

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

WELD COUNTY SCHOOL DISTRICT RE-10J

BRIGGSDALE, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2018

BOARD OF EDUCATION

Wendy Tucker - President
Leonard Krise - Vice President
Marlene Hale - Secretary
Jeffrey Bauer - Member
Alphretta Erdman - Member

ADMINISTRATIVE STAFF

Rick Mondt
Superintendent of Schools

Kim Fokken
Office Manager

Brook Quint
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

This section of the Weld County School District RE-10J (the "District") financial report offers readers of the District's financial statements management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status decreased slightly over the course of the 2018 fiscal year. Total net position ended at \$(2,185,192). The net position related to governmental activities and business-type activities had major changes based on the inclusion of the GASB 68 governmental reporting requirements.
- The District had \$4,856,079 in expenses related to governmental activities; only \$360,185 of these expenses was offset by program specific charges for services, operating grants and contributions. General revenues, property taxes, of \$2,610,589 were received to provide for these programs.
- The District's net position on June 30, 2017 was \$(83,976). Due to GASB 68, the requirement to share PERA's unfunded liability implementation, the net position was \$(2,185,192) on June 30, 2018.
- General revenues of Governmental Activities totaled \$2,610,589 general purpose taxes accounts for \$1,552,281, or 59.46 percent, and specific ownership taxes of \$159,242 or 6.0 percent of all revenues.
- Beginning fund balance for the Food Service Fund was decreased by \$11,139 and the fiduciary activities decreased by \$1,920, with a corresponding change in net position of business-type activities.
- The General Fund and Debt Service Fund are the District's major funds. These two funds had \$2,888,855 in revenues and other sources and \$3,270,720 in expenditures, transfers, and other uses. The fund balances decreased to \$1,680,901 from \$2,077,596, due primarily to expenditures and transfers exceeding revenues and other sources.
- Enrollment of the District increased to a full-time equivalent (FTE) of 166 students, which represents an decrease of .7 FTE.

Overview of the Financial Statements

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

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

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

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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

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

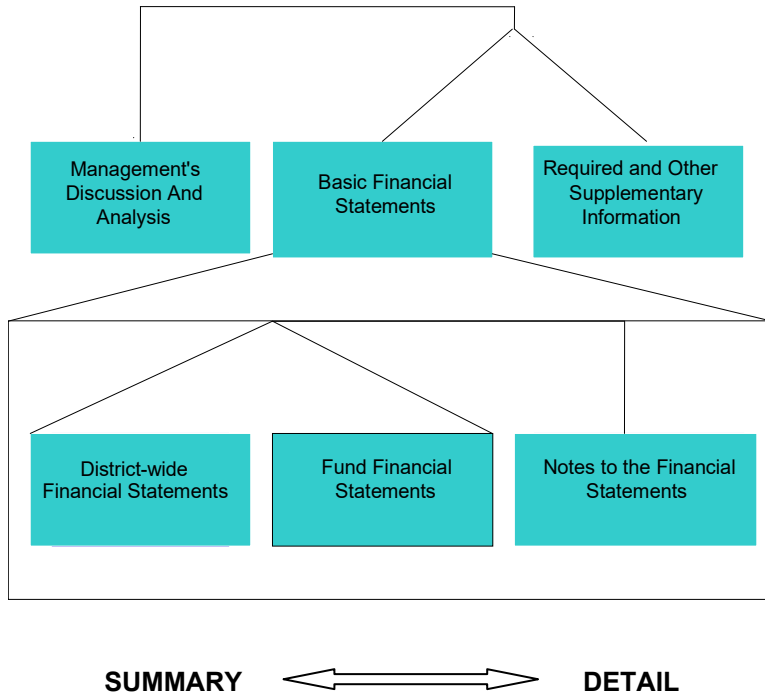


Table 2 displayed on the following page summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights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

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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

	Government-wide Statements	Governmental Funds	Fund Financial Statements	
			Proprietary Funds (None reported in 2017)	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education.	Activities the District operates similar to private businesses: Nutritional services.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies.
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, and short-term and long-term.	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-wide Statements

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

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, maintenance and operations, and administration. The only services accounted for as business-type activities are the District's nutritional services. The basic government-wide financial statements can be found on pages 4 - 10 of this report.

Fund Financial Statements

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service, and capital projects funds the District's major funds.

Proprietary funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.

The District does not currently have any enterprise funds.

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

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

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 - 35 of this report.

Other Information

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

Financial Analysis of the District as a Whole

Net Position and Changes in Net Position

The District's combined net position on June 30, 2018 changed significantly due to the major GASB 68 implementation (Note 7). On June 30, 2017 the net position was \$(83,976) and after the update based on the GASB 68 requirements the net position ended June 30, 2018 at \$(2,185,192). Table 3 provides a summary of the District's net position at June 30, 2018.

	Governmental Activities	
	2018	2017
Current Assets	\$ 2,049,084	\$ 2,464,621
Other Assets	6,057,861	5,909,514
Total Assets	8,106,945	8,374,135
 Deferred Outflows of Financial Resources	 3,118,832	 3,750,925
 Current Liabilities	 173,619	 172,194
Long-Term Liabilities	12,522,705	11,992,437
Total Liabilities	12,696,324	12,164,631
 Deferred Inflows of Financial Resources	 701,385	 44,405
 Net Investment in Capital Assets	 3,532,861	 3,104,514
Restricted Net Position	656,664	628,795
Unrestricted Net Position	(6,361,457)	(3,817,285)
Total Net Position (Deficit)	\$ (2,171,932)	\$ (83,976)

At the end of the 2018 fiscal year, District assets reflect a negative change in Governmental Activities and a decrease in total net position from 2017. The change in net position is a reflecting of the GASB 68, PERA reporting requirements.

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (the "Act"). Under this Act, the District received \$13,265 per funded student. Funding for the School Finance Act comes from property taxes, specific ownership tax, and state equalization. The District receives 29.89 percent of this funding from state equalization, 57.61 percent from property tax and specific ownership tax, and the remaining is from federal funding and other miscellaneous revenue sources.

Federal governments subsidized certain programs with grants and contributions in the amount of \$52,649 compared to \$40,399 in the previous year.

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Program Revenues:		
Charges for Services	\$ 82,275	\$ 45,885
Operating Grants	<u>291,170</u>	<u>200,792</u>
Total Program Revenues	<u>373,445</u>	<u>246,677</u>
General Revenues:		
Taxes	1,711,523	2,647,502
Debt Service	888,228	547,358
Investment Earnings	5,950	-
Miscellaneous	<u>4,888</u>	<u>92,861</u>
Total General Revenues	<u>2,610,589</u>	<u>3,287,721</u>
Total Revenues	<u>2,984,034</u>	<u>3,534,398</u>
Expenses		
Instruction	2,898,952	2,531,673
Supporting Services	2,095,757	2,035,668
Interest on Long Term Debt	<u>77,281</u>	<u>82,749</u>
Total Expenses	<u>5,071,990</u>	<u>4,650,090</u>
Change in Net Position	(2,087,956)	(1,115,692)
Net Position - Beginning	<u>(83,976)</u>	<u>1,031,716</u>
Net Position (Deficit) - Ending	<u>\$ (2,171,932)</u>	<u>\$ (83,976)</u>

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

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Financial Analysis of District's Funds

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

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the General Fund anticipated that expenditures would exceed revenues by \$365,028. The actual results for the year show expenditures exceeding revenues by \$4,017,148.

- Actual revenues were \$372,427 less than anticipated, due to an decrease from not getting a mill levy override voted in during the fiscal year.
- The actual expenditures were \$320,307 under budget.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2018, the District's TABOR reserve amounted to \$91,000.

Capital Assets and Debt Administration

Capital Assets

By the end of the fiscal year 2018, the District had invested \$6,057,861, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (See Table 5). This amount represents a net increase of \$148,347 from last year. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 62,593	\$ -	\$ -	\$ 62,593
Capital Assets, being depreciated:				
Buildings and Improvements	8,063,951	112,166	7,390	8,168,727
Transportation Equipment	748,857	284,245	75,556	957,546
Food Service Equipment	68,808	-	-	68,808
Other Equipment	205,160	12,655	10,800	207,015
Total Capital Assets being depreciated	9,086,776	409,067	93,746	9,402,097
Accumulated Depreciation:				
Buildings and Improvements	(2,600,948)	(181,812)	(7,390)	(2,775,370)
Transportation Equipment	(506,542)	(59,924)	(72,087)	(494,379)
Food Service Equipment	(53,981)	(4,865)	-	(58,846)
Other Equipment	(78,384)	(10,650)	(10,800)	(78,234)
Total Accum. Depreciation	(3,239,855)	(257,251)	(90,277)	(3,406,829)
Net Governmental Capital Assets	\$ 5,909,514	\$ 151,816	\$ 3,469	\$ 6,057,861

**Weld County School District RE-10J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Long-Term Debt

More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements. During the 2018 fiscal year, the District continued to pay down its debt. Colorado Revised Statute 22-42-04 states that a school district shall have a limited bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

	Balance As Restated 6/30/17	Advances	Payments	Balance 6/30/18	Current Portion
General obligation bonds, Series 2012	\$ 2,805,000	\$ -	\$ 280,000	\$ 2,525,000	\$ 280,000
General obligation bonds, Series 2012 Premiums	155,213	-	15,494	139,719	-
PERA OPEB Net Liability	222,986	-	3,554	219,432	-
PERA Net Pension Liability	9,008,761	607,095	-	9,615,856	-
Accrued compensated absences	23,463	-	766	22,697	-
Total	<u>\$ 12,215,423</u>	<u>\$ 607,095</u>	<u>\$ 299,814</u>	<u>\$ 12,522,704</u>	<u>\$ 280,000</u>

	Accrued Interest	Interest Paid	Interest Expense
General obligation bonds, Series 2012	<u>\$ 5,821</u>	<u>\$ 78,200</u>	<u>\$ 78,804</u>

Factors Bearing on the District's Future

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

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

Contacting the District's Financial Management

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

Holscher, Mayberry & Company, LLC

Certified Public Accountants

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

Board of Education
Weld County School District RE-10J
Briggsdale, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Weld County School District RE-10J, Colorado, as of and for the year ended June 30, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weld County School District RE-10J, Colorado, as of June 30, 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 Weld County School District RE-10J's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 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 14 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-M8 and pension schedules on pages 45-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 50-52 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 53-58 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 59-62 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
October 18, 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.

WELD COUNTY SCHOOL DISTRICT RE-10J
Statement of Net Position
June 30, 2018

	<u>Governmental</u> <u>Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Cash and Investments	\$ 1,756,833
Cash with Fiscal Agent	9,560
Taxes Receivable	7,575
Internal Balances	20,277
Grants Receivable	14,311
Other Accounts Receivable	36,352
Inventory	5,537
Prepaid Expenses	12,950
Deferred Charge on Refunding	185,689
Capital Assets, not being depreciated	62,593
Capital Assets, being depreciated	5,995,268
Total Assets	<u>8,106,945</u>
Deferred Outflows of Financial Resources	
Net Deferred Pension Outflows	3,110,750
Net Deferred OPEB Outflows	8,082
Total Deferred Outflows of Financial Resources	<u>3,118,832</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 11,225,777</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 20,042
Accrued Interest	5,821
Accrued Salaries & Benefits	161,946
Payroll Taxes & Deductions Payable	(930)
Non-Current Liabilities	
Due Within One Year	280,000
Due In More Than One Year	12,242,705
Total Liabilities	<u>12,709,584</u>
Deferred Inflows of Financial Resources	
Net Deferred Pension Inflows	692,875
Net Deferred OPEB Inflows	7,074
Deferred Revenue Other	1,289
Deferred Grant Revenue	147
Total Deferred Inflows of Financial Resources	<u>701,385</u>
Net Position	
Net Investment in Capital Assets	3,532,861
Restricted Net Position	680,323
Unrestricted Net Position	(6,398,376)
Total Net Position	<u>(2,185,192)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSTION	<u>\$ 11,225,777</u>

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Statement of Activities
For the Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Revenue and</u>
		<u>Services</u>	<u>and Contributions</u>	<u>Change in Net</u>
				<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary Government				
Governmental Activities				
Instruction	\$ 2,763,166	\$ -	\$ 148,357	\$ (2,614,809)
Supporting Services	2,015,632	82,275	129,553	(1,803,804)
Interest on Long Term Debt	77,281	-	-	(77,281)
Total Primary Government	<u>\$ 4,856,079</u>	<u>\$ 82,275</u>	<u>\$ 277,910</u>	<u>(4,495,894)</u>
General Revenues				
Property Taxes				1,552,281
Specific Ownership Taxes				159,242
State Equalization				888,228
Investment Earnings				5,950
Other Revenues				4,888
Total General Revenues and Transfers				<u>2,610,589</u>
Change in Net Position				<u>(1,885,305)</u>
Beginning Net Position				(83,976)
Prior Period Restatement				(215,911)
Beginning Net Position (As Restated)				<u>(299,887)</u>
Ending Net Position				<u>\$ (2,185,192)</u>

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

WELD COUNTY SCHOOL DISTRICT RE-10J
 Balance Sheet
 Governmental Funds
 June 30, 2018
 (With Comparative Totals for June 30, 2017)

	Special Revenue		Debt Service	Totals	
	General Fund	Food Service Fund	Bond Redemption	2018	2017
			Fund		
ASSETS					
Cash and Investments	\$ 1,189,792	\$ 28,544	\$ 538,497	\$ 1,756,833	\$ 2,141,681
Cash with Fiscal Agent	9,553	-	7	9,560	15,442
Taxes Receivable	5,749	-	1,826	7,575	35,232
Interfund Accounts Receivable	109,160	12,891	-	122,051	116,794
Grants Receivable	11,044	3,267	-	14,311	18,996
Other Accounts Receivable	32,912	3,440	-	36,352	12,432
Inventory	-	5,537	-	5,537	6,589
Prepaid Expenses	12,950	-	-	12,950	12,950
TOTAL ASSETS	\$ 1,371,160	\$ 53,679	\$ 540,330	\$ 1,965,169	\$ 2,360,116
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 49,999	\$ 51,775	\$ -	\$ 101,774	\$ 101,775
Accounts Payable	20,042	-	-	20,042	3,486
Accrued Salaries & Benefits	161,343	603	-	161,946	162,409
Payroll Taxes & Deductions Payable	(942)	12	-	(930)	11
Total Liabilities	230,442	52,390	-	282,832	267,681
Deferred Inflows of Financial Resources					
Deferred Revenue	-	1,289	-	1,289	1,478
Deferred Grant Revenue	147	-	-	147	2,222
Total Deferred Inflows of Financial Resources	147	1,289	-	1,436	3,700
Fund Balance					
Nonspendable Fund Balance	12,950	5,537	-	18,487	6,588
Restricted Fund Balance					
Restricted for Debt Service	-	-	540,330	540,330	512,461
Restricted for TABOR Emergencies	91,000	-	-	91,000	91,000
Restricted for Colorado Preschool Program	48,993	-	-	48,993	48,993
Committed Fund Balance					
Committed for Fund Purpose	-	-	-	-	4,551
Unassigned Fund Balance	987,628	(5,537)	-	982,091	1,425,142
Total Fund Balance	1,140,571	-	540,330	1,680,901	2,088,735
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,371,160	\$ 53,679	\$ 540,330	\$ 1,965,169	\$ 2,360,116

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2018

Fund Balance - Governmental Funds		\$ 1,680,901
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	62,593	
Capital assets, being depreciated	9,402,097	
Accumulated depreciation	<u>(3,406,829)</u>	6,057,861
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
PERA Pension Liability		
Net Deferred Pension Outflows	3,110,750	
Net pension liability	(9,615,856)	
Net Deferred Pension Inflows	<u>(692,875)</u>	(7,197,981)
PERA Health Care Trust Fund (OPEB) Liability		
Net Deferred Pension Outflows	8,082	
Net OPEB liability	(219,432)	
Net Deferred Pension Inflows	<u>(7,074)</u>	(218,424)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Charge on refunding - net of amortization	185,689	
Bond premiums	<u>(139,720)</u>	45,969
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(2,525,000)	
Accrued interest payable	(5,821)	
Accrued compensated absences	<u>(22,697)</u>	(2,553,518)
Total Net Position - Governmental Activities		<u>\$ (2,185,192)</u>

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Special Revenue			Debt Service		Totals	
	General Fund	Food Service Fund	Bond Redemption Fund	Bond		2018	2017
REVENUES							
Local Sources	\$ 1,382,103	\$ 42,014	\$ 380,519	\$	\$ 1,804,636	\$ 2,789,749	
Intermediate Sources	60,212	-	-		60,212	30,496	
State Sources	1,013,373	1,561	-		1,014,934	633,436	
Federal Sources	52,648	38,344	-		90,992	80,717	
TOTAL REVENUES	<u>2,508,336</u>	<u>81,919</u>	<u>380,519</u>		<u>2,970,774</u>	<u>3,534,398</u>	
EXPENDITURES							
Instruction	1,443,435	-	-		1,443,435	1,367,507	
Pupil Support	69,661	-	-		69,661	6,504	
Staff Support	24,898	-	-		24,898	23,603	
General Administration	480,581	-	-		480,581	493,318	
Business Services	45,671	-	-		45,671	41,527	
Operations and Maintenance	690,237	-	-		690,237	616,444	
Transportation	159,710	-	-		159,710	250,386	
Other Central Support	11,147	-	-		11,147	11,332	
Food Service	-	100,473	-		100,473	109,975	
Debt Service	-	-	352,650		352,650	353,200	
TOTAL EXPENDITURES	<u>2,925,485</u>	<u>100,473</u>	<u>352,650</u>		<u>3,378,608</u>	<u>3,273,796</u>	
OTHER FINANCING SOURCES (USES)							
Transfer In (Out) - net	(7,415)	7,415	-		-	-	
CHANGE IN FUND BALANCE	(424,564)	(11,139)	27,869		(407,834)	260,602	
BEGINNING FUND BALANCE	<u>1,565,135</u>	<u>11,139</u>	<u>512,461</u>		<u>2,088,735</u>	<u>1,828,133</u>	
ENDING FUND BALANCE	<u>\$ 1,140,571</u>	<u>\$ -</u>	<u>\$ 540,330</u>		<u>\$ 1,680,901</u>	<u>\$ 2,088,735</u>	

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2018

Change in Fund Balance - Governmental Funds \$ (407,834)

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

Capitalized Asset Purchases	409,067	
Depreciation Expense	(257,251)	
Gain (Loss) on Asset Disposals	<u>(3,469)</u>	148,347

Pension and OPEB 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.

Pension Liability

Change in deferred pension outflows	(640,175)	
Change in net pension liability	(607,095)	
Change in deferred pension inflows	<u>(652,170)</u>	(1,899,440)

OPEB Liability

Change in deferred pension outflows	1,007	
Change in net OPEB liability	3,554	
Change in deferred pension inflows	<u>(7,074)</u>	(2,513)

Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds

Change in refunding		(20,591)
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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	280,000	
Change in accrued interest payable	467	
Amortization of costs, premiums and discounts	<u>15,493</u>	<u>296,726</u>

Change in Net Position - Governmental Activities \$ (1,885,305)

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018
(With Comparative Totals for June 30, 2017)

	Scholarship Agency Fund	Pupil Activity Agency Fund	Totals	
			2018	2017
ASSETS				
Cash and Investments	\$ 25,181	\$ 69,160	\$ 94,341	\$ 86,727
Other Accounts Receivable	-	1,000	1,000	-
TOTAL ASSETS	<u>\$ 25,181</u>	<u>\$ 70,160</u>	<u>\$ 95,341</u>	<u>\$ 86,727</u>
LIABILITIES				
Interfund Accounts Payable	\$ -	\$ 20,277	\$ 20,277	15,019
Accounts Payable	-	130	130	130
TOTAL LIABILITIES	-	20,407	20,407	15,149
NET POSITION				
Restricted Net Position	25,181	49,753	74,934	71,578
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 25,181</u>	<u>\$ 70,160</u>	<u>\$ 95,341</u>	<u>\$ 86,727</u>

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Weld County School District RE-10J (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Jointly Governed Organizations

The District is a participant among other surrounding districts in a jointly governed organization to operate the Centennial Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. The District paid total assessments of \$91,903 to the BOCES for the fiscal year. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2020 Clubhouse Drive #230, Greeley, CO 80634.

Basis of Presentation

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

The District reports the following fiduciary funds:

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

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

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Buildings and Site Improvements	10-50 years
Furniture and Other Equipment	5-15 years
Vehicles	8 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2017 property taxes were both measurable and available at June 30, 2018, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2018 but not collected by June 30, 2018.

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 6.

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 7 and 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pension and OPEB liabilities as further described in Notes 7 and 9. The District also reports deferred grant and student ticket balance inflows

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

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

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

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

All other remaining governmental balances are reported as unassigned.

Net Position/ Fund Balance and Flow Assumptions

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

Revenues and Expenditures/Expenses

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Comparative Data

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

NOTE 2: CASH AND INVESTMENTS

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

Deposits	\$ 1,311,328
Investments	538,497
Cash on Hand	1,349
Total Cash and Investments	<u>\$ 1,851,174</u>
Governmental Activities	\$ 1,756,833
Fiduciary	94,341
Total Cash and Investments	<u>\$ 1,851,174</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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk - Deposits(Continued)

Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 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.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	1,097,154	1,061,328
Cash on Hand	-	1,349
Total Deposits	<u>\$ 1,347,154</u>	<u>\$ 1,312,677</u>

Investments

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 2: CASH AND INVESTMENTS(Continued)

Investments(Continued)

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2018, the District did not have any investments requiring disclosure. During the year ended June 30, 2017, 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.

NOTE 3: INVENTORIES

Food Service Fund inventory of \$5,537 as of June 30, 2018, consisted of \$3,384 of purchased food and \$2,153 of donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

WELD COUNTY SCHOOL DISTRICT RE-10J

**NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance 6/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/18</u>
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 62,593	\$ -	\$ -	\$ 62,593
Capital Assets, being depreciated:				
Buildings and Improvements	8,063,951	112,166	7,390	8,168,727
Transportation Equipment	748,857	284,245	75,556	957,546
Food Service Equipment	68,808	-	-	68,808
Other Equipment	205,160	12,655	10,800	207,015
Total Capital Assets being depreciated	<u>9,086,776</u>	<u>409,067</u>	<u>93,746</u>	<u>9,402,097</u>
Accumulated Depreciation:				
Buildings and Improvements	(2,600,948)	(181,812)	(7,390)	(2,775,370)
Transportation Equipment	(506,542)	(59,924)	(72,087)	(494,379)
Food Service Equipment	(53,981)	(4,865)	-	(58,846)
Other Equipment	(78,384)	(10,650)	(10,800)	(78,234)
Total Accum. Depreciation	<u>(3,239,855)</u>	<u>(257,251)</u>	<u>(90,277)</u>	<u>(3,406,829)</u>
Net Governmental Capital Assets	<u>\$ 5,909,514</u>	<u>\$ 151,816</u>	<u>\$ 3,469</u>	<u>\$ 6,057,861</u>
Instruction		\$ 122,713		
Support Services		<u>134,538</u>		
Governmental Depreciation Allocation		<u>\$ 257,251</u>		

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

WELD COUNTY SCHOOL DISTRICT RE-10J

**NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

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

General Fund	\$161,343
Food Service Fund	<u>603</u>
Total Accrued Salaries and Benefits	<u>\$161,946</u>

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2018:

	Balance As Restated 6/30/17	Advances	Payments	Balance 6/30/18	Current Portion
General obligation bonds, Series 2012	\$ 2,805,000	\$ -	\$ 280,000	\$ 2,525,000	\$ 280,000
General obligation bonds, Series 2012 Premiums	155,213	-	15,494	139,719	-
PERA OPEB Net Liability	222,986	-	3,554	219,432	-
PERA Net Pension Liability	9,008,761	607,095	-	9,615,856	-
Accrued compensated absences	<u>23,463</u>	<u>-</u>	<u>766</u>	<u>22,697</u>	<u>-</u>
Total	<u>\$12,215,423</u>	<u>\$ 607,095</u>	<u>\$ 299,814</u>	<u>\$ 12,522,704</u>	<u>\$ 280,000</u>

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

	Accrued Interest	Interest Paid	Interest Expense
General obligation bonds, Series 2012	<u>\$ 5,821</u>	<u>\$ 78,200</u>	<u>\$ 78,804</u>

General Obligation Bonds

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

WELD COUNTY SCHOOL DISTRICT RE-10J

**NOTES TO FINANCIAL STATEMENTS
June 30, 2018**

NOTE 6: LONG-TERM DEBT(Continued)

General Obligation Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 290,000	\$ 66,225	\$ 356,225
2020	290,000	58,975	348,975
2021	300,000	51,600	351,600
2022	300,000	44,100	344,100
2023	320,000	35,550	355,550
2024-2026	1,025,000	46,575	1,071,575
Total	<u>\$ 2,525,000</u>	<u>\$ 303,025</u>	<u>\$ 2,828,025</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 \$255,553 for the plan year ended December 31, 2017 and \$275,935 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 \$9,615,856 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.

At December 31, 2017, the District's proportion was .02974%, which was a decrease of .00052% from its proportion measured as of December 31, 2016.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2018 the District recognized pension expense of \$2,124,558. 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	\$ 177,129	\$ -
Changes of assumptions or other inputs	\$ 2,485,205	\$ (15,121)
Net difference between projected and actual earnings on pension plan	\$ 183,763	\$ (568,254)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 132,537	\$ (109,500)
Contributions subsequent to the measurement date	\$ 132,116	\$ -
Total	\$ 3,110,750	\$ (692,875)

\$132,116 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	1,590,545
2020	847,964
2021	(10,687)
2022	(142,063)
Total	\$ 2,285,759

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability as of December 31, 2017 actuarial valuation was determined based on the December 31, 2016 actuarial valuation using the following rollforward 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)

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

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

The SCHDTF’s long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the most recent analysis of the long-term expected rate of return, adopted by the PERA Board on November 18, 2016, the target 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:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 16, 2016.
- 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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78%.

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 5.226 percent.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 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)	\$ (12,146,462)	\$ (9,615,856)	\$ (7,553,701)

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.
-

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 7: 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 \$9,615,856 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%	\$4,344,360

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 \$4,488,742 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

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 \$15,558.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

OPEB. Weld County School District RE-10J 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

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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 \$13,982, for the plan year ended December 31, 2017 and \$14,300 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 \$219,432 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.

At December 31, 2017, the District's proportion was 0.01689%, which was a decrease of .000314% from its proportion measured as of December 31, 2016.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$16,813. 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	\$ 1,038	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (3,671)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (3,403)
Contributions subsequent to the measurement date	\$ 7,044	\$ -
Total	\$ 8,082	\$ (7,074)

\$7,044 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	\$ (1,383)
2020	(1,382)
2021	(1,382)
2022	(1,382)
2023	(465)
2024	(42)
Total	\$ (6,036)

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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%

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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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.
- 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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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%.

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)	\$ (213,394)	\$ (219,432)	\$ (226,703)

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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- 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.

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)	\$ (246,710)	\$ (219,432)	\$ (196,149)

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.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 10: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing.

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.

Workers Compensation

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

Health Insurance

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

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

The District has also committed and assigned various year end equity balances for the underlying funds purpose as noted in the financial statements.

NOTE 12: DEFICIT NET POSITION

The Governmental Activities has a deficit unrestricted net position of \$6,374,717 and an overall net position deficit of \$2,185,192, primarily due to the adding the PERA net pension liability of \$9,615,856 and related deferred inflows and outflows as further described in Note 7. and the HCTF OPEB net liability of \$219,432, as further described in Note 9. As the District has no control over pension benefits or contribution rates, we expect this deficit to continue going forward.

The District also has a deficit unassigned fund balance in the Food Service Fund of \$5,537 representing an offset to the nonspendable inventory related equity.

NOTE 13: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Pupil Activity Fund by \$28,866. This may be a violation of state statute.

WELD COUNTY SCHOOL DISTRICT RE-10J

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 14: 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 \$215,911.

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REQUIRED SUPPLEMENTARY INFORMATION

Pension and OPEB Schedules (Unaudited)

WELD COUNTY SCHOOL DISTRICT RE-10J

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽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)	0.029737%	0.030257%	0.028859%
District's proportionate share of the net pension asset (liability)	\$ (9,615,856)	\$ (9,008,761)	\$ (4,413,830)
District's covered-employee payroll	\$ 1,371,728	\$ 1,358,001	\$ 1,257,683
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	701.00%	663.38%	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>
0.026730%	0.025974%
\$ (3,622,834)	\$ (3,312,917)
\$ 1,119,802	\$ 1,047,076
323.52%	316.40%
62.84%	64.07%

WELD COUNTY SCHOOL DISTRICT RE-10J

SCHEDULE OF BOCES 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	\$ 255,553	\$ 246,206	\$ 217,956
Actual contributions	<u>(255,553)</u>	<u>(246,206)</u>	<u>(217,956)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,371,728	\$ 1,358,001	\$ 1,257,683
Contributions as a percentage of covered-employee 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>
\$ 183,983	\$ 162,611
<u>(183,983)</u>	<u>(162,611)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 1,119,802	\$ 1,047,076
16.43%	15.53%

WELD COUNTY SCHOOL DISTRICT RE-10J

**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)	0.016885%	0.017199%
District's proportionate share of the net pension asset (liability)	\$ (219,432)	\$ (222,986)
District's covered-employee payroll	\$ 1,370,768	\$ 1,358,001
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	16.01%	16.42%
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.

WELD COUNTY SCHOOL DISTRICT RE-10J

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

	<u>06/30/18</u>	<u>06/30/17</u>
Contractually required contributions	\$ 13,982	\$ 13,852
Actual contributions	<u>(13,982)</u>	<u>(13,852)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,370,768	\$ 1,358,001
Contributions as a percentage of covered employee 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)

WELD COUNTY SCHOOL DISTRICT RE-10J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018				
	Original	Final		Variance	2017
	Budget	Budget	Actual	with Final Budget	Actual
REVENUES					
Local Sources					
Property Taxes	\$ 1,945,721	\$ 1,203,665	\$ 1,176,173	\$ (27,492)	\$ 2,093,132
Specific Ownership Taxes	163,545	142,585	159,242	16,657	193,343
Delinquent Taxes	3,500	1,000	399	(601)	(1,811)
Other Taxes	-	155,000	317	(154,683)	(25)
Investment Earnings	725	725	822	97	552
Fees	-	-	-	-	(24)
Rent Revenue	-	38,000	40,261	2,261	-
Donations	-	-	-	-	3,500
Local BOCES Passthrough	8,100	8,504	-	(8,504)	735
Other Local	25,000	7,000	4,888	(2,112)	89,490
Total Local Sources	<u>2,146,591</u>	<u>1,556,479</u>	<u>1,382,102</u>	<u>(174,377)</u>	<u>2,378,892</u>
Intermediate Sources					
Mineral Leases	-	-	748	748	764
Forest Service	29,730	29,730	59,464	29,734	29,732
Total Intermediate Sources	<u>29,730</u>	<u>29,730</u>	<u>60,212</u>	<u>30,482</u>	<u>30,496</u>
State Sources					
State Equalization	825,338	1,113,524	888,228	(225,296)	547,358
Transportation	35,336	30,902	30,976	74	30,009
State Grants from CDE					
State ELPA	235	1,961	1,810	(151)	991
READ Act Grant	5,000	4,884	4,884	-	5,929
Library Grant	3,500	3,500	3,500	-	3,353
At Risk	750	-	916	916	755
Other CDE State Grants	65,000	60,000	47,290	(12,710)	-
State Grants from Other Agencies					
State Vocational Education	43,990	35,000	33,827	(1,173)	41,152
State Grants Provided through BOCES	16,300	2,000	1,943	(57)	2,293
Total State Sources	<u>995,449</u>	<u>1,251,771</u>	<u>1,013,374</u>	<u>(238,397)</u>	<u>631,840</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	9,200	9,085	8,231	(854)	9,874
NCLB Title III, Part A - English Language Acquisition	-	196	170	(26)	151
NCLB Title II, Part A - Teacher & Principal Training	2,200	2,131	1,994	(137)	3,403
Other Federal Grants	-	-	90	90	-
Direct Federal Revenue					
NCLB Title VI, Part B - REAP/Rural Education	18,000	21,372	21,372	-	19,856
Federal Provided through BOCES	10,000	10,000	20,792	10,792	7,115
Total Federal Sources	<u>39,400</u>	<u>42,784</u>	<u>52,649</u>	<u>9,865</u>	<u>40,399</u>
TOTAL REVENUES	<u>3,211,170</u>	<u>2,880,764</u>	<u>2,508,337</u>	<u>(372,427)</u>	<u>3,081,627</u>

(Continued)

See the accompanying Independent Auditors' Report

WELD COUNTY SCHOOL DISTRICT RE-10J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	927,276	945,573	912,674	32,899	923,905
Benefits	268,081	266,258	272,426	(6,168)	267,809
PS - Professional	15,975	23,100	22,045	1,055	15,112
PS - Other	91,315	96,449	146,061	(49,612)	94,766
Supplies	111,602	89,024	80,303	8,721	56,798
Property	-	2,000	-	2,000	1,943
Other Expenses	6,500	8,500	9,926	(1,426)	7,174
Total Instruction	<u>1,420,749</u>	<u>1,430,904</u>	<u>1,443,435</u>	<u>(12,531)</u>	<u>1,367,507</u>
Supporting Services					
Pupil Support					
Salaries	41,000	41,000	50,526	(9,526)	665
Benefits	11,800	11,800	14,830	(3,030)	2,789
Supplies	3,010	4,000	4,305	(305)	3,050
Total Pupil Support	<u>55,810</u>	<u>56,800</u>	<u>69,661</u>	<u>(12,861)</u>	<u>6,504</u>
Staff Support					
Salaries	18,375	18,375	16,970	1,405	15,980
Benefits	5,800	5,800	3,170	2,630	4,270
Supplies	9,200	5,650	4,758	892	3,353
Total Staff Support	<u>33,375</u>	<u>29,825</u>	<u>24,898</u>	<u>4,927</u>	<u>23,603</u>
General Administration					
Salaries	308,780	314,541	287,881	26,660	294,937
Benefits	112,655	112,649	128,754	(16,105)	130,953
PS - Professional	6,450	6,450	14,742	(8,292)	5,264
PS - Other	10,600	10,600	10,575	25	12,784
Supplies	22,950	20,120	22,170	(2,050)	16,492
Other Expenses	36,500	30,000	16,459	13,541	32,692
Total General Administration	<u>497,935</u>	<u>494,360</u>	<u>480,581</u>	<u>13,779</u>	<u>493,122</u>

(Continued)

See the accompanying Independent Auditors' Report

WELD COUNTY SCHOOL DISTRICT RE-10J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
PS - Professional	-	2,500	2,681	(181)	284
PS - Other	39,120	40,978	42,990	(2,012)	41,243
Total Business Services	39,120	43,478	45,671	(2,193)	41,527
Operations and Maintenance					
Salaries	101,000	101,000	85,184	15,816	102,029
Benefits	39,000	39,000	30,921	8,079	38,978
PS - Other	199,550	208,494	155,687	52,807	174,262
Supplies	205,000	196,000	167,856	28,144	154,934
Property	-	269,851	148,532	121,319	225,414
Other Expenses	65,000	100,000	102,057	(2,057)	(78,977)
Total Operations and Maintenance	609,550	914,345	690,237	224,108	616,640
Transportation					
Salaries	46,190	46,190	56,749	(10,559)	51,423
Benefits	26,140	26,140	20,972	5,168	23,114
PS - Professional	225	300	475	(175)	575
PS - Property	25,150	43,150	42,911	239	26,807
PS - Other	36,909	21,050	19,238	1,812	28,558
Supplies	35,750	34,750	37,156	(2,406)	25,176
Other Expenses	175,000	2,000	(17,791)	19,791	94,733
Total Transportation	345,364	173,580	159,710	13,870	250,386
Other Central Support					
PS - Other	11,500	11,500	11,147	353	11,332
Facilities/Capital Outlay					
PS - Other	-	-	145	(145)	-
Contingency	79,000	91,000	-	91,000	-
TOTAL EXPENDITURES	3,092,403	3,245,792	2,925,485	320,307	2,810,621
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	118,767	(365,028)	(417,148)	(52,120)	271,006
OTHER FINANCING SOURCES (USES)					
Transfers	(25,000)	(25,000)	(7,415)	17,585	(50,000)
CHANGE IN FUND BALANCE	93,767	(390,028)	(424,563)	(34,535)	221,006
BEGINNING FUND BALANCE	(93,767)	-	1,565,135	1,565,135	1,344,129
ENDING FUND BALANCE	\$ -	\$ (390,028)	\$ 1,140,572	\$ 1,530,600	\$ 1,565,135

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUND

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

The District reports the following Special Revenue Funds:

Food Service Fund – This fund accounts for the District's food service operations

WELD COUNTY SCHOOL DISTRICT RE-10J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Food Service Revenue	\$ 46,500	\$ 42,014	\$ (4,486)	\$ 45,174
State Sources				
State Match - Child Nutrition	1,500	767	(733)	807
Smart Start Nutrition	440	308	(132)	248
State K-2 Reduced Lunch	400	485	85	541
Total State Sources	2,340	1,560	(780)	1,596
Federal Sources				
School Breakfast Program	5,900	5,089	(811)	5,717
National School Lunch Program	34,800	33,256	(1,544)	34,601
Total Federal Sources	40,700	38,345	(2,355)	40,318
TOTAL REVENUES	89,540	81,919	(7,621)	87,088
EXPENDITURES				
Food Service				
Salaries	45,030	41,251	3,779	39,692
Benefits	9,400	8,789	611	18,154
PS - Other	1,400	172	1,228	2,116
Supplies	7,300	7,969	(669)	2,585
Food	43,000	41,011	1,989	47,410
Property	2,000	-	2,000	18
Depreciation	5,000	-	5,000	-
Other Expenses	150	1,281	(1,131)	-
TOTAL EXPENDITURES	113,280	100,473	12,807	109,975
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(23,740)	(18,554)	5,186	(22,887)
OTHER FINANCING SOURCES (USES)				
Transfers	25,000	7,415	(17,585)	50,000
CHANGE IN FUND BALANCE	1,260	(11,139)	(12,399)	27,113
BEGINNING FUND BALANCE	-	11,139	11,139	(15,974)
ENDING FUND BALANCE	\$ 1,260	\$ -	\$ (1,260)	\$ 11,139

See accompanying Independent Auditors' Report.

DEBT SERVICE FUND

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

The District has the following debt service fund:

Bond Redemption Fund

WELD COUNTY SCHOOL DISTRICT RE-10J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017	
	Final Budget	Actual		Budget	Actual
REVENUES					
Local Sources					
Property Taxes	\$ 400,000	\$ 375,315	\$ (24,685)	\$ 362,827	
Delinquent Taxes	-	77	77	37	
Investment Earnings	500	5,127	4,627	2,819	
TOTAL REVENUES	<u>400,500</u>	<u>380,519</u>	<u>(19,981)</u>	<u>365,683</u>	
EXPENDITURES					
Supporting Services					
General Administration					
PS - Professional	900	-	900	-	
Debt Service					
Principal	275,000	280,000	(5,000)	275,000	
Interest	100,000	72,650	27,350	78,200	
Total Debt Service	375,000	352,650	22,350	353,200	
TOTAL EXPENDITURES	<u>375,900</u>	<u>352,650</u>	<u>23,250</u>	<u>353,200</u>	
CHANGE IN FUND BALANCE	24,600	27,869	3,269	12,483	
BEGINNING FUND BALANCE	-	512,461	512,461	499,978	
ENDING FUND BALANCE	<u>\$ 24,600</u>	<u>\$ 540,330</u>	<u>\$ 515,730</u>	<u>\$ 512,461</u>	

See accompanying Independent Auditors' Report.

FIDUCIARY (AGENCY) FUNDS

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

Scholarship Fund

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

Pupil Activity Fund

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

WELD COUNTY SCHOOL DISTRICT RE-10J
Schedule of Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Scholarship Agency Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017 Actual
	Final Budget	Actual		
ADDITIONS				
Local Sources	\$ -	\$ 80	\$ 80	\$ 93
DEDUCTIONS				
Other Supporting Services	28,000	2,000	26,000	2,000
CHANGE IN NET POSITION	(28,000)	(1,920)	26,080	(1,907)
BEGINNING NET POSITION	29,008	27,101	(1,907)	29,008
ENDING NET POSITION	<u>\$ 1,008</u>	<u>\$ 25,181</u>	<u>\$ 24,173</u>	<u>\$ 27,101</u>

See accompanying Independent Auditors' Report.

WELD COUNTY SCHOOL DISTRICT RE-10J
Schedule of Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Pupil Activity Agency Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		
ADDITIONS				
Local Sources	\$ 58,010	\$ 95,841	\$ 37,831	\$ 122,239
DEDUCTIONS				
Instruction	61,700	90,566	(28,866)	99,233
CHANGE IN NET POSITION	(3,690)	5,275	8,965	23,006
BEGINNING NET POSITION	44,477	44,477	-	21,471
ENDING NET POSITION	<u>\$ 40,787</u>	<u>\$ 49,752</u>	<u>\$ 8,965</u>	<u>\$ 44,477</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

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



Colorado Department of Education
Auditors Integrity Report
 District: 3146 - BRIGGS DALE RE-10
 Fiscal Year 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	1,668,662		2,397,394		2,925,485		1,140,571
18 Risk Mgmt Sub-Fund of General Fund	-103,527		103,527		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	1,565,135		2,500,921		2,925,485		1,140,571
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	11,139		89,334		100,473		0
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	512,461		380,518		352,650		540,330
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	2,088,735		2,970,774		3,378,607		1,680,901
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	27,101		80		2,000		25,181
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	44,477		95,841		90,566		49,752
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	71,578		95,922		92,566		74,934

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 3146 - BRIGGS DALE RE-10

Fiscal Year 2017-18

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary			Totals
	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					
Cash and Investments (8100-8104,8111)	1,189,792	0	0	0	0	28,544	538,497	0	0	0	0	94,341	0	1,851,174					
Cash with Fiscal Agent (8105)	9,553	0	0	0	0	0	7	0	0	0	0	0	0	9,560					
Taxes Receivable (8121,8122)	5,749	0	0	0	0	0	1,826	0	0	0	0	0	0	7,575					
Interfund Loans Receivable (8131,8132)	109,161	0	0	0	0	12,891	0	0	0	0	0	0	0	122,052					
Grants Accounts Receivable (8142)	11,044	0	0	0	0	3,267	0	0	0	0	0	0	0	14,311					
Other Receivables (8151-8154,8161)	32,912	0	0	0	0	3,440	0	0	0	0	0	1,000	0	37,352					
Inventories (8171,8172,8173)	0	0	0	0	0	5,537	0	0	0	0	0	0	0	5,537					
Prepaid Expenses 8181,8182)	12,950	0	0	0	0	0	0	0	0	0	0	0	0	12,950					
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total Assets	1,371,162	0	0	0	0	53,678	540,330	0	0	0	0	95,341	0	2,060,511					

Proprietary

Governmental

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)	49,999	0	0	0	0	51,775	0	0	0	0	0	0	20,277	0	122,052
Other Payables (7421-7423)	20,042	0	0	0	0	0	0	0	0	0	0	0	130	0	20,172
Accrued Expenses (7461)	161,343	0	0	0	0	603	0	0	0	0	0	0	0	0	161,946
Payroll Ded. and Withholdings (7471-7473)	-942	0	0	0	0	11	0	0	0	0	0	0	0	0	-931
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	0	0	1,289	0	0	0	0	0	0	0	0	1,289
Deferred Inflow Grants (7801)	147	0	0	0	0	0	0	0	0	0	0	0	0	0	147
Total Liabilities	230,590	0	0	0	0	53,678	0	0	0	0	0	0	20,407	0	304,676

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	12,950	0	0	0	0	5,537	0	0	0	0	0	0	0	0	18,487
Restricted Fund Balance 6720	0	0	0	0	0	0	540,330	0	0	0	0	0	0	0	540,330
TABOR 3% Emergency Reserve 6721	91,000	0	0	0	0	0	0	0	0	0	0	0	0	0	91,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	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	48,993	0	0	0	0	0	0	0	0	0	0	0	0	0	48,993
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	0	0	0	0	0	0	0	25,181	0	25,181
Unassigned Fund Balance 6770	987,628	0	0	0	0	-5,537	0	0	0	0	0	0	49,752	0	1,031,844
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	1,140,571	0	0	0	0	0	540,330	0	0	0	0	0	74,934	0	1,755,835

	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	1,371,162	0	0	0	0	53,678	540,330	0	0	0	0	0	95,341	0	2,060,511

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