>	<u>\$ 22,263</u>	<u>\$ 84,954</u>

See the accompanying Independent Auditors' Report

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SPECIAL REVENUE FUND

The Food Service Fund accounts for the District's food service program.

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			
	Original/ Final		Variance with Final	2017
	Budget	Actual	Budget	Actual
REVENUES				
Local Sources				
Investment Earnings	\$ 100	\$ 126	\$ 26	\$ 78
Food Service Revenue	97,000	88,634	(8,366)	91,810
Other Local	2,000	2,171	171	42
Total Local Sources	<u>99,100</u>	<u>90,931</u>	<u>(8,169)</u>	<u>91,930</u>
State Sources				
State Grants from CDE				
State Match - Child Nutrition	2,500	2,471	(29)	2,469
Smart Start Nutrition	1,500	1,405	(95)	1,071
State K-2 Reduced Lunch	2,400	2,388	(12)	2,251
Total State Sources	<u>6,400</u>	<u>6,264</u>	<u>(136)</u>	<u>5,791</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	36,000	34,902	(1,098)	36,210
National School Lunch Program	100,000	101,692	1,692	119,027
Federal Grants from Other State Agencies				
Commodities	15,000	19,633	4,633	22,892
Total Federal Sources	<u>151,000</u>	<u>156,227</u>	<u>5,227</u>	<u>178,129</u>
TOTAL REVENUES	<u>256,500</u>	<u>253,422</u>	<u>(3,078)</u>	<u>275,850</u>
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	72,294	69,794	2,500	67,877
Benefits	39,675	22,285	17,390	22,541
PS - Property	3,000	2,778	222	2,438
Supplies	8,510	6,258	2,252	7,183
Food	137,270	102,079	35,191	116,889
Commodities	15,000	19,633	(4,633)	22,892
Property	5,000	-	5,000	2,853
Other Expenses	113,745	-	113,745	-
TOTAL EXPENDITURES	<u>394,494</u>	<u>222,827</u>	<u>171,667</u>	<u>242,673</u>
CHANGE IN FUND BALANCE	(137,994)	30,595	168,589	33,177
BEGINNING FUND BALANCE	<u>137,994</u>	<u>137,994</u>	<u>-</u>	<u>104,817</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 168,589</u>	<u>\$ 168,589</u>	<u>\$ 137,994</u>

See accompanying Independent Auditors' Report.

DEBT SERVICE FUND

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

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017
	Original/ Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 2,345,307	\$ 2,346,124	\$ 817	\$ 2,283,270
Specific Ownership Taxes	-	-	-	2,076
Delinquent Taxes	-	1,240	1,240	510
Investment Earnings	5,000	4,731	(269)	285
Other Local	31,969	31,969	-	3,147
TOTAL REVENUES	<u>2,382,276</u>	<u>2,384,064</u>	<u>1,788</u>	<u>2,289,288</u>
EXPENDITURES				
Debt Service				
Principal	1,220,000	1,220,000	-	2,005,000
Interest	3,020,007	1,320,050	1,699,957	492,342
TOTAL EXPENDITURES	<u>4,240,007</u>	<u>2,540,050</u>	<u>1,699,957</u>	<u>2,497,342</u>
CHANGE IN FUND BALANCE	(1,857,731)	(155,986)	1,701,745	(208,054)
BEGINNING FUND BALANCE	1,857,731	1,857,731	-	2,065,785
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 1,701,745</u>	<u>\$ 1,701,745</u>	<u>\$ 1,857,731</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

This fund is used to account for the District's capital outlay activity.

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual
Building Fund
For the Year Ended June 30, 2018

	2018		Variance with Final Budget	2017 Actual
	Original/ Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ 423,896	\$ 406,681	\$ (17,215)	\$ 133,243
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	-	31,969	(31,969)	417,420
Facilities/Capital Outlay				
Buildings	16,050,000	17,946,364	(1,896,364)	1,620,127
Equipment	-	97,360	(97,360)	-
Total Facilities/Capital Outlay	16,050,000	18,043,724	(1,993,724)	1,620,127
TOTAL EXPENDITURES	16,050,000	18,075,693	(2,025,693)	2,037,547
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(15,626,104)	(17,669,012)	(2,042,908)	(1,904,304)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	-	30,720,000
Premium/(Discount)	-	-	-	2,822,420
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	33,542,420
CHANGE IN FUND BALANCE	(15,626,104)	(17,669,012)	(2,042,908)	31,638,116
BEGINNING FUND BALANCE	31,899,524	31,638,116	(261,408)	-
ENDING FUND BALANCE	\$ 16,273,420	\$ 13,969,104	\$ (2,304,316)	\$ 31,638,116

See accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		2017	
	Original/ Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Local Sources				
Investment Earnings	\$ 100	\$ 48	\$ (52)	\$ 52
Other Local	50,000	-	(50,000)	-
Total Local Sources	50,100	48	(50,052)	52
State Sources				
Best Capital Construction Program	40,000	17,390	(22,610)	-
TOTAL REVENUES	90,100	17,438	(72,662)	52
EXPENDITURES				
Facilities/Capital Outlay				
PS - Property	90,000	113,336	(23,336)	-
Equipment	135,054	16,793	118,261	103,396
TOTAL EXPENDITURES	225,054	130,129	94,925	103,396
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(134,954)	(112,691)	22,263	(103,344)
OTHER FINANCING SOURCES (USES)				
Transfers	50,000	50,000	-	50,000
CHANGE IN FUND BALANCE	(84,954)	(62,691)	22,263	(53,344)
BEGINNING FUND BALANCE	84,954	84,954	-	138,298
ENDING FUND BALANCE	\$ -	\$ 22,263	\$ 22,263	\$ 84,954

See accompanying Independent Auditors' Report.

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FIDUCIARY (TRUST AND AGENCY) FUNDS

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

The District has established an agency fund to account for various student activity groups and contributions from private organizations. The agency funds are custodial in nature and do not involve measurement of results of operations.

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Pupil Activity Agency Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		Actual
ADDITIONS				
Local Sources	\$ 429,636	\$ 337,823	\$ (91,813)	\$ 342,699
DEDUCTIONS				
Instruction	429,636	350,886	78,750	347,453
CHANGE IN NET POSITION	-	(13,063)	(13,063)	(4,754)
BEGINNING NET POSITION	-	150,882	150,882	155,636
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 137,819</u>	<u>\$ 137,819</u>	<u>\$ 150,882</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2515 - WIGGINS RE-50(I)
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
Governmental				
10 General Fund	3,017,036	5,391,037	4,605,485	3,802,588
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	229,705	229,705	0
Sub- Total	3,017,036	5,620,742	4,835,190	3,802,588
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	137,994	253,422	222,827	168,589
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	1,857,731	2,384,064	2,540,050	1,701,745
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	31,638,116	406,681	18,075,693	13,969,104
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	84,954	67,438	130,128	22,263
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	36,735,831	8,732,347	25,803,888	19,664,289
Proprietary				
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
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	150,882	337,823	350,886	137,819
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	150,882	337,823	350,886	137,819

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 2515 - WIGGINS RE-50()

Fiscal Year 2017-18

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	4,116,072	0	28,599	0	0	196,984	0	17,076,669	0	0	0	137,819	0	21,556,142	
Cash with Fiscal Agent (8105)	25,881	0	0	0	0	0	15,223	0	0	0	0	0	0	41,104	
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	1,647,054	0	0	0	0	0	0	1,647,054	
Taxes Receivable (8121,8122)	67,264	0	0	0	0	0	39,468	0	0	0	0	0	0	106,732	
Interfund Loans Receivable (8131,8132)	14,348	0	0	0	0	0	0	0	0	0	0	0	0	14,348	
Grants Accounts Receivable (8142)	73,583	0	0	0	0	409	0	0	0	0	0	0	0	73,992	
Other Receivables (8151-8154,8161)	3,798	0	0	0	0	45	0	0	0	0	0	0	0	3,843	
Inventories (8171,8172,8173)	0	0	0	0	0	3,499	0	0	0	0	0	0	0	3,499	
Other Current Assets (8191-8194,8199)	36,438	0	0	0	0	0	0	0	0	0	0	0	0	36,438	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	4,337,385	0	28,599	0	0	200,937	1,701,745	17,076,669	0	0	0	137,819	0	23,483,153	

See accompanying Independent Auditors's Report.

Governmental

Proprietary

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	14,348	0	0	0	0	0	0	0	0	14,348
Other Payables (7421-7423)	21,978	0	10	0	0	0	0	2,225,245	0	0	0	0	0	0	2,247,233
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	860,057	0	0	0	0	0	0	860,057
Accrued Expenses (7461)	512,729	0	28,589	0	0	12,319	0	0	0	0	0	0	0	0	553,637
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	90	0	0	0	0	5,681	0	0	0	0	0	0	0	0	5,770
Total Liabilities	534,797	0	28,599	0	0	32,348	0	3,085,302	0	0	0	0	0	0	3,681,045

See accompanying Independent Auditors's Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	36,438	0	0	0	0	3,499	0	0	0	0	0	0	0	0	39,937
Restricted Fund Balance 6720	0	0	0	0	0	0	1,701,745	0	0	0	0	0	0	0	1,701,745
TABOR 3% Emergency Reserve 6721	183,000	0	0	0	0	0	0	0	0	0	0	0	0	0	183,000
TABOR Multi-Year 6722	0	0	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	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	165,090	0	22,263	0	0	0	0	0	0	187,354
Unassigned Fund Balance 6770	3,583,150	0	0	0	0	0	0	13,969,104	0	0	0	0	137,819	0	17,690,072
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,802,588	0	0	0	0	168,589	1,701,745	13,991,367	0	0	0	0	137,819	0	19,802,108

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,337,385	0	28,599	0	0	200,937	1,701,745	17,076,669	0	0	0	0	137,819	0	23,483,153
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

See accompanying Independent Auditors's Report.