

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
June 30, 2020**

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

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2020

BOARD OF EDUCATION

Zoey Loomis – President

Tiffany Thompson – Vice President

Kathy Wood – Secretary

Chuck Hickson – Treasurer

Levi Arndt – Member

ADMINISTRATION

Robert Patterson – Superintendent

Stacey Garrett – Business Manager

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FINANCIAL SECTION

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

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

The discussion and analysis of Weldon Valley School District RE-20J's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

Financial Highlights - Financial Statements as of June 30, 2020

- The assets of the District exceed its liabilities at the close of June 30, 2020 by \$2,927,054 (net position) as reported in the government wide financial statements.
- The District's outstanding debt from General Obligation Bonds totaled \$215,000.
- Program revenues of \$687,838 offset expenses from governmental activities of \$2,747,797. General revenues from property taxes and state equalization amounted to \$2,881,607.
- At the close of June 30, 2020, the District reported \$3,191,292 combined fund balances for the Governmental Funds, an increase of \$331,897.
- The General Fund ending fund balance was \$2,801,430, an increase of \$330,419 from the prior year.

Overview of the Financial Statements

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

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The District no longer has proprietary funds.

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and other assets are current assets. These assets are available to provide resources for the near-term operations of the District. A good portion of the current assets are the result of the property tax collection process.

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and unearned revenues. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2020.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$2,927,054 at the close of the most recent fiscal year.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Current Assets	\$ 3,335,679	\$ 2,996,452
Non Current Assets	6,449,034	6,594,800
Deferred Outflow of Financial resources	<u>989,852</u>	<u>2,043,993</u>
Total Assets	<u>10,774,565</u>	<u>11,635,245</u>
Current Liabilities	144,387	137,057
Non Current Liabilities	<u>4,453,254</u>	<u>5,342,131</u>
Total Liabilities	<u>4,597,641</u>	<u>5,479,188</u>
Deferred Inflows of Financial Resources	<u>3,249,870</u>	<u>4,113,787</u>
Net Investment in Capital Assets	6,234,034	6,249,800
Restricted Net Position	307,690	387,854
Unrestricted Net Position	<u>(3,614,670)</u>	<u>(4,595,384)</u>
Total Net Position (Deficit)	<u>\$ 2,927,054</u>	<u>\$ 2,042,270</u>

The District's reported assets consist of current assets of \$3,335,679 and non current assets of \$6,449,034. The ratio of Current Assets to Current Liabilities of 23.1 to 1 indicates the District's ability to meet current obligations.

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

Governmental activities. Governmental activities increased the District's net position in 2020 by \$ 884,784, Compared to an increase in 2019 by \$928,549 due to the prior period restatement.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,191,292 increase of \$331,897.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Program Revenues:		
Charges for Services	\$ 146,433	\$ 178,951
Operating Grants	539,669	343,506
Capital Grants	<u>1,736</u>	<u>-</u>
Total Program Revenues	<u>687,838</u>	<u>522,457</u>
General Revenues:		
Taxes	653,584	557,094
State Equalization	2,228,023	2,257,152
Investment Income	32,127	41,970
Miscellaneous	<u>31,009</u>	<u>130,946</u>
Total General Revenues	<u>2,944,743</u>	<u>2,987,162</u>
Total Revenues	<u>3,632,581</u>	<u>3,509,619</u>
Expenses		
Instruction	1,732,427	1,603,180
Supporting Services	1,001,795	968,466
Debt Service Interest	<u>13,575</u>	<u>9,424</u>
Total Expenses	<u>2,747,797</u>	<u>2,581,070</u>
Change in Net Position	884,784	928,549
Net Position - Beginning	<u>2,042,270</u>	<u>1,113,721</u>
Net Position - Ending	<u>\$ 2,927,054</u>	<u>\$ 2,042,270</u>

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for governmental activities as of June 30, 2020 amounts to \$6,449,034 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, office, food service and instructional equipment.

	<u>Balance July 1 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30 2020</u>
Governmental Activities:				
Capital Assets not depreciated:				
Land and Sites	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction In Process	-	-	-	-
Total Capital Assets not depreciated	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Capital Assets being depreciated:				
Buildings and Improvements	8,958,204	36,180	-	8,994,384
Transportation Equipment	590,007	76,085	-	666,092
Food Service Equipment	81,699	-	-	81,699
Equipment	510,065	15,186	-	525,251
Total Capital Assets being depreciated	<u>10,139,975</u>	<u>127,451</u>	<u>-</u>	<u>10,267,426</u>
Total Capital Assets	<u>10,142,475</u>	<u>127,451</u>	<u>-</u>	<u>10,269,926</u>
Accumulated Depreciation:				
Buildings and Improvements	(2,696,540)	(227,088)	-	(2,923,628)
Transportation Equipment	(464,492)	(18,078)	-	(482,570)
Food Service Equipment	(61,889)	(2,830)	-	(64,719)
Equipment	(324,753)	(25,222)	-	(349,975)
Total Accumulated Depreciation	<u>(3,547,674)</u>	<u>(273,218)</u>	<u>-</u>	<u>(3,820,892)</u>
Net Capital Assets	<u>\$ 6,594,801</u>	<u>\$ (145,767)</u>	<u>\$ -</u>	<u>\$ 6,449,034</u>

As of June 31, 2020, the District had outstanding long term obligations of \$215,000.

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>	<u>Interest Expense</u>
G.O. Bonds - Series 2013	\$ 345,000	\$ -	\$ 130,000	\$ 215,000	\$ 70,000	\$ 13,575
PERA Net Pension Liability	4,759,427	-	719,783	4,039,644	-	-
PERA Net OPEB Liability	237,704	-	39,094	198,610	-	-
Total Long-term Debt	<u>\$ 5,342,131</u>	<u>\$ -</u>	<u>\$ 888,877</u>	<u>\$ 4,453,254</u>	<u>\$ 70,000</u>	<u>\$ 13,575</u>

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

Economic Factors and Next Year's Budget

The District is will increase certified salary by \$500 to the base and 1.43% increase to the classified salary and hourly schedules. The District will be looking at investing in one-to-one computers and technology updates which will be taken from COVID grants.

Requests for Information

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

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
Weldon Valley School District RE-20J
Weldona, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weldon Valley School District RE-20J, Colorado, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weldon Valley School District RE-20J, Colorado, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Weldon Valley School District RE-20J's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

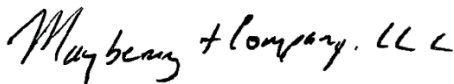
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 44-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 48-50 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 51-58 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 Integrity 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.



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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2020.

WELDON VALLEY SCHOOL DISTRICT RE-20J

Statement of Net Position

June 30, 2020

	Governmental Activities
	<u> </u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 3,230,847
Cash with Fiscal Agent	8,874
Taxes Receivable	42,346
Grants Receivable	41,249
Other Accounts Receivable	6,858
Inventory	<u>5,506</u>
Total Current Assets	<u>3,335,680</u>
Noncurrent Assets	
Capital Assets, not being depreciated	2,500
Capital Assets, being depreciated	<u>6,446,534</u>
Total Noncurrent Assets	<u>6,449,034</u>
TOTAL ASSETS	<u>9,784,714</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	972,241
Net Deferred Outflows OPEB	<u>17,611</u>
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>989,852</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 10,774,566</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 10,093
Accrued Salaries & Benefits	128,498
Unearned Revenue	5,796
Unearned Grant Revenue	<u>203,176</u>
Total Current Liabilities	<u>347,563</u>
Noncurrent Liabilities	
Due Within One Year	70,000
Due In More Than One Year	<u>4,383,254</u>
Total Noncurrent Liabilities	<u>4,453,254</u>
TOTAL LIABILITIES	<u>4,800,817</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Net Deferred Inflows Pensions	3,206,928
Net Deferred Inflows OPEB	<u>42,942</u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>3,249,870</u>
NET POSITION	
Net Investment in Capital Assets	6,234,034
Restricted Net Position	307,081
Unrestricted Net Position	<u>(3,817,236)</u>
TOTAL NET POSITION	<u>2,723,879</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 10,774,566</u>

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental Activities					
Instruction	\$ 1,732,651	\$ 82,174	\$ 68,512	\$ -	\$ (1,581,965)
Supporting Services	1,001,571	64,584	268,168	1,736	(667,083)
Interest on Long Term Debt	13,575	-	-	-	(13,575)
Total Primary Government	<u>\$ 2,747,797</u>	<u>\$ 146,758</u>	<u>\$ 336,680</u>	<u>\$ 1,736</u>	<u>(2,262,623)</u>
General Revenues					
Property Taxes					601,167
Specific Ownership Taxes					52,417
State Equalization					2,228,023
Investment Earnings					32,127
Other Revenues					30,498
Total General Revenues					<u>2,944,232</u>
Change in Net Position					681,609
Beginning Net Position					<u>2,042,270</u>
Ending Net Position					<u>\$ 2,723,879</u>

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
 Balance Sheet
 Governmental Funds
 June 30, 2020
 (With Comparative Totals for June 30, 2019)

	General Fund	Special Revenue	Debt Service	Other Governmental Funds
		Food Service Fund	Bond Redemption Fund	
ASSETS				
Cash and Investments	\$ 2,842,312	\$ 6,640	\$ 177,000	\$ 204,895
Cash with Fiscal Agent	8,302	-	572	-
Taxes Receivable	37,265	-	5,081	-
Grants Receivable	40,484	765	-	-
Other Accounts Receivable	5,501	1,357	-	-
Inventory	-	5,506	-	-
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	\$ 2,933,864	\$ 14,268	\$ 182,653	\$ 204,895
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Accounts Payable	10,093	-	-	-
Accrued Salaries & Benefits	122,852	5,646	-	-
Unearned Revenue	-	2,449	3,347	-
Unearned Grant Revenue	203,176	-	-	-
Total Liabilities	336,121	8,095	3,347	-
Fund Balance				
Nonspendable Fund Balance	-	5,506	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	179,306	-
Restricted for TABOR Emergency	98,000	-	-	-
Restricted for Colorado Preschool Program	24,269	-	-	-
Committed Fund Balance				
Committed for Insurance Expenditures	582	-	-	-
Committed for Fund Purposes	-	667	-	95,952
Assigned Fund Balance				
Other Assigned Fund Balance	-	-	-	108,943
Unassigned Fund Balance	2,474,892	-	-	-
Total Fund Balance	2,597,743	6,173	179,306	204,895
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 2,933,864	\$ 14,268	\$ 182,653	\$ 204,895

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

Totals

<u>2020</u>	<u>2019</u>
\$ 3,230,847	\$ 2,853,385
8,874	12,076
42,346	42,719
41,249	9,902
6,858	1,419
5,506	6,777
-	70,174
<u>\$ 3,335,680</u>	<u>\$ 2,996,452</u>
10,093	15,279
128,498	118,722
5,796	3,056
203,176	-
<u>347,563</u>	<u>137,057</u>
5,506	6,777
179,306	248,587
98,000	102,000
24,269	30,490
582	-
96,619	67,421
108,943	14,331
2,474,892	2,389,789
<u>2,988,117</u>	<u>2,859,395</u>
<u>\$ 3,335,680</u>	<u>\$ 2,996,452</u>

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WELDON VALLEY SCHOOL DISTRICT RE-20J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020

Fund Balance - Governmental Funds		\$	2,988,117
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	2,500	
Capital assets, being depreciated		10,267,426	
Accumulated depreciation		<u>(3,820,892)</u>	6,449,034
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			
Net pension deferred outflows		972,241	
Net pension liability		(4,039,644)	
Net pension deferred inflows		<u>(3,206,928)</u>	(6,274,331)
PERA Health Care Trust Fund (OPEB)			
Net OPEB deferred outflows		17,611	
Net OPEB liability		(198,610)	
Net OPEB deferred inflows		<u>(42,942)</u>	(223,941)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable			<u>(215,000)</u>
Total Net Position - Governmental Activities		\$	<u>2,723,879</u>

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Special Revenue		Debt Service	
	General Fund	Food Service Fund	Bond Redemption Fund	Other Governmental Funds
REVENUES				
Local Sources	\$ 729,653	\$ 19,756	\$ 74,386	\$ 82,254
Intermediate Sources	2,372	-	208	-
State Sources	2,388,502	1,857	-	-
Federal Sources	101,899	28,519	-	-
TOTAL REVENUES	<u>3,222,426</u>	<u>50,132</u>	<u>74,594</u>	<u>82,254</u>
EXPENDITURES				
Instruction	1,868,639	-	-	73,913
Pupil Support	81,558	-	-	-
Staff Support	29,984	-	-	-
General Administration	100,853	-	300	-
School Administration	186,927	-	-	-
Business Services	65,916	-	-	-
Operations and Maintenance	410,694	-	-	-
Transportation	95,345	-	-	76,085
Other Central Support	-	-	-	-
Risk Management	4,894	-	-	-
Food Service	-	113,117	-	-
Community Support	48,884	-	-	-
Facilities	-	-	-	-
Debt Service	-	-	143,575	-
TOTAL EXPENDITURES	<u>2,893,694</u>	<u>113,117</u>	<u>143,875</u>	<u>149,998</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>328,732</u>	<u>(62,985)</u>	<u>(69,281)</u>	<u>(67,744)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In (Out) - net	(202,000)	57,000	-	145,000
CHANGE IN FUND BALANCE	<u>126,732</u>	<u>(5,985)</u>	<u>(69,281)</u>	<u>77,256</u>
BEGINNING FUND BALANCE	<u>2,471,011</u>	<u>12,158</u>	<u>248,587</u>	<u>127,639</u>
ENDING FUND BALANCE	<u>\$ 2,597,743</u>	<u>\$ 6,173</u>	<u>\$ 179,306</u>	<u>\$ 204,895</u>

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

Totals

<u>2020</u>	<u>2019</u>
\$ 906,049	\$ 923,100
2,580	48,443
2,390,359	2,445,854
<u>130,418</u>	<u>92,222</u>
<u>3,429,406</u>	<u>3,509,619</u>
1,942,552	1,863,325
81,558	73,518
29,984	31,201
101,153	106,593
186,927	186,872
65,916	62,825
410,694	378,746
171,430	123,713
-	452
4,894	4,489
113,117	124,719
48,884	38,869
-	44,112
<u>143,575</u>	<u>71,250</u>
<u>3,300,684</u>	<u>3,110,684</u>
128,722	398,935
-	-
<u>128,722</u>	<u>398,935</u>
<u>2,859,395</u>	<u>2,460,460</u>
<u>\$ 2,988,117</u>	<u>\$ 2,859,395</u>

WELDON VALLEY SCHOOL DISTRICT RE-20J
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2020

Change in Fund Balance - Governmental Funds	\$	128,722	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	127,451	
Depreciation Expense		<u>(273,217)</u>	(145,766)
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.			
PERA Pension			
Change in deferred pension outflows		(1,055,241)	
Change in net pension liability		719,783	
Change in deferred pension inflows		<u>899,574</u>	564,116
PERA Health Care Trust Fund (OPEB)			
Change in deferred OPEB outflows		1,100	
Change in net OPEB liability		39,094	
Change in deferred OPEB inflows		<u>(35,657)</u>	4,537
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			<u>130,000</u>
Change in Net Position - Governmental Activities	\$		<u><u>681,609</u></u>

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Statement of Fiduciary Net Position
Fiduciary Funds
Cafeteria Agency Fund
June 30, 2020
(With Comparative Totals for June 30, 2019)

	<u>Totals</u>	
	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Investments	\$ 4,088	\$ 3,260
NET POSITION		
Restricted Net Position	<u>\$ 4,088</u>	<u>\$ 3,260</u>

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

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

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

Fund Financial Statements

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

Special Revenue (Food Service) Fund - This fund accounts for all financial activities associated with the District school lunch program.

The District reports the following nonmajor governmental funds:

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

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

The District also reports the following fiduciary fund:

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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.

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

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

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

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

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

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category, a deferred charge related to bond refinancing and amounts related to outstanding pension and OPEB obligations and further described in Note 10 and 11.

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 pension and OPEB related deferrals as further described in Note 10 and 11.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures/Expenses

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer in accordance with the State of Colorado's funding formula. Amounts collected beyond 60 days subsequent to the end of the fiscal year are shown as deferred revenues (outflows) in the Bond Redemption and governmental activities. Uncollected property taxes levied in 2019 for collection in 2020 are identified as property taxes receivable at June 30. Taxes collected beyond 60 days after year end were booked as a deferred inflow in the Bond Redemption Fund.

Comparative Data

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

Budgets and Budgetary Accounting

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

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- The District has until January 31st of each year to revise the budget.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund balance at fiscal year-end because they have lapsed and are pending reinstatement.

NOTE 2: CASH AND INVESTMENTS

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

Cash deposits	\$ 1,370,861
Investments	1,863,873
Cash on hand	<u>200</u>
Total Cash and Investments	<u><u>\$ 3,234,934</u></u>

These balances are allocated as follows in the financial statements:

Govt Act - Unrestricted	\$ 3,230,846
Fiduciary	<u>4,088</u>
Total Cash and Investments	<u><u>\$ 3,234,934</u></u>

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

DEPOSITS

Custodial Credit Risk - Deposits

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

Custodial Credit Risk – Deposits (Continued)

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, 2020, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2020, the District's deposits had bank and carrying values as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 599,841	\$ 599,841
PDPA collateralized *	826,549	771,020
Total deposits	<u>\$ 1,426,390</u>	<u>\$ 1,370,861</u>

* - Not in District's Name

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

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

During the year ended June 30, 2020, the District invested funds in Colotrust and CSAFE. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor’s Corporation.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Interest Rate Risk

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

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020 of \$5,506, consisted of purchased and donated commodities amounting to \$3,595 and \$1,911, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 4: CAPITAL ASSETS

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

	<u>Balance July 1 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30 2020</u>
Governmental Activities:				
Capital Assets not depreciated:				
Land and Sites	\$ 2,500	\$ -	\$ -	\$ 2,500
Construction In Process	-	-	-	-
Total Capital Assets not depreciated	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Capital Assets being depreciated:				
Buildings and Improvements	8,958,204	36,180	-	8,994,384
Transportation Equipment	590,007	76,085	-	666,092
Food Service Equipment	81,699	-	-	81,699
Equipment	510,065	15,186	-	525,251
Total Capital Assets being depreciated	<u>10,139,975</u>	<u>127,451</u>	<u>-</u>	<u>10,267,426</u>
Total Capital Assets	<u>10,142,475</u>	<u>127,451</u>	<u>-</u>	<u>10,269,926</u>
Accumulated Depreciation:				
Buildings and Improvements	(2,696,540)	(227,088)	-	(2,923,628)
Transportation Equipment	(464,492)	(18,078)	-	(482,570)
Food Service Equipment	(61,889)	(2,830)	-	(64,719)
Equipment	(324,753)	(25,222)	-	(349,975)
Total Accumulated Depreciation	<u>(3,547,674)</u>	<u>(273,218)</u>	<u>-</u>	<u>(3,820,892)</u>
Net Capital Assets	<u>\$ 6,594,801</u>	<u>\$ (145,767)</u>	<u>\$ -</u>	<u>\$ 6,449,034</u>

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

Instruction	\$ 168,152
Supporting Services	<u>105,066</u>
Total Depreciation	<u>\$ 273,218</u>

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2020, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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, 2020, are as follows:

General Fund	\$ 122,852
Food Service Fund	<u>5,646</u>
Total	<u>\$ 128,498</u>

NOTE 6: LONG-TERM DEBT

The District’s long-term debt transactions for the year ended June 30, 2020, were as follows:

	Balance			Balance		
	July 1,	Additions	Payments	June 30,	Current	Interest
	2019			2020	Portion	Expense
G.O. Bonds - Series 2013	\$ 345,000	\$ -	\$ 130,000	\$ 215,000	\$ 70,000	\$ 13,575
PERA Net Pension Liability	4,759,427	-	719,783	4,039,644	-	-
PERA Net OPEB Liability	<u>237,704</u>	-	<u>39,094</u>	<u>198,610</u>	-	-
Total Long-term Debt	<u>\$ 5,342,131</u>	<u>\$ -</u>	<u>\$ 888,877</u>	<u>\$ 4,453,254</u>	<u>\$ 70,000</u>	<u>\$ 13,575</u>

2004 General Obligation Bonds

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

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

2013 General Obligation Refunding Bonds

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

2013 Bond Premiums

Upon the issuance of the 2013 general obligation bonds, the District recognized bond premiums of \$23,554. In fiscal year 2019 The bond premiums were fully amortized. The District recognized a net present value savings of \$38,065 on the refunding.

Annual debt service requirements for the bonds are as follows:

<u>Fiscal Year:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$ -	\$ 3,225	\$ 3,225
2022	70,000	5,400	75,400
2023	75,000	3,225	78,225
2024	70,000	1,050	71,050
Totals	<u>\$ 215,000</u>	<u>\$ 12,900</u>	<u>\$ 227,900</u>

NOTE 7: JOINTLY GOVERNED ORGANIZATION

The District is a participant among fifteen Districts in a jointly governed organization to operate the Centennial Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2020, the District received federal and state funds through the BOCES of \$38,126, and paid \$47,616 in assessments. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2020 Clubhouse Drive, Greeley, CO 80634.

NOTE 8: INTERNAL ACTIVITY

Interfund Transfers

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: INTERNAL ACTIVITY (Continued)

Interfund Transfers (Continued)

During the year ended June 30, 2020, routine transfers were made supporting fund operations as well as for the District’s portion of facility improvements. Transfers were as follows:

<u>General Fund</u>	
Transfer to Student Activity Fund	\$ (25,000)
Transfer to Food Service Fund	(57,000)
Transfer to Capital Reserve Projects Fund	(120,000)
<u>Student Activity Fund</u>	
Transfer from General Fund	25,000
<u>Food Service Fund</u>	
Transfer from General Fund	57,000
<u>Capital Reserve Projects Fund</u>	
Transfer from General Fund	<u>120,000</u>
Net Transfers	<u>\$ -</u>

NOTE 9: RISK MANAGEMENT

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

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2020.

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.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 9: RISK MANAGEMENT (Continued)

The ultimate liability to the District resulting from claims not covered by the pool is not readily determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

Workers Compensation

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

NOTE 10: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases 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.

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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.

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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. 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.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019: Eligible employees the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through June 30, 2019	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

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

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

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution. Please see Note 21 for more information.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$305,964 for the year ended June 30, 2019.

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$4,039,644 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	(4,039,644)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(454,704)
Total	\$	(4,494,348)

At December 31, 2019, the District proportion was 0.02704 percent, which was an increase of 0.00016 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$272,526 and revenue of \$454,704 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 222,183	\$ -
Changes of assumptions or other inputs	\$ 130,018	\$ (1,821,447)
Net difference between projected and actual earnings on pension plan investments	\$ 428,830	\$ (942,404)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 27,329	\$ (416,077)
Contributions subsequent to the measurement date	\$ 163,881	\$ -
Total	\$ 972,241	\$ (3,179,928)

\$163,881 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2020	\$ (1,314,084)
2021	(907,856)
2022	13,156
2023	(162,784)
Total	\$ (2,371,568)

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

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

¹ For 2019, the AI was 0.0%

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

The actuarial assumptions used in the December 31, 2018, 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.

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

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

WELDON VALLEY SCHOOL DISTRICT RE-20J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include 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 .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.
- As specified in law, the State of Colorado, as a nonemployer contributing entity, provides an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (5,357,433)	\$ (4,039,644)	\$ (2,933,245)

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

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. 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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

PERA Benefit Structure

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: 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 appointed to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$16,206 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$198,610 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District' proportion of the net OPEB liability was based on the District' contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District' proportion was 0.01767 percent, which was an increase of 0.00020 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$12,231. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WELDON VALLEY SCHOOL DISTRICT RE-20J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 647	\$ (33,371)
Net difference between projected and actual earnings on pension plan investments	\$ 3,162	\$ (6,475)
Changes of assumptions or other inputs	\$ 1,632	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 3,545	\$ (3,096)
Contributions subsequent to the measurement date	\$ 8,625	\$ -
Total	\$ 17,611	\$ (42,942)

\$8,625 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ (7,282)
2021	(7,282)
2022	(6,340)
2023	(6,673)
2024	(6,017)
2025	(362)
Total	\$ (33,956)

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, 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 capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: 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
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Sensitivity of the District' 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 Trend Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (193,892)	\$ (198,610)	\$ (204,062)

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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.

Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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 middle of the year.

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

Sensitivity of the District' 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:

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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)	\$ (224,569)	\$ (198,610)	\$ (176,410)

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

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, 2020 program members contributed \$11,633.

NOTE 13: COMMITMENTS AND CONTINGENCIES

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 13: COMMITMENTS AND CONTINGENCIES(Continued)

TABOR Amendment – In November 1992, Colorado voters passed Article X, Section 20, (the TABOR Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. On November 4, 1997, voters within the District authorized the District to collect, retain and expend all revenues lawfully received in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$98,000 as required by the Amendment.

NOTE 14: NET POSITION DEFICIT

The Governmental Activities has an unrestricted net position deficit of \$3,614,670, primarily due to the PERA net pension liability of \$4,039,644, as further described in Note 10 and the HCTF OPEB net liability of \$198,610, as further described in Note 11. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules Unaudited)

WELDON VALLEY SCHOOL DISTRICT RE-20J

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's</u>	<u>Plan fiduciary</u>
						<u>proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>net position as a percentage of the total pension liability</u>
June 30, 2014	0.032752%	\$ (4,177,462)	\$ -	\$ (4,177,462)	\$ 1,320,323	316.40%	64.07%
June 30, 2015	0.031243%	(4,234,463)	-	(4,234,463)	1,308,854	323.52%	62.84%
June 30, 2016	0.029868%	(4,568,083)	-	(4,568,083)	1,301,636	350.95%	59.16%
June 30, 2017	0.031301%	(9,319,475)	-	(9,319,475)	1,404,838	663.38%	43.13%
June 30, 2018	0.030484%	(9,857,555)	-	(9,857,555)	1,406,207	701.00%	43.96%
June 30, 2019	0.026878%	(4,759,427)	(650,786)	(5,410,213)	1,491,877	319.02%	57.01%
June 30, 2020	0.027040%	(4,039,644)	(454,704)	(4,494,348)	1,578,762	255.87%	64.25%

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.

WELDON VALLEY SCHOOL DISTRICT RE-20J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 205,046	(205,046)	-	\$ 1,320,323	15.53%
June 30, 2015	215,045	(215,045)	-	1,308,854	16.43%
June 30, 2016	225,573	(225,573)	-	1,301,636	17.33%
June 30, 2017	254,697	(254,697)	-	1,404,838	18.13%
June 30, 2018	261,976	(261,976)	-	1,406,207	18.63%
June 30, 2019	285,396	(285,396)	-	1,491,877	19.13%
June 30, 2020	305,964	(305,964)	-	1,578,762	19.38%

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.

WELDON VALLEY SCHOOL DISTRICT RE-20J

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

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
June 30, 2017	0.017792%	\$ (230,676)	\$ 1,404,837	16.42%	16.70%
June 30, 2018	0.017321%	(225,105)	1,406,208	16.01%	17.53%
June 30, 2019	0.017471%	(237,704)	1,537,745	15.46%	17.03%
June 30, 2019	0.017670%	(198,610)	1,588,824	12.50%	24.49%

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.

WELDON VALLEY SCHOOL DISTRICT RE-20J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 14,329	\$ (14,329)	\$ -	\$ 1,404,837	1.02%
June 30, 2018	14,343	(14,343)	-	1,406,208	1.02%
June 30, 2019	15,685	(15,685)	-	1,537,745	1.02%
June 30, 2019	16,206	(16,206)	-	1,588,824	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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REQUIRED SUPPLEMENTARY INFORMATION
(Budgetary Comparison Schedules)

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020					2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget		
REVENUES						
Local Sources						
Property Taxes	\$ 418,000	\$ 418,000	\$ 528,358	\$ 110,358	\$ 421,048	
Specific Ownership Taxes	45,500	45,500	52,417	6,917	52,991	
Delinquent Taxes	1,500	1,500	1,622	122	10,353	
Other Taxes	1,000	1,000	-	(1,000)	1,475	
Investment Earnings	21,175	21,175	28,849	7,674	37,414	
Community Service Revenue	23,000	23,000	14,308	(8,692)	27,325	
Rent Revenue	21,000	21,000	30,073	9,073	17,848	
Donations	-	-	45,000	45,000	14,140	
Local BOCES Passthrough	-	-	447	447	-	
Indirect Cost Revenue	-	-	-	-	4,556	
Other Local	15,500	15,500	28,579	13,079	129,469	
Total Local Sources	<u>546,675</u>	<u>546,675</u>	<u>729,653</u>	<u>182,978</u>	<u>716,619</u>	
Intermediate Sources						
Mineral Leases	500	500	844	344	443	
Impact Fee Revenue	200	200	1,528	1,328	-	
Other Intermediate Source Revenue	-	-	-	-	48,000	
Total Intermediate Sources	<u>700</u>	<u>700</u>	<u>2,372</u>	<u>1,672</u>	<u>48,443</u>	
State Sources						
State Share (Equalization)	2,433,952	2,433,952	2,228,023	(205,929)	2,257,152	
State Transportation	34,000	34,000	35,677	1,677	30,795	
State Grants from CDE						
State ELPA: Professional Development and Student Support	60	60	-	(60)	-	
State ELPA	600	600	-	(600)	-	
State Share - Colorado Preschool Program (CPP)	-	-	661	661	-	
State Grants to Libraries	-	-	4,500	4,500	3,500	
Small Rural Schools Additional Funding	54,500	54,500	54,659	159	79,305	
Additional At-Risk Funding	1,100	1,100	608	(492)	818	
READ Act	8,400	8,400	-	(8,400)	11,687	
READ Act	-	-	1,918	1,918	-	
Other CDE State Grants	3,500	3,500	-	(3,500)	-	
State Grants from Other Agencies						
State Vocational Education	19,500	19,500	20,958	1,458	19,846	
St. of CO PERA Distribution	-	-	38,808	38,808	38,652	
State Grants Provided through BOCES	2,200	2,200	2,690	490	2,690	
Total State Sources	<u>2,557,812</u>	<u>2,557,812</u>	<u>2,388,502</u>	<u>(169,310)</u>	<u>2,444,445</u>	
Federal Sources						
Federal Grants from CDE						
Coronavirus Relief Fund	-	-	64,098	64,098	-	
Direct Federal Revenue						
NCLB Title VI, Part B - REAP/Rural Education	20,000	20,000	-	(20,000)	21,156	
Federal Provided through BOCES	17,900	17,900	37,801	19,901	35,326	
Total Federal Sources	<u>37,900</u>	<u>37,900</u>	<u>101,899</u>	<u>63,999</u>	<u>56,482</u>	
TOTAL REVENUES	<u>3,143,087</u>	<u>3,143,087</u>	<u>3,222,426</u>	<u>79,339</u>	<u>3,265,989</u>	

(Continued)

See the accompanying Independent Auditors' Report

WELDON VALLEY SCHOOL DISTRICT RE-20J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,142,464	1,142,464	1,081,508	60,956	1,012,390
Benefits	365,740	365,740	389,430	(23,690)	391,555
PS - Professional	107,800	107,800	187,868	(80,068)	116,986
PS - Property	4,500	4,500	4,851	(351)	2,731
PS - Other	77,400	77,400	70,718	6,682	66,392
Supplies	94,100	94,100	45,463	48,637	72,816
Property	27,350	27,350	61,046	(33,696)	48,304
Other Expenses	2,073,826	2,073,826	27,755	2,046,071	12,827
Total Instruction	<u>3,893,180</u>	<u>3,893,180</u>	<u>1,868,639</u>	<u>2,024,541</u>	<u>1,724,001</u>
Supporting Services					
Pupil Support					
Salaries	62,222	62,222	60,317	1,905	58,547
Benefits	21,850	21,850	18,778	3,072	13,623
PS - Professional	1,200	1,200	1,912	(712)	562
PS - Other	600	600	-	600	175
Supplies	1,400	1,400	401	999	611
Property	1,000	1,000	-	1,000	-
Other Expenses	300	300	150	150	-
Total Pupil Support	<u>88,572</u>	<u>88,572</u>	<u>81,558</u>	<u>7,014</u>	<u>73,518</u>
Staff Support					
Salaries	22,200	22,200	18,217	3,983	20,302
Benefits	11,890	11,890	10,541	1,349	10,169
PS - Professional	500	500	173	327	-
Supplies	9,300	9,300	705	8,595	730
Property	900	900	73	827	-
Other Expenses	2,900	2,900	275	2,625	-
Total Staff Support	<u>47,690</u>	<u>47,690</u>	<u>29,984</u>	<u>17,706</u>	<u>31,201</u>
General Administration					
Salaries	75,000	75,000	73,785	1,215	75,000
Benefits	22,700	22,700	16,409	6,291	15,432
PS - Professional	13,350	13,350	10,355	2,995	8,529
PS - Property	500	500	-	500	-
PS - Other	3,600	3,600	216	3,384	702
Supplies	600	600	-	600	265
Property	500	500	-	500	-
Other Expenses	4,300	4,300	88	4,212	6,365
Total General Administration	<u>120,550</u>	<u>120,550</u>	<u>100,853</u>	<u>19,697</u>	<u>106,293</u>
School Administration					
Salaries	121,745	121,745	118,942	2,803	116,953
Benefits	40,500	40,500	39,016	1,484	34,994
PS - Professional	6,000	6,000	3,107	2,893	1,532
PS - Property	1,000	1,000	-	1,000	-
PS - Other	30,200	30,200	24,170	6,030	22,843
Supplies	4,200	4,200	1,300	2,900	2,543
Property	1,500	1,500	392	1,108	440
Other Expenses	9,150	9,150	-	9,150	7,567
Total School Administration	<u>214,295</u>	<u>214,295</u>	<u>186,927</u>	<u>27,368</u>	<u>186,872</u>

(Continued)
 See the accompanying Independent Auditors' Report

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	44,874	44,874	44,877	(3)	43,127
Benefits	16,700	16,700	16,113	587	14,470
PS - Professional	6,000	6,000	3,827	2,173	3,900
PS - Property	400	400	-	400	-
PS - Other	700	700	-	700	317
Supplies	1,200	1,200	1,099	101	988
Property	3,000	3,000	-	3,000	24
Other Expenses	1,300	1,300	-	1,300	-
Total Business Services	<u>74,174</u>	<u>74,174</u>	<u>65,916</u>	<u>8,258</u>	<u>62,826</u>
Operations and Maintenance					
Salaries	98,061	98,061	136,072	(38,011)	127,371
Benefits	54,600	54,600	55,995	(1,395)	48,346
PS - Property	37,900	37,900	29,252	8,648	34,090
PS - Other	151,000	151,000	129,933	21,067	87,282
Supplies	92,500	92,500	55,592	36,908	68,022
Property	9,500	9,500	1,270	8,230	4,298
Other Expenses	13,000	13,000	2,580	10,420	9,337
Total Operations and Maintenance	<u>456,561</u>	<u>456,561</u>	<u>410,694</u>	<u>45,867</u>	<u>378,746</u>
Transportation					
Salaries	86,500	86,500	32,344	54,156	45,871
Benefits	37,750	37,750	32,672	5,078	31,404
PS - Professional	4,000	4,000	749	3,251	1,828
PS - Property	26,500	26,500	5,966	20,534	25,226
PS - Other	12,000	12,000	7,829	4,171	3,616
Supplies	24,900	24,900	14,724	10,176	15,289
Property	3,500	3,500	1,061	2,439	479
Total Transportation	<u>195,150</u>	<u>195,150</u>	<u>95,345</u>	<u>99,805</u>	<u>123,713</u>
Other Central Support					
PS - Professional	2,500	2,500	-	2,500	452
PS - Other	200	200	-	200	-
Total Other Central Support	<u>2,700</u>	<u>2,700</u>	<u>-</u>	<u>2,700</u>	<u>452</u>
Risk Management					
PS - Other	5,200	5,200	4,894	306	4,489
Community Support					
Salaries	26,000	26,000	18,465	7,535	11,997
Benefits	28,700	28,700	30,419	(1,719)	26,872
Total Community Support	<u>54,700</u>	<u>54,700</u>	<u>48,884</u>	<u>5,816</u>	<u>38,869</u>
TOTAL EXPENDITURES	<u>5,152,772</u>	<u>5,152,772</u>	<u>2,893,694</u>	<u>2,259,078</u>	<u>2,730,980</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(2,009,685)	(2,009,685)	328,732	2,338,417	535,009
OTHER FINANCING SOURCES (USES)					
Transfers	(202,000)	(202,000)	(202,000)	-	(188,000)
CHANGE IN FUND BALANCE	(2,211,685)	(2,211,685)	126,732	2,338,417	347,009
BEGINNING FUND BALANCE	2,211,685	91,816	2,471,011	2,379,195	2,124,002
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ (2,119,869)</u>	<u>\$ 2,597,743</u>	<u>\$ 4,717,612</u>	<u>\$ 2,471,011</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

WELDON VALLEY SCHOOL DISTRICT RE-20J
Balance Sheet
Nonmajor Governmental Funds
June 30, 2020
(With Comparative Totals for June 30, 2019)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
	<u>Student Activity</u>	<u>Capital Reserve</u>	<u>2020</u>	<u>2019</u>
	<u>Fund</u>	<u>Project Fund</u>		
ASSETS				
Cash and Investments	\$ 95,952	\$ 108,943	\$ 204,895	\$ 127,639
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Fund Balance				
Committed Fund Balance				
Comitted for Student Activity	95,952	-	95,952	62,611
Assigned Fund Balance				
Other Assigned Fund Balance	-	108,943	108,943	65,028
Total Fund Balance	<u>95,952</u>	<u>108,943</u>	<u>204,895</u>	<u>127,639</u>
TOTAL LIABILITIES, DEFERRED INLFOWS AND FUND BALANCE	<u>\$ 95,952</u>	<u>\$ 108,943</u>	<u>\$ 204,895</u>	<u>\$ 127,639</u>

See accompanying Independent Auditors' Report.

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>	
	<u>Student Activity</u>	<u>Capital Reserve</u>		
	<u>Fund</u>	<u>Project Fund</u>	<u>2020</u>	<u>2019</u>
REVENUES				
Local Sources	\$ 82,254	\$ -	\$ 82,254	\$ 105,090
EXPENDITURES				
Instruction	73,913	-	73,913	139,323
Transportation	-	76,085	76,085	-
Facilities	-	-	-	44,112
TOTAL EXPENDITURES	<u>73,913</u>	<u>76,085</u>	<u>149,998</u>	<u>183,435</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	8,341	(76,085)	(67,744)	(78,345)
OTHER FINANCING SOURCES (USES)				
Transfer In (Out) - net	<u>25,000</u>	<u>120,000</u>	<u>145,000</u>	<u>143,000</u>
CHANGE IN FUND BALANCE	33,341	43,915	77,256	64,655
BEGINNING FUND BALANCE	<u>62,611</u>	<u>65,028</u>	<u>127,639</u>	<u>62,984</u>
ENDING FUND BALANCE	<u>\$ 95,952</u>	<u>\$ 108,943</u>	<u>\$ 204,895</u>	<u>\$ 127,639</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUNDS

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020			
	Final		Variance	2019
	Budget	Actual	with Final Budget	Actual
REVENUES				
Local Sources				
Food Service Revenue	\$ 24,050	\$ 19,756	\$ (4,294)	\$ 24,264
State Sources				
State Grants from CDE				
State Matching Child Nutrition	900	670	(230)	653
Start Smart Nutrition	200	116	(84)	134
School Lunch Protection Program: Free and Reduced for Pre-K th 2	100	559	459	622
State Grants from Other Agencies				
Other Agency State Grants	-	512	512	-
Total State Sources	1,200	1,857	657	1,409
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	6,000	3,268	(2,732)	5,886
National School Lunch Program	26,000	19,692	(6,308)	24,656
Federal Grants from Other State Agencies				
National School Lunch Program - Commodities	-	5,559	5,559	5,198
Total Federal Sources	32,000	28,519	(3,481)	35,740
TOTAL REVENUES	57,250	50,132	(7,118)	61,413
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	52,000	41,457	10,543	49,442
Benefits	22,300	19,795	2,505	21,031
PS - Professional	900	361	539	598
PS - Property	6,000	9,847	(3,847)	6,271
PS - Other	633	577	56	284
Supplies	8,500	1,443	7,057	5,835
Food	45,912	34,079	11,833	36,060
Commodities	-	5,558	(5,558)	5,198
Other Expenses	1,500	-	1,500	-
TOTAL EXPENDITURES	137,745	113,117	24,628	124,719
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(80,495)	(62,985)	17,510	(63,306)
OTHER FINANCING SOURCES (USES)				
Transfers	58,000	57,000	(1,000)	45,000
CHANGE IN FUND BALANCE	(22,495)	(5,985)	16,510	(18,306)
BEGINNING FUND BALANCE	22,495	12,158	(10,337)	30,464
ENDING FUND BALANCE	\$ -	\$ 6,173	\$ 6,173	\$ 12,158

See accompanying Independent Auditors' Report.

WELDON VALLEY SCHOOL DISTRICT RE-20J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Student Activity Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019	
	Final Budget	Actual		Actual	Actual
REVENUES					
Local Sources					
Investment Earnings	\$ 500	\$ 80	\$ (420)	\$ 132	
Pupil Activity Revenues	153,963	82,174	(71,789)	104,958	
TOTAL REVENUES	154,463	82,254	(72,209)	105,090	
EXPENDITURES					
Instruction					
Supplies	170,463	73,913	96,550	139,323	
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(16,000)	8,341	24,341	(34,233)	
OTHER FINANCING SOURCES (USES)					
Transfers	16,000	25,000	9,000	23,000	
CHANGE IN FUND BALANCE	-	33,341	33,341	(11,233)	
BEGINNING FUND BALANCE	-	62,611	62,611	73,844	
ENDING FUND BALANCE	\$ -	\$ 95,952	\$ 95,952	\$ 62,611	

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ -	\$ 70,923	\$ 70,923	\$ 72,598
Specific Ownership Taxes	3,500	-	(3,500)	-
Delinquent Taxes	2,200	264	(1,936)	104
Investment Earnings	3,500	3,199	(301)	4,425
Other Local	300	-	(300)	-
Total Local Sources	9,500	74,386	64,886	77,127
Intermediate Sources				
Impact Fee Revenue	250	208	(42)	-
TOTAL REVENUES	9,750	74,594	64,844	77,127
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	600	300	300	300
Debt Service				
Principal	235,135	130,000	105,135	60,000
Interest	7,275	13,575	(6,300)	11,250
Total Debt Service	242,410	143,575	98,835	71,250
TOTAL EXPENDITURES	243,010	143,875	99,135	71,550
CHANGE IN FUND BALANCE	(233,260)	(69,281)	163,979	5,577
BEGINNING FUND BALANCE	233,260	248,587	15,327	243,010
ENDING FUND BALANCE	\$ -	\$ 179,306	\$ 179,306	\$ 248,587

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019
	Final Budget	Actual		Actual
EXPENDITURES				
Supporting Services				
Transportation				
Property	\$ -	\$ 76,085	\$ (76,085)	\$ -
Facilities/Capital Outlay				
Buildings	42,300	-	42,300	15,530
Equipment	74,571	-	74,571	19,049
Non-Capitalized Equipment	3,129	-	3,129	9,533
Total Facilities/Capital Outlay	120,000	-	120,000	44,112
TOTAL EXPENDITURES	120,000	76,085	43,915	44,112
OTHER FINANCING SOURCES (USES)				
Transfers	120,000	120,000	-	120,000
CHANGE IN FUND BALANCE	-	43,915	43,915	75,888
BEGINNING FUND BALANCE	-	65,028	65,028	(10,860)
ENDING FUND BALANCE	\$ -	\$ 108,943	\$ 108,943	\$ 65,028

See accompanying Independent Auditors' Report.

FIDUCIARY (TRUST AND AGENCY) FUNDS

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

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

WELDON VALLEY SCHOOL DISTRICT RE-20J
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Cafeteria Agency Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019 Actual
	Final Budget	Actual		
ADDITIONS				
Local Sources	\$ 7,000	\$ 1,703	\$ (5,297)	\$ 4,235
DEDUCTIONS				
Other Supporting Services	7,000	875	6,125	3,471
CHANGE IN NET POSITION	-	828	828	764
BEGINNING NET POSITION	-	3,260	3,260	2,496
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 4,088</u>	<u>\$ 4,088</u>	<u>\$ 3,260</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report

District: 2505 - Weldon Valley RE-20(J)
Fiscal Year 2019-20
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
10 General Fund	2,440,521	2,808,137	2,675,765	2,572,893
16 Risk Mgmt Sub-Fund of General Fund	0	116,133	115,551	582
19 Colorado Preschool Program Fund	30,490	96,156	102,378	24,268
Sub- Total	2,471,011	3,020,426	2,893,694	2,597,743
11 Charter School Fund	0	0	0	0
20 28-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	12,158	107,132	113,117	6,173
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	62,611	107,254	73,913	95,952
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	248,587	74,594	143,875	179,306
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	65,028	120,000	76,085	108,943
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,769,800	3,345,029	3,063,096	3,051,733
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	3,260	1,703	876	4,088
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	3,260	1,703	876	4,088

FINAL

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



Colorado Department of Education
Bolded Balance Sheet Report

District: 2505 - Weldon Valley RE-20(J)
 Fiscal Year 2019-20

Colorado School District/BOCES

See accompanying Independent Auditors Report.

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	2,808,725	0	33,587	95,952	0	0	6,640	177,000	108,943	0	0	0	0	0	0	3,234,934		
Cash with Fiscal Agent (8105)	8,302	0	0	0	0	0	0	572	0	0	0	0	0	0	0	8,874		
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Taxes Receivable (8121,8122)	37,265	0	0	0	0	0	0	5,081	0	0	0	0	0	0	0	42,346		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Grants Accounts Receivable (8142)	40,484	0	0	0	0	0	765	0	0	0	0	0	0	0	0	41,249		
Other Receivables (8151-8154,8161)	5,500	0	0	0	0	0	1,358	0	0	0	0	0	0	0	0	6,858		
Inventories (8171,8172,8173)	0	0	0	0	0	0	5,506	0	0	0	0	0	0	0	0	5,506		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Buildings (8231-8234)	0	0	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	0	0		
Deferred Outflow (8800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	2,900,277	0	33,587	95,952	0	0	14,268	182,653	108,943	0	0	0	0	4,088	0	3,339,767		

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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		
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Intragovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Payables (7421-7423)	10,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,094		
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Accrued Expenses (7461)	113,534	0	9,318	0	0	0	5,646	0	0	0	0	0	0	0	0	128,498		
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unearned Revenue (7481)	0	0	0	0	0	0	2,449	3,347	0	0	0	0	0	0	0	5,796		
Grants Deferred Revenue (7482)	203,176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	203,176		
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Long-Term Liabilities (7521,7531,7561,7590)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Liabilities	326,803	0	9,318	0	0	0	8,095	3,347	0	0	0	0	0	0	0	347,563		

FUND EQUITY

	Governmental							Proprietary							Fiduciary		
	General Funds 10, 12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	0	0	0	0	0	0	5,506	0	0	0	0	0	0	0	0	5,506	
Restricted Fund Balance 6720	0	0	0	0	0	0	0	179,306	0	0	0	0	0	0	0	179,306	
TOR 3% Emergency Reserve 6721	98,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	98,000	
TOR Multi-Year 6722	0	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	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	24,269	0	0	0	0	0	0	0	0	0	0	0	0	24,269	
Full Day Kindergarten Reserve 6725	0	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	0	
BLT Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOR Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	582	0	0	95,952	0	0	667	0	0	0	0	0	0	0	0	97,201	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	108,943	0	0	0	0	0	0	108,943	
Unassigned Fund Balance 6770	2,474,892	0	0	0	0	0	0	0	0	0	0	0	0	4,088	0	2,478,980	
Invested in Capital Assets, Net of Related Debt 6790	0	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	0	
Unrestricted Net Assets 6792	0	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	0	
Total Fund Equity	2,573,474	0	24,269	95,952	0	0	6,173	179,306	108,943	0	0	0	0	4,088	0	2,992,205	
General Funds 10, 12-18	2,900,277	0	33,587	95,952	0	0	14,268	182,653	108,943	0	0	0	0	4,088	0	3,339,768	
Total Liabilities & Fund Equity																	
General Funds 10, 12-18																	
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		