

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2020**

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

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2020

BOARD OF EDUCATION

Kris Musgrave – President

Mike Miller – Vice President

Sara Kopetzky – Secretary/Treasurer

Jared Bodine – Member

Eric Gonzalez – Member

Superintendent – Trent Kerr

Board Clerk/Business Manager - Cary Allen

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FINANCIAL SECTION

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2020

The discussion and analysis of Wiggins School District RE-50J's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

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

Using the Basic Financial Statements

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

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

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

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

Financial Analysis of the District as a Whole

The District's total net position was \$4,366,941 as of June 30, 2020.

The District's governmental net position increased by \$3,898,192 from 2019 to 2020. The net position includes the long-term pension related liabilities with PERA and bonds payable. The general fund had an increase of \$1,035,257 to fund balance and food service fund had a decrease of \$42,067

Government-Wide Financial Statements

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

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

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

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

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

	2020	2019
Assets:		
Current Assets	\$ 11,915,836	\$ 10,069,168
Capital Assets – Net	36,351,647	36,445,969
Deferred Outflows of Resources	2,541,313	4,127,034
Capital Assets & Deferred Outflows of Financial Resources	<u>50,808,796</u>	<u>50,642,171</u>
Liabilities:		
Current Liabilities	1,119,034	786,690
Non-current Liabilities	36,426,289	40,889,940
Deferred Inflows of Resources	8,896,532	8,496,792
Total Liabilities & Deferred Inflows of Financial Resources	<u>46,441,855</u>	<u>50,173,422</u>
Net Position:		
Net Invested in Capital Assets	8,951,647	7,980,969
Restricted	4,985,142	4,594,476
Unrestricted Net Position	<u>(9,569,848)</u>	<u>(12,106,696)</u>
Total Net Position(Deficit)	<u>4,366,941</u>	<u>468,749</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 50,808,796</u>	<u>\$ 50,642,171</u>

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

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

	2020	2019
Program Revenues:		
Charges for Services	\$ 464,031	\$ 195,253
Operating Grants	1,199,732	931,214
Capital Grants and Contributions	<u>26,267</u>	<u>344,887</u>
Total Program Revenues	<u>1,690,030</u>	<u>1,471,354</u>
General Revenues:		
Taxes	9,479,613	6,493,411
State Equalization	127,038	1,508,914
Investment Earnings	123,924	256,703
Gain (Loss) on Capital Asset Disposals	(12,429)	(66,969)
Miscellaneous Revenues	62,886	87,819
Transfer	<u>-</u>	<u>144,506</u>
Total General Revenues	<u>9,781,032</u>	<u>8,424,384</u>
Total Revenues	<u>11,471,062</u>	<u>9,895,738</u>
Expenses:		
Instruction	4,075,537	2,605,625
Supporting Services	3,659,799	3,247,470
Interest on Long Term Debt	<u>-</u>	<u>962,607</u>
Total Expenses	<u>7,735,336</u>	<u>6,815,702</u>
Change in Net Position	<u>3,735,726</u>	<u>3,080,036</u>
Net Position - Beginning	468,749	(2,682,916)
Prior Period Restatement	<u>162,466</u>	<u>71,629</u>
Net Position - Beginning (Restated)	<u>631,215</u>	<u>(2,611,287)</u>
Net Position Ending	<u>\$ 4,366,941</u>	<u>\$ 468,749</u>

Reporting the District's Most Significant Funds

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

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

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

Fund Financial Statements

As of June 30, 2020, the District's governmental funds reported a combined fund balance of \$10,898,181 which is an increase of \$1,347,420 from the June 30, 2019 balance. The majority of the increase is from taxes receivable.

Capital Assets

As of June 30, 2020 the District had \$36,351,647 invested in a broad range of capital assets, including land, buildings, furniture, equipment and construction in progress. This amount represents a net decrease (including additions, deletions, and depreciation) of \$94,322. A summary of the District's Capital Assets is as follows:

	Balance 6/30/19	Additions	Deletions	Balance 6/30/20
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 175,119	\$ 1,044,503	\$ -	\$ 1,219,622
Construction in Progress	782,912	-	782,912	-
Total Capital Assets not being depreciated	<u>958,031</u>	<u>1,044,503</u>	<u>782,912</u>	<u>1,219,622</u>
Capital Assets being depreciated:				
Buildings & Improvements	38,204,258	331,693	25,920	38,510,031
Equipment	685,986	65,199	6,279	744,906
Food Service Equipment	12,579	-	-	12,579
Transportation Equipment	972,587	129,955	-	1,102,542
Total Capital Assets being depreciated	<u>39,875,410</u>	<u>526,847</u>	<u>32,199</u>	<u>40,370,058</u>
Accumulated Depreciation:				
Land and Buildings	(3,472,571)	(788,213)	(14,904)	(4,245,880)
Equipment	(269,020)	(39,225)	(4,866)	(303,379)
Food Service Equipment	(12,579)	-	-	(12,579)
Transportation Equipment	(633,302)	(42,893)	-	(676,195)
Total Accumulated Depreciation	<u>(4,387,472)</u>	<u>(870,331)</u>	<u>(19,770)</u>	<u>(5,238,033)</u>
Net Capital Assets	<u>\$ 36,445,969</u>	<u>\$ 701,019</u>	<u>\$ 795,341</u>	<u>\$ 36,351,647</u>

Debt Administration

As of June 30, 2020 the District had total outstanding long-term debt as follows:

	<u>Balance</u> <u>06/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/20</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
2017 General Obligation Bonds	\$ 28,465,000	\$ -	\$ 1,065,000	\$ 27,400,000	\$ 1,120,000	\$ 1,243,175
2017 GO Bond Premiums	2,390,201	-	227,222	2,162,979	217,694	-
Net OPEB Liability	475,813	(54,813)	-	421,000	-	-
PERA Net Pension Liability	9,526,949	(960,480)	-	8,566,469	-	-
Accrued Leave	31,977	6,844	-	38,821	-	-
Total	\$ 40,889,940	\$ (1,008,449)	\$ 1,292,222	\$ 38,589,269	\$ 1,337,694	\$ 1,243,175

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

General Fund Budget

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

General Fund revenues were more than budgeted which is due to specific ownership taxes and state share revenue received. General Fund expenditures were under budget after adjusting for budgeted contingency reserves.

Next Year's Budgets and Rates

A bond passed in November 2016 for approximately \$31 million. The bond was to build a new middle/high school and repair/improve existing facilities. With the bond fund excluded, the District will be maintaining a similar budget to 2020-21.

Requests for Information

This financial report is designed to provide a general overview of the Wiggins School District RE-50J's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Director, 404 Chapman Street, Wiggins, Colorado 80654-1374.

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Education
Wiggins School District RE-50J
Wiggins, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Wiggins School District RE-50J, Colorado, as of and for the year ended June 30, 2020, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wiggins School District RE-50J, Colorado, as of June 30, 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 Wiggins School District RE-50J's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 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

Emphasis of Matter

As discussed in Note 15, to the financial statements, the 2020 financial statements have been restated to reflect the reclassification of pupil activity to a special revenue fund. This restatement also impacted the governmental activities. Our opinion is not modified with respect to this matter.

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-M5 and pension schedules on pages 43-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 47-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 50-57 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report and Bolded Balance Sheet reports on pages 58 - 61 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.

Mayberry + Company, LLC

Englewood, CO
February 28, 2021

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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.

WIGGINS SCHOOL DISTRICT RE-50J

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 9,473,787
Cash with Fiscal Agent	52,366
Taxes Receivable	2,237,971
Grants Receivable	127,562
Other Accounts Receivable	13,454
Inventory	10,696
Capital and Other Assets	
Capital Assets not Being Depreciated	1,219,622
Capital Assets Being Depreciated	40,370,058
Accumulated Depreciation	<u>(5,238,033)</u>
Total Assets	<u>48,267,483</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	2,487,016
Net OPEB Deferred Outflows	<u>54,297</u>
Total Deferred Outflows of Financial Resources	<u>2,541,313</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 50,808,796</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 11,552
Accrued Interest	101,379
Accrued Salaries & Benefits	647,529
Unearned Revenue	10,683
Unearned Revenue Grants	347,891
Noncurrent Liabilities	
Due Within One Year	1,120,000
Due In More Than One Year	<u>35,306,289</u>
Total Liabilities	<u>37,545,323</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	6,641,463
Net OPEB Deferred Inflows	92,090
Bond Premiums	<u>2,162,979</u>
Total Deferred Inflows of Financial Resources	<u>8,896,532</u>
Net Position	
Net Investment in Capital Assets	8,951,647
Restricted Net Position	4,985,142
Unrestricted Net Position	<u>(9,569,848)</u>
Total Net Position	<u>4,366,941</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 50,808,796</u>

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

WIGGINS SCHOOL DISTRICT RE-50J

Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Primary Government					
Governmental Activities					
Instruction	\$ 4,075,537	\$ 362,899	\$ 339,240	\$ 26,267	\$ (3,347,131)
Supporting Services	3,659,799	101,132	860,492	-	(2,698,175)
Total Primary Government	<u>\$ 7,735,336</u>	<u>\$ 464,031</u>	<u>\$ 1,199,732</u>	<u>\$ 26,267</u>	<u>(6,045,306)</u>
General Revenues					
Property Taxes					8,992,632
Specific Ownership Taxes					486,981
State Equalization					127,038
Investment Earnings					123,924
Gain (Loss) on Capital Asset Disposals					(12,429)
Other Revenues					62,886
Total General Revenues					<u>9,781,032</u>
Change in Net Position					<u>3,735,726</u>
Beginning Net Position					468,749
Prior Period Restatement					162,466
Beginning Net Position (As Restated)					<u>631,215</u>
Ending Net Position					<u>\$ 4,366,941</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
Balance Sheet
Governmental Funds
June 30, 2020

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
ASSETS			
Cash and Investments	\$ 5,246,953	\$ 85,076	\$ 218,775
Cash with Fiscal Agent	48,290	-	-
Taxes Receivable	1,442,411	-	-
Interfund Accounts Receivable	29,802	-	-
Grants Receivable	99,480	28,082	-
Other Accounts Receivable	12,924	530	-
Inventory	-	10,696	-
TOTAL ASSETS	<u>\$ 6,879,860</u>	<u>\$ 124,384</u>	<u>\$ 218,775</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Interfund Accounts Payable	\$ -	\$ 5,585	\$ -
Accounts Payable	11,552	-	-
Accrued Salaries & Benefits	631,607	15,922	-
Unearned Revenue	-	10,683	-
Unearned Revenue Grants	347,891	-	-
Total Liabilities	<u>991,050</u>	<u>32,190</u>	<u>-</u>
Deferred Inflows of Financial Resources			
Fund Balance			
Nonspendable Fund Balance	-	10,696	-
Restricted Fund Balance			
Restricted for Debt Service/Capital Projects	-	-	-
Restricted for TABOR Emergencies	287,000	-	-
Committed Fund Balance	-	81,498	218,775
Unassigned Fund Balance	5,601,810	-	-
Total Fund Balance	<u>5,888,810</u>	<u>92,194</u>	<u>218,775</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 6,879,860</u>	<u>\$ 124,384</u>	<u>\$ 218,775</u>

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

Debt Service	Capital Projects		Totals	
Bond Redemption Fund	Building Fund	Capital Reserve Project Fund	2020	2019
\$ 1,880,308	\$ 2,042,415	\$ 260	\$ 9,473,787	\$ 9,784,765
4,076	-	-	52,366	62,378
795,560	-	-	2,237,971	84,968
-	-	-	29,802	29,773
-	-	-	127,562	74,013
-	-	-	13,454	26,772
-	-	-	10,696	6,499
<u>\$ 2,679,944</u>	<u>\$ 2,042,415</u>	<u>\$ 260</u>	<u>\$ 11,945,638</u>	<u>\$ 10,069,168</u>
\$ -	\$ 24,217	\$ -	\$ 29,802	\$ 29,773
-	-	-	11,552	49,898
-	-	-	647,529	595,755
-	-	-	10,683	5,357
-	-	-	347,891	90
-	<u>24,217</u>	-	<u>1,047,457</u>	<u>680,873</u>
-	-	-	10,696	3,499
2,679,944	2,018,198	-	4,698,142	4,303,977
-	-	-	287,000	287,000
-	-	260	300,533	227,266
-	-	-	5,601,810	4,566,553
<u>2,679,944</u>	<u>2,018,198</u>	<u>260</u>	<u>10,898,181</u>	<u>9,388,295</u>
<u>\$ 2,679,944</u>	<u>\$ 2,042,415</u>	<u>\$ 260</u>	<u>\$ 11,945,638</u>	<u>\$ 10,069,168</u>

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WIGGINS SCHOOL DISTRICT RE-50J

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020**

Fund Balance - Governmental Funds		\$	10,898,181
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	1,219,622	
Capital assets, being depreciated		40,370,058	
Accumulated depreciation		<u>(5,238,033)</u>	36,351,647
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		2,487,016	
Net pension liability		(8,566,469)	
Net pension deferred inflows		<u>(6,641,463)</u>	(12,720,916)
OPEB Liability			
Net OPEB deferred outflows		54,297	
Net OPEB liability		(421,000)	
Net OPEB deferred inflows		<u>(92,090)</u>	(458,793)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(27,400,000)	
Accrued interest payable		(101,379)	
Bond premiums		(2,162,979)	
Accrued compensated absences		<u>(38,820)</u>	<u>(29,703,178)</u>
Total Net Position - Governmental Activities			<u>\$ 4,366,941</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
REVENUES				
Local Sources	\$ 6,532,389	\$ 89,131	\$ 327,684	\$ 3,213,545
Intermediate Sources	2,622	-	-	-
State Sources	703,680	8,031	-	-
Federal Sources	381,509	164,816	-	-
TOTAL REVENUES	<u>7,620,200</u>	<u>261,978</u>	<u>327,684</u>	<u>3,213,545</u>
EXPENDITURES				
Current:				
Instruction	4,135,538	-	271,375	-
Pupil Support	124,775	-	-	-
Staff Support	97,798	-	-	-
General Administration	301,077	-	-	900
School Administration	287,128	-	-	-
Operations and Maintenance	842,824	-	-	-
Transportation	270,285	-	-	-
Other Central Support	213,506	-	-	-
Risk Management	152,137	-	-	-
Food Service	-	304,045	-	-
Facilities	59,875	-	-	-
Debt Service	-	-	-	2,308,175
TOTAL EXPENDITURES	<u>6,484,943</u>	<u>304,045</u>	<u>271,375</u>	<u>2,309,075</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>1,135,257</u>	<u>(42,067)</u>	<u>56,309</u>	<u>904,470</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Out)	(100,000)	-	-	-
CHANGE IN FUND BALANCE	<u>1,035,257</u>	<u>(42,067)</u>	<u>56,309</u>	<u>904,470</u>
BEGINNING FUND BALANCE	4,853,553	134,261	-	1,775,474
Prior Period Adjustment	-	-	162,466	-
BEGINNING FUND BALANCE (As Restated)	<u>4,853,553</u>	<u>134,261</u>	<u>162,466</u>	<u>1,775,474</u>
ENDING FUND BALANCE	<u>\$ 5,888,810</u>	<u>\$ 92,194</u>	<u>\$ 218,775</u>	<u>\$ 2,679,944</u>

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

Capital Projects		Totals	
Building Fund	Capital Reserve	2020	2019
	Project Fund		
\$ 43,027	\$ 17,057	\$ 10,222,833	\$ 7,108,228
-	-	2,622	1,233
-	-	711,711	2,505,671
-	-	546,325	347,575
<u>43,027</u>	<u>17,057</u>	<u>11,483,491</u>	<u>9,962,707</u>
-	-	4,406,913	3,370,958
-	-	124,775	145,005
-	-	97,798	54,805
-	-	301,977	286,633
-	-	287,128	271,382
-	-	842,824	738,646
-	-	270,285	357,042
-	-	213,506	176,194
-	-	152,137	85,638
-	-	304,045	295,423
553,332	213,301	826,508	12,208,279
-	-	2,308,175	2,320,325
<u>553,332</u>	<u>213,301</u>	<u>10,136,071</u>	<u>20,310,330</u>
(510,305)	(196,244)	1,347,420	(10,347,623)
-	100,000	-	-
<u>(510,305)</u>	<u>(96,244)</u>	<u>1,347,420</u>	<u>(10,347,623)</u>
2,528,503	96,504	9,388,295	19,664,289
-	-	162,466	71,629
<u>2,528,503</u>	<u>96,504</u>	<u>9,550,761</u>	<u>19,735,918</u>
<u>\$ 2,018,198</u>	<u>\$ 260</u>	<u>\$ 10,898,181</u>	<u>\$ 9,388,295</u>

WIGGINS SCHOOL DISTRICT RE-50J

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2020**

Change in Fund Balance - Governmental Funds		\$ 1,347,420	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$ 788,438		
Depreciation Expense	(870,331)		
Gain (Loss) on Asset Disposals	<u>(12,429)</u>	(94,322)	
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net	(1,610,759)		
Change in net pension liability	960,480		
Current year change and amortization of deferred inflows - net	<u>1,839,028</u>	1,188,749	
OPEB Liability			
Current year change and amortization of deferred outflows - net	25,038		
Change in OPEB liability	54,813		
Current year change and amortization of deferred inflows - net	<u>(75,789)</u>	4,062	
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable	1,065,000		
Amortization of bond premiums/deferred charge (gain)	227,222		
Change in accrued interest payable	4,438		
Change in accrued compensated absences	<u>(6,843)</u>	<u>1,289,817</u>	
Total Net Position - Governmental Activities		<u>\$ 3,735,726</u>	

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

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Pupil Activity Agency Funds</u>	
	<u>2020</u>	<u>2019</u>
ADDITIONS		
Local Sources	\$ -	\$ 372,299
DEDUCTIONS		
Instruction	-	347,652
CHANGE IN FIDUCIARY NET POSITION	<u>-</u>	<u>24,647</u>
BEGINNING NET POSITION	162,466	137,819
Prior Period Adjustment	(162,466)	-
BEGINNING NET POSITION (As Restated)	<u>-</u>	<u>137,819</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 162,466</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Wiggins School District RE-50J (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Basis of Presentation

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

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

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

Fund Financial Statements

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

Special Revenue Fund

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

Pupil Activity Fund – The Pupil Activity Fund accounts for the District’s pupil activities.

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

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

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

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity Fund) – This fund was used to account for the money held in trust by the District for student organizations. This fund is custodial and does not measure the results of operations. This fund was reclassified to special revenue presentation for fiscal year 2020.

Centennial Board of Cooperative Educational Services

The District in conjunction with other surrounding districts created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2020, the District paid total assessments of \$28,683 to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 2020 Clubhouse Drive, Greeley, CO 80634.

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

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

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.

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

Budgets and Budgetary Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

Governmental Fund Financial Statements (Continued)

- o Encumbrance accounting is not utilized.

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

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

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

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

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost and capitalized on items purchased with a value over \$5,000. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

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

Buildings and Site Improvements	10-75 years
Vehicles	15-30 years
Other Equipment	5-20 years

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2019, the District has recorded accrued leave as disclosed in Note 5.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE 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)

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 8 and 10.

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

All remaining fund balance in the General Fund or deficits in other governmental funds are reported 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 and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues that are directly attributable to a program are shown as program revenues for the statement of activities. These revenues consist of, but are not limited to grants, fees and other charges for services.

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

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on October 1. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

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

NOTE 2: CASH AND INVESTMENTS

A summary of deposits and investments at June 30, 2020, follows:

Cash deposits	\$ 939,912
Investments	8,533,540
Cash on hand	<u>335</u>
Total cash and investments	<u>\$ 9,473,787</u>

These balances are allocated as follows in the financial statements:

Unrestricted	<u>\$ 5,551,064</u>
Restricted	
Restricted for capital projects	2,042,415
Restricted for debt service	<u>1,880,308</u>
Total restricted	<u>3,922,723</u>
Total cash and investments	<u>\$ 9,473,787</u>

DEPOSITS

Custodial Credit Risk - Deposits

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

DEPOSITS (Continued)

Custodial Credit Risk – Deposits (Continued)

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 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.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	<u>908,643</u>	<u>689,912</u>
Total Deposits	<u>\$ 1,158,643</u>	<u>\$ 939,912</u>

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2020 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds - Restricted	<u>\$ -</u>	<u>\$ 1,880,308</u>	<u>\$ -</u>	<u>\$ 1,880,308</u>

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

- **Mutual Funds:** Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2020, there were no changes in methods or assumptions utilized to derive the fair value of the District’s assets and liabilities.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk

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

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

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

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

Concentration of Credit Risk

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

Interest Rate Risk

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

Custodial Credit Risk – Investments

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

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

	<u>Carrying Value</u>	<u>Weighted Average Maturity (in Years)</u>	<u>Rating</u>
Local Government Investment Pools	\$ 6,653,232	-	AAAm
Mutual Funds (Bond Trustee)	<u>1,880,308</u>	-	AAAm
Total Investments	<u>\$ 8,533,540</u>		

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020 of \$10,696, consisted of purchased inventory and donated commodities. Purchased inventories are stated at cost.

NOTE 4: CAPITAL ASSETS

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

	<u>Balance 6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 175,119	\$ 1,044,503	\$ -	\$ 1,219,622
Construction in Progress	<u>782,912</u>	<u>-</u>	<u>782,912</u>	<u>-</u>
Total Capital Assets not being depreciated	<u>958,031</u>	<u>1,044,503</u>	<u>782,912</u>	<u>1,219,622</u>
Capital Assets being depreciated:				
Buildings & Improvements	38,204,258	331,693	25,920	38,510,031
Equipment	685,986	65,199	6,279	744,906
Food Service Equipment	12,579	-	-	12,579
Transportation Equipment	<u>972,587</u>	<u>129,955</u>	<u>-</u>	<u>1,102,542</u>
Total Capital Assets being depreciated	<u>39,875,410</u>	<u>526,847</u>	<u>32,199</u>	<u>40,370,058</u>
Accumulated Depreciation:				
Land and Buildings	(3,472,571)	(788,213)	(14,904)	(4,245,880)
Equipment	(269,020)	(39,225)	(4,866)	(303,379)
Food Service Equipment	(12,579)	-	-	(12,579)
Transportation Equipment	<u>(633,302)</u>	<u>(42,893)</u>	<u>-</u>	<u>(676,195)</u>
Total Accumulated Depreciation	<u>(4,387,472)</u>	<u>(870,331)</u>	<u>(19,770)</u>	<u>(5,238,033)</u>
Net Capital Assets	<u>\$ 36,445,969</u>	<u>\$ 701,019</u>	<u>\$ 795,341</u>	<u>\$ 36,351,647</u>

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 4: CAPITAL ASSETS

Depreciation is allocated across the various functions as follows:

Instruction	\$ 489,793
Supporting Services	<u>380,538</u>
Total Depreciation	<u>\$ 870,331</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2020, are as follows:

General Fund	\$ 631,607
Food Service Fund	<u>15,922</u>
Total	<u>\$ 647,529</u>

NOTE 6: LONG-TERM DEBT

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

	<u>Balance</u> <u>06/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/20</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
2017 General Obligation Bonds	\$ 28,465,000	\$ -	\$ 1,065,000	\$ 27,400,000	\$ 1,120,000	\$ 1,243,175
2017 GO Bond Premiums	2,390,201	-	227,222	2,162,979	217,694	-
Net OPEB Liability	475,813	(54,813)	-	421,000	-	-
PERA Net Pension Liability	9,526,949	(960,480)	-	8,566,469	-	-
Accrued Leave	<u>31,977</u>	<u>6,844</u>	<u>-</u>	<u>38,821</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 40,889,940</u>	<u>\$ (1,008,449)</u>	<u>\$ 1,292,222</u>	<u>\$ 38,589,269</u>	<u>\$ 1,337,694</u>	<u>\$ 1,243,175</u>

2017 General Obligation Bonds

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

2017 General Obligation Bonds (Continued)

Annual debt service requirements for the bond is as follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,120,000	\$ 1,188,550	\$ 2,308,550
2022	1,175,000	1,070,925	2,245,925
2023	1,235,000	1,070,925	2,305,925
2024	1,200,000	1,010,050	2,210,050
2025	1,215,000	949,675	2,164,675
2026-2030	7,760,000	3,598,800	11,358,800
2031-2035	9,350,000	2,144,125	11,494,125
2036-2037	<u>4,345,000</u>	<u>219,875</u>	<u>4,564,875</u>
Total	\$ <u>27,400,000</u>	\$ <u>11,252,925</u>	\$ <u>38,652,925</u>

NOTE 7: RISK MANAGEMENT

Property and Liability Coverage

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

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

Other Insurance

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

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: 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:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through June 30, 2019	January 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.

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 \$648,828 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's 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$8,566,469 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	\$	(8,566,469)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(964,245)
Total	\$	(9,530,714)

At December 31, 2019, the District proportion was 0.05734 percent, which was a decrease of 0.00354 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$492,021 and revenue of \$964,245 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	\$ 463,713	\$ -
Changes of assumptions or other inputs	\$ 268,515	\$ (3,645,992)
Net difference between projected and actual earnings on pension plan investments	\$ 858,436	\$ (1,982,329)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 601,094	\$ (1,013,142)
Contributions subsequent to the measurement date	\$ 295,258	\$ -
Total	\$ 2,487,016	\$ (6,641,463)

\$295,258 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:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2021	\$ (2,522,182)
2022	(1,698,473)
2023	116,149
2024	(345,199)
Total	\$ (4,449,705)

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 struture 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.

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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:

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%.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.
- 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 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 will provide 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

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)	\$ (11,360,972)	\$ (8,566,469)	\$ (6,220,240)

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 9: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$29,800.

NOTE 10: 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.

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.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$34,352 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 \$421,000 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's proportion of the net OPEB liability was based on the District's 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's proportion was 0.03746 percent, which was an increase of 0.00248 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District's recognized OPEB expense of \$32,641. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,335	\$ (70,702)
Net difference between projected and actual earnings on pension plan investments	\$ 6,329	\$ (13,622)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 27,791	\$ (7,766)
Contributions subsequent to the measurement date	\$ 15,540	\$ -
Total	\$ 54,297	\$ (92,090)

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

\$15,540 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
2021	\$ (11,537)
2022	(11,537)
2023	(9,593)
2024	(11,880)
2025	(8,291)
2026	(495)
Total	\$ (53,333)

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:

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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:

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: 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 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’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current 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)	\$ (410,999)	\$ (421,000)	\$ (432,556)

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: 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 is no change in the discount rate from the prior measurement date.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 10: 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)	\$ (476,025)	\$ (421,000)	\$ (373,942)

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 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments – The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited but the District believes that expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Tabor Amendment – In November 1992, Colorado voters passed Article X, Section 20, (the Tabor Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. In November, 1997, voters within the District authorized the District to collect, retain and expend all revenues lawfully received in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$287,000, as required by the Amendment.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine transfer during the year ended June 30, 2020:

General Fund	
Transfer to Capital Reserve	\$ (100,000)
Capital Reserve Project Fund	
Transfer from General Fund	<u>100,000</u>
Net Transfers	<u>\$ -</u>

General Fund	
Due From Other Funds	\$ 29,802
Food Service Fund	
Due to Other Funds	(5,585)
Building Fund	
Due to Other Funds	<u>(24,217)</u>
Net Internal Balance	<u>\$ -</u>

NOTE 13: NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$9,569,848 and primarily due to the PERA net pension liability of \$8,566,469 as further described in Note 8 and the net OPEB liability of \$421,000 as further described in Note 10. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 14: PRIOR PERIOD RESTATEMENT

The District's pupil activities were reclassified to a special revenue fund presentation pursuant to GASB Statement No. 84 – Fiduciary Activities. This resulted in a restatement that increased governmental activities net position in the amount of \$162,466, with offsetting restatements in the Pupil Activity special revenue fund and the fiduciary funds. Restatement of the prior year financial statements was not deemed practical.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules - Unaudited)

WIGGINS SCHOOL DISTRICT RE-50J

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

<u>Fiscal Year</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 proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.062626%	\$ (7,689,823)	\$ -	\$ (7,689,823)	\$ 2,524,636	304.59%	64.07%
June 30, 2015	0.060289%	\$ (8,114,817)	\$ -	\$ (8,114,817)	\$ 2,525,666	321.29%	62.84%
June 30, 2016	0.059873%	\$ (9,655,152)	\$ -	\$ (9,655,152)	\$ 2,609,256	370.03%	59.16%
June 30, 2017	0.063129%	\$ (18,795,978)	\$ -	\$ (18,795,978)	\$ 2,833,348	663.38%	43.13%
June 30, 2018	0.062957%	\$ (20,357,947)	\$ -	\$ (20,357,947)	\$ 2,904,117	701.00%	43.96%
June 30, 2019	0.053803%	\$ (9,526,949)	\$ (1,145,981)	\$ (10,672,930)	\$ 2,957,846	322.09%	57.01%
June 30, 2020	0.057340%	\$ (8,566,469)	\$ (964,245)	\$ (9,530,714)	\$ 3,347,926	255.87%	64.52%

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

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

See the accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

PERA Pension Plan
 Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</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	\$ 392,076	\$ (392,076)	\$ -	\$ 2,524,636	15.53%
June 30, 2015	\$ 414,967	\$ (414,967)	\$ -	\$ 2,525,666	16.43%
June 30, 2016	\$ 452,184	\$ (452,184)	\$ -	\$ 2,609,256	17.33%
June 30, 2017	\$ 513,686	\$ (513,686)	\$ -	\$ 2,833,348	18.13%
June 30, 2018	\$ 541,037	\$ (541,037)	\$ -	\$ 2,904,117	18.63%
June 30, 2019	\$ 565,836	\$ (565,836)	\$ -	\$ 2,957,846	19.13%
June 30, 2020	\$ 648,828	\$ (648,828)	\$ -	\$ 3,347,926	19.38%

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

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

See the accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J

SCHEDULE OF 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 pension liability
June 30, 2018	0.035772%	\$ (464,889)	\$ 2,904,117	16.008%	17.53%
June 30, 2019	0.034972%	\$ (475,813)	\$ 2,957,846	16.086%	17.03%
June 30, 2020	0.037456%	\$ (421,000)	\$ 3,347,926	12.575%	24.49%

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

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

See the accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</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	\$ 28,900	\$ (28,900)	\$ -	\$ 2,833,348	1.02%
June 30, 2018	\$ 29,622	\$ (29,622)	\$ -	\$ 2,904,117	1.02%
June 30, 2019	\$ 30,170	\$ (30,170)	\$ -	\$ 2,957,846	1.02%
June 30, 2020	\$ 34,149	\$ (34,149)	\$ -	\$ 3,347,926	1.02%

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

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

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES
(Required Supplementary Information)

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, 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				
	Original	Final	Actual	Variance	2019
	Budget	Budget		with Final	Actual
REVENUES					
Local Sources					
Property Taxes	\$ 3,052,651	\$ 5,789,051	\$ 5,785,570	\$ (3,481)	\$ 3,564,608
Specific Ownership Taxes	360,782	326,158	486,981	160,823	542,481
Delinquent Taxes	-	-	6,450	6,450	6,715
Tuition From Individuals	57,000	43,800	35,214	(8,586)	79,858
Investment Earnings	20,100	70,100	67,756	(2,344)	60,546
Pupil Activity Revenues	-	-	-	-	4,567
Donations	37,000	72,000	78,150	6,150	45,045
Local BOCES Passthrough	-	-	3,919	3,919	1,500
Parking Fees	-	-	2,500	2,500	805
Overhead Cost Revenue	-	-	8,123	8,123	8,147
Other Local	35,750	63,400	57,726	(5,674)	55,866
Total Local Sources	<u>3,563,283</u>	<u>6,364,509</u>	<u>6,532,389</u>	<u>167,880</u>	<u>4,370,138</u>
Intermediate Sources					
Mineral Leases	1,500	2,700	2,622	(78)	1,233
State Sources					
State Share (Equalization)	2,578,321	(95,027)	127,038	222,065	1,653,420
State Transportation	54,694	55,371	57,517	2,146	58,054
State Grants from CDE					
State ELPA Prof Dev and Student Support	-	-	11,236	11,236	8,928
State ELPA	30,000	21,000	9,569	(11,431)	7,822
State Share - Colorado Preschool Program (CPP)	-	-	1,167	1,167	-
Counselor Grant	80,000	86,500	86,500	-	80,000
READ Act	22,792	22,792	-	(22,792)	10,017
State Grants to Libraries	-	4,500	4,500	-	3,500
School Turnaround Leaders Development Program	-	54,600	-	(54,600)	-
Small Rural Schools Additional Funding	166,535	166,535	166,535	-	212,787
Additional As- Risk Funding	-	-	2,940	2,940	2,936
Career Success Pilot Program Incentives	-	3,307	3,000	(307)	-
Kindergarten Facility Grant	-	16,333	26,267	9,934	-
READ Act	-	-	12,784	12,784	-
AP Exam Fee Grant	-	-	-	-	62
Other CDE State Grants	-	79,250	79,250	-	-
State Grants from Other Agencies					
State Vocational Education	30,997	30,997	28,472	(2,525)	32,433
State PERA Contribution	-	-	80,112	80,112	75,231
State Grants Provided through BOCES	6,793	94,627	6,793	(87,834)	6,793
Total State Sources	<u>2,970,132</u>	<u>540,785</u>	<u>703,680</u>	<u>162,895</u>	<u>2,151,983</u>
Federal Sources					
Federal Grants from CDE					
Coronavirus Relief Fund	-	436,473	143,272	(293,201)	-
Race to the Top- Early Childhood Readiness Assess	498	498	-	(498)	-
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	40,000	40,000	40,331	331	39,371
Federal Provided through BOCES	139,999	139,999	138,031	(1,968)	157,972
Total Federal Sources	<u>180,497</u>	<u>616,970</u>	<u>381,509</u>	<u>(235,461)</u>	<u>197,343</u>
TOTAL REVENUES	<u>6,715,412</u>	<u>7,524,964</u>	<u>7,620,200</u>	<u>95,236</u>	<u>6,720,697</u>

See the accompanying Independent Auditors' Report

(Continued)

WIGGINS SCHOOL DISTRICT RE-50J
 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				
	Original	Final	Actual	Variance	2019
	Budget	Budget		with Final	Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	2,619,892	2,731,556	2,664,021	67,535	2,212,709
Benefits	1,053,475	1,080,682	998,396	82,286	827,563
PS-Professional	16,350	34,105	36,124	(2,019)	24,999
PS-Property	1,800	32,800	29,679	3,121	5,515
PS-Other	148,816	145,416	98,999	46,417	145,364
Supplies	152,689	598,111	268,084	330,027	139,322
Property	2,000	4,450	30,480	(26,030)	3,434
Other Expenses	2,450	2,700	9,753	(7,053)	12,051
Total Instruction	<u>3,997,472</u>	<u>4,629,820</u>	<u>4,135,536</u>	<u>494,284</u>	<u>3,370,957</u>
Supporting Services					
Pupil Support					
Salaries	125,280	126,449	72,954	53,495	71,029
Benefits	32,122	32,376	21,516	10,860	19,114
PS- Professional	1,800	1,800	52	1,748	-
PS-Other	98,305	85,231	28,683	56,548	54,200
Supplies	900	900	1,570	(670)	663
Other Expenses	450	450	-	450	-
Total Pupil Support	<u>258,857</u>	<u>247,206</u>	<u>124,775</u>	<u>122,431</u>	<u>145,006</u>
Staff Support					
Salaries	102,443	64,575	61,462	3,113	30,604
Benefits	44,584	28,909	21,778	7,131	19,441
PS- Professional	100	54,700	-	54,700	-
PS-Other	1,750	1,750	1,335	415	1,827
Supplies	4,400	4,400	3,036	1,364	2,933
Property	-	45,000	9,985	35,015	-
Other Expenses	750	750	202	548	-
Total Staff Support	<u>154,027</u>	<u>200,084</u>	<u>97,798</u>	<u>102,286</u>	<u>54,805</u>
General Administration					
Salaries	177,430	177,430	173,673	3,757	158,910
Benefits	59,729	59,729	79,173	(19,444)	74,704
PS- Professional	33,500	33,500	23,928	9,572	26,080
PS-Other	21,500	21,500	12,134	9,366	15,691
Supplies	2,800	2,800	2,656	144	2,362
Other Expenses	2,500	2,500	9,513	(7,013)	7,986
Total General Administration	<u>297,459</u>	<u>297,459</u>	<u>301,077</u>	<u>(3,618)</u>	<u>285,733</u>
School Administration					
Salaries	200,725	206,648	208,560	(1,912)	191,225
Benefits	73,459	74,753	65,603	9,150	59,569
PS-Other	2,000	2,000	2,161	(161)	1,467
Supplies	16,000	16,000	10,344	5,656	18,310
Other Expenses	2,000	2,000	460	1,540	811
Total School Administration	<u>294,184</u>	<u>301,401</u>	<u>287,128</u>	<u>14,273</u>	<u>271,382</u>

See the accompanying Independent Auditors' Report

(Continued)

WIGGINS SCHOOL DISTRICT RE-50J
 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	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Operations and Maintenance					
Salaries	337,148	351,344	359,217	(7,873)	301,251
Benefits	139,984	143,052	133,345	9,707	109,091
PS- Property	69,600	69,600	93,232	(23,632)	51,444
PS-Other	13,400	13,400	7,697	5,703	9,745
Supplies	250,000	274,200	248,234	25,966	267,115
Property	-	24,000	1,100	22,900	-
Other Expenses	15,035	15,035	-	15,035	-
Total Operations and Maintenance	825,167	890,631	842,825	47,806	738,646
Transportation					
Salaries	149,730	149,730	126,903	22,827	147,833
Benefits	38,806	38,806	35,442	3,364	38,349
PS- Property	20,000	20,000	20,908	(908)	10,266
PS-Other	17,047	27,400	65	27,335	13,629
Supplies	82,000	82,000	49,344	32,656	73,434
Property	40,000	100,000	37,624	62,376	73,530
Other Expenses	400	400	-	400	-
Total Transportation	347,983	418,336	270,286	148,050	357,041
Other Central Support					
Salaries	72,410	82,410	78,049	4,361	78,271
Benefits	18,743	20,928	13,259	7,669	11,350
PS- Professional	20,000	20,000	20,000	-	17,319
PS-Other	32,000	32,000	33,147	(1,147)	30,721
Property	31,000	35,200	69,051	(33,851)	38,534
Total Other Central Support	174,153	190,538	213,506	(22,968)	176,195
Risk Management					
PS-Other	185,722	138,000	152,137	(14,137)	85,638
Total Supporting Services	2,537,552	2,683,655	2,289,532	394,123	2,114,446
Facilities/Capital Outlay					
Equipment	-	87,834	59,875	27,959	-
Contingency	4,669,637	5,160,544	-	5,160,544	-
TOTAL EXPENDITURES	11,204,661	12,561,853	6,484,943	6,076,910	5,485,403
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(4,489,249)	(5,036,889)	1,135,257	6,172,146	1,235,294
OTHER FINANCING SOURCES (USES)					
Transfers	46,916	183,336	(100,000)	(283,336)	(255,958)
CHANGE IN FUND BALANCE	(4,442,333)	(4,853,553)	1,035,257	5,888,810	979,336
BEGINNING FUND BALANCE	4,442,333	4,853,553	4,853,553	-	3,874,217
ENDING FUND BALANCE	\$ -	\$ -	\$ 5,888,810	\$ 5,888,810	\$ 4,853,553

See accompanying Independent Auditors' Report.

SPECIAL REVENUE FUND

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

The Pupil Activity Fund accounts for the District's pupil activities.

WIGGINS SCHOOL DISTRICT RE-50J
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				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 100	\$ 150	\$ 152	\$ 2	\$ 233
Food Service Revenue	94,000	92,200	86,590	(5,610)	100,376
Donations	-	-	730	730	-
Other Local	250	7,000	1,659	(5,341)	1,454
Total Local Sources	<u>94,350</u>	<u>99,350</u>	<u>89,131</u>	<u>(10,219)</u>	<u>102,063</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	2,500	2,575	2,575	-	2,291
Start Smart Nutrition	1,500	1,000	494	(506)	1,019
School Lunch Protection: Free and Reduced	2,400	2,800	2,778	(22)	3,352
State Grants from Other Agencies					
State PERA Contribution	-	-	2,184	2,184	2,139
Total State Sources	<u>6,400</u>	<u>6,375</u>	<u>8,031</u>	<u>1,656</u>	<u>8,801</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	32,000	20,000	16,540	(3,460)	24,530
National School Lunch Program	100,000	115,000	130,861	15,861	107,582
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	15,000	15,000	17,415	2,415	18,119
Total Federal Sources	<u>147,000</u>	<u>150,000</u>	<u>164,816</u>	<u>14,816</u>	<u>150,231</u>
TOTAL REVENUES	<u>247,750</u>	<u>255,725</u>	<u>261,978</u>	<u>6,253</u>	<u>261,095</u>
EXPENDITURES					
Supporting Services					
Food Service					
Salaries	110,091	107,378	101,804	5,574	94,407
Benefits	61,054	33,362	33,568	(206)	31,629
PS- Property	5,000	6,000	6,363	(363)	4,044
Supplies	175,500	167,000	145,971	21,029	165,343
Food	-	-	13,096	(13,096)	-
Commodities	-	-	3,243	(3,243)	-
Property	5,000	-	-	-	-
Other Expenses	23,354	76,246	-	76,246	-
TOTAL EXPENDITURES	<u>379,999</u>	<u>389,986</u>	<u>304,045</u>	<u>85,941</u>	<u>295,423</u>
CHANGE IN FUND BALANCE	<u>(132,249)</u>	<u>(134,261)</u>	<u>(42,067)</u>	<u>92,194</u>	<u>(34,328)</u>
BEGINNING FUND BALANCE	<u>132,249</u>	<u>134,261</u>	<u>134,261</u>	<u>-</u>	<u>168,589</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,194</u>	<u>\$ 92,194</u>	<u>\$ 134,261</u>

See accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2020

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ -	\$ 436,466	\$ 327,684	\$ (108,782)
EXPENDITURES				
Instruction				
Other Expenses	-	436,466	271,375	165,091
Contingency	-	162,466	-	162,466
TOTAL EXPENDITURES	-	598,932	271,375	327,557
CHANGE IN FUND BALANCE	-	(162,466)	56,309	218,775
BEGINNING FUND BALANCE	-	162,466	-	(162,466)
PRIOR PERIOD RESTATEMENT	-	-	162,466	162,466
BEGINNING FUND BALANCE (As Restated)	-	162,466	162,466	-
ENDING FUND BALANCE	\$ -	\$ -	\$ 218,775	\$ 218,775

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.

WIGGINS SCHOOL DISTRICT RE-50J
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				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 2,384,078	\$ 3,197,245	\$ 3,196,673	\$ (572)	\$ 2,375,297
Specific Ownership Taxes	-	-	-	-	345
Delinquent Taxes	-	-	3,939	3,939	3,965
Investment Earnings	10,000	15,000	12,933	(2,067)	15,347
TOTAL REVENUES	<u>2,394,078</u>	<u>3,212,245</u>	<u>3,213,545</u>	<u>1,300</u>	<u>2,394,954</u>
EXPENDITURES					
Supporting Services					
General Administration					
Other Expenses	900	900	900	-	900
Debt Service					
Interest	1,243,175	1,243,175	1,243,175	-	1,285,325
Principal	1,065,000	1,065,000	1,065,000	-	1,035,000
Total Debt Service	2,308,175	2,308,175	2,308,175	-	2,320,325
Contingency	1,869,601	2,678,644	-	2,678,644	-
TOTAL EXPENDITURES	<u>4,178,676</u>	<u>4,987,719</u>	<u>2,309,075</u>	<u>2,678,644</u>	<u>2,321,225</u>
CHANGE IN FUND BALANCE	(1,784,598)	(1,775,474)	904,470	2,679,944	73,729
BEGINNING FUND BALANCE	1,784,598	1,775,474	1,775,474	-	1,701,745
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,679,944</u>	<u>\$ 2,679,944</u>	<u>\$ 1,775,474</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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CAPITAL PROJECTS FUND

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

WIGGINS SCHOOL DISTRICT RE-50J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Building 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					
Investment Earnings	\$ 40,000	\$ 50,000	\$ 43,027	\$ (6,973)	\$ 180,483
EXPENDITURES					
Facilities/Capital Outlay					
Supplies	-	-	-	-	907,329
Buildings	500,000	600,000	553,332	46,668	9,699,915
Equipment	-	-	-	-	453,924
Total Facilities/Capital Outlay	500,000	600,000	553,332	46,668	11,061,168
Contingency	1,744,419	1,978,503	-	1,978,503	-
TOTAL EXPENDITURES	2,244,419	2,578,503	553,332	2,025,171	11,061,168
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(2,204,419)	(2,528,503)	(510,305)	2,018,198	(10,880,685)
OTHER FINANCING SOURCES (USES)					
Transfers	-	-	-	-	(559,916)
CHANGE IN FUND BALANCE	(2,204,419)	(2,528,503)	(510,305)	2,018,198	(11,440,601)
BEGINNING FUND BALANCE	2,204,419	2,528,503	2,528,503	-	13,969,104
ENDING FUND BALANCE	\$ -	\$ -	\$ 2,018,198	\$ 2,018,198	\$ 2,528,503

See accompanying Independent Auditors' Report.

WIGGINS SCHOOL DISTRICT RE-50J
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				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 100	\$ 100	\$ 57	\$ (43)	\$ 95
Donations	-	-	13,500	13,500	29,999
Other Local	-	17,000	3,500	(13,500)	30,498
Total Local Sources	100	17,100	17,057	(43)	60,592
State Sources					
State Grants from CDE					
Best Capital Construction Program	-	-	-	-	344,887
TOTAL REVENUES	<u>100</u>	<u>17,100</u>	<u>17,057</u>	<u>(43)</u>	<u>405,479</u>
EXPENDITURES					
Facilities/Capital Outlay					
PS- Property	-	-	-	-	847,844
Equipment	100,100	220,604	213,301	7,303	299,268
TOTAL EXPENDITURES	<u>100,100</u>	<u>220,604</u>	<u>213,301</u>	<u>7,303</u>	<u>1,147,112</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(100,000)	(203,504)	(196,244)	7,260	(741,633)
OTHER FINANCING SOURCES (USES)					
Transfers	100,000	107,000	100,000	(7,000)	815,874
CHANGE IN FUND BALANCE	-	(96,504)	(96,244)	260	74,241
BEGINNING FUND BALANCE	-	96,504	96,504	-	22,263
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 260</u>	<u>\$ 96,504</u>

See accompanying Independent Auditors' Report.

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FIDUCIARY (TRUST AND AGENCY) FUNDS

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

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

WIGGINS SCHOOL DISTRICT RE-50J
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020
(With Comparative Totals for June 30, 2019)

	<u>Agency Funds</u>	<u>Totals</u>	
	Pupil Activity		
	Agency Fund	2020	2019
		<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 162,466
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Net Position			
Restricted for Student Activity/Scholarship	\$ -	\$ -	\$ 162,466
	<u> </u>	<u> </u>	<u> </u>

See the accompanying Independent Auditors' Report

WIGGINS SCHOOL DISTRICT RE-50J
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Agency Funds</u>	<u>Totals</u>	
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>	<u>2020</u>	<u>2019</u>
ADDITIONS			
Local Sources	\$ -	\$ -	\$ 372,299
DEDUCTIONS			
Instruction	-	-	347,652
CHANGE IN FIDUCIARY NET POSITION	-	-	24,647
BEGINNING NET POSITION	162,466	162,466	137,819
Prior Period Adjustment	(162,466)	(162,466)	-
BEGINNING NET POSITION (As Restated)	-	-	137,819
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,466</u>

See the accompanying Independent Auditors' Report

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Changes in Fiduciary Net Position
Budget and Actual
Pupil Activity Agency 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	
ADDITIONS					
Local Sources	\$ 436,466	\$ -	\$ -	\$ -	\$ 372,299
DEDUCTIONS					
Instruction	436,466	-	-	-	347,652
Contingency	137,819	-	-	-	-
TOTAL DEDUCTIONS	<u>574,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,652</u>
CHANGE IN FIDUCIARY NET POSITION	<u>(137,819)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,647</u>
BEGINNING NET POSITION	137,819	-	162,466	162,466	137,819
Prior Period Adjustment	-	-	(162,466)	(162,466)	-
BEGINNING NET POSITION (As Restated)	<u>137,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,819</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,466</u>

See the accompanying Independent Auditors' Report

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2515 - Wiggins RE-50(I)
 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
Governmental	+		-	=
10 General Fund	4,853,553	7,215,470	6,180,213	5,888,810
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	304,729	304,729	0
Sub- Total	4,853,553	7,520,199	6,484,942	5,888,810
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	134,261	261,978	304,045	92,194
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	162,466	327,684	271,375	218,775
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,775,474	3,213,545	2,309,075	2,679,944
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	2,528,503	43,027	553,332	2,018,198
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	96,504	117,056	213,301	260
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	9,550,761	11,483,490	10,136,070	10,898,181
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 2515 - Wiggins RE-50(J)
 Fiscal Year 2019-20
 Colorado School District/BOCES

See accompanying Independent Auditors' Report.

	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	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)	5,207,487	0	39,466	218,775	0	0	85,076	1,880,308	2,042,675	0	0	0	0	0	0	9,473,786		
Cash with Fiscal Agent (8105)	48,290	0	0	0	0	0	0	4,076	0	0	0	0	0	0	0	52,366		
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)	1,442,411	0	0	0	0	0	0	795,560	0	0	0	0	0	0	0	2,237,971		
Interfund Loans Receivable (8131,8132)	29,802	0	0	0	0	0	0	0	0	0	0	0	0	0	0	29,802		
Grants Accounts Receivable (8142)	99,480	0	0	0	0	0	28,081	0	0	0	0	0	0	0	0	127,561		
Other Receivables (8151-8154,8161)	12,924	0	0	0	0	0	529	0	0	0	0	0	0	0	0	13,454		
Inventories (8171,8172,8173)	0	0	0	0	0	0	10,696	0	0	0	0	0	0	0	0	10,696		
Other Current Assets (8191-8194,8199)	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		
Total Assets	6,840,394	0	39,466	218,775	0	0	124,383	2,679,944	2,042,675	0	0	0	0	0	0	11,945,636		

	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
LIABILITIES & FUND EQUITY																
Interfund Payables (7401,7402)	0	0	0	0	0	0	5,585	0	24,217	0	0	0	0	0	0	29,802
Other Payables (7421-7423)	11,551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,551
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	592,141	0	39,466	0	0	0	15,922	0	0	0	0	0	0	0	0	647,529
Unearned Revenue (7481)	0	0	0	0	0	0	10,683	0	0	0	0	0	0	0	0	10,683
Grants Deferred Revenue (7482)	347,891	0	0	0	0	0	0	0	0	0	0	0	0	0	0	347,891
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	951,583	0	39,466	0	0	0	32,189	0	24,217	0	0	0	0	0	0	1,047,455

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	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	10,696	0	0	0	0	0	0	0	0	10,696
Restricted Fund Balance 6720	0	0	0	0	0	0	0	2,679,944	2,018,198	0	0	0	0	0	0	4,698,142
TABOR 3% Emergency Reserve 6721	287,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	287,000
TABOR 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	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
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	81,498	0	0	0	0	0	0	0	0	81,498
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	260	0	0	0	0	0	0	260
Unassigned Fund Balance 6770	5,601,810	0	0	0	0	0	0	0	0	0	0	0	0	162,466	0	5,764,276
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	218,775	0	0	0	0	0	0	0	0	0	-162,466	0	56,309
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	5,888,810	0	0	218,775	0	0	92,194	2,679,944	2,018,458	0	0	0	0	0	0	10,898,181

	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
Total Liabilities & Fund Equity	6,840,394	0	39,466	218,775	0	0	124,383	2,679,944	2,042,675	0	0	0	0	0	0	11,945,636

	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
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

See accompanying Independent Auditors' Report.