

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2021**

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

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2021

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, 2021

The discussion and analysis of Wiggins School District's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2021. 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 \$10,934,335 as of June 30, 2021.

The District's governmental net position increased by \$6,567,394 from 2020 to 2021. The net position includes the long-term pension related liabilities with PERA and bonds payable. The general fund had an increase of \$2,453,794 to fund balance and food service fund had an increase of \$20,014.

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:

	2021	2020
Assets:		
Current Assets	\$ 14,873,854	\$ 11,915,836
Capital Assets – Net	35,858,891	36,351,647
Deferred Outflows of Resources	4,845,898	2,541,313
Capital Assets & Deferred Outflows of Financial Resources	<u>55,578,643</u>	<u>50,808,796</u>
Liabilities:		
Current Liabilities	865,616	1,119,034
Non-current Liabilities	37,210,704	36,426,289
Deferred Inflows of Resources	6,612,396	8,896,532
Total Liabilities & Deferred Inflows of Financial Resources	<u>44,688,716</u>	<u>46,441,855</u>
Net Position:		
Net Invested in Capital Assets	9,578,891	8,951,647
Restricted	6,096,291	4,985,142
Unrestricted Net Position	(4,785,256)	(9,569,848)
Total Net Position(Deficit)	<u>10,889,926</u>	<u>4,366,941</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 55,578,642</u>	<u>\$ 50,808,796</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:

	2021	2020
Program Revenues:		
Charges for Services	\$ 344,320	\$ 464,031
Operating Grants	1,553,596	1,199,732
Capital Grants and Contributions	45,000	26,267
Total Program Revenues	<u>1,942,916</u>	<u>1,690,030</u>
General Revenues:		
Taxes	11,440,355	9,479,613
State Equalization	-	127,038
Investment Earnings	9,722	123,924
Gain (Loss) on Capital Asset Disposals	-	(12,429)
Total General Revenues	<u>11,505,703</u>	<u>9,781,032</u>
Total Revenues	<u>13,448,619</u>	<u>11,471,062</u>
Expenses:		
Instruction	3,450,323	4,075,537
Supporting Services	3,475,311	3,659,799
Total Expenses	<u>6,925,634</u>	<u>7,735,336</u>
Change in Net Position	6,522,985	3,735,726
Net Position - Beginning	4,366,941	631,215
Net Position Ending	<u>\$ 10,889,926</u>	<u>\$ 4,366,941</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, 2021, the District's governmental funds reported a combined fund balance of \$14,149,359 which is an increase of \$3,251,178 from the June 30, 2020 balance. The majority of the increase is from covid funding, specific ownership taxes and increased student count funding.

Capital Assets

As of June 30, 2021 the District had \$35,858,892 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 \$492,755. A summary of the District's Capital Assets is as follows:

	Balance 7/1/20	Additions	Deletions	Balance 6/30/21
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,219,622	\$ -	\$ -	\$ 1,219,622
Construction in Progress	-	292,396	-	292,396
Total Capital Assets not being depreciated	<u>1,219,622</u>	<u>292,396</u>	<u>-</u>	<u>1,512,018</u>
Capital Assets being depreciated:				
Buildings & Improvements	38,510,031	12,345	-	38,522,376
Equipment	744,906	74,707	-	819,613
Food Service Equipment	12,579	17,817	-	30,396
Transportation Equipment	1,102,542	-	-	1,102,542
Total Capital Assets being depreciated	<u>40,370,058</u>	<u>104,869</u>	<u>-</u>	<u>40,474,927</u>
Accumulated Depreciation:				
Land and Buildings	(4,245,880)	(795,021)	-	(5,040,901)
Equipment	(303,379)	(46,553)	-	(349,932)
Food Service Equipment	(12,579)	(594)	-	(13,173)
Transportation Equipment	(676,195)	(47,852)	-	(724,047)
Total Accumulated Depreciation	<u>(5,238,033)</u>	<u>(890,020)</u>	<u>-</u>	<u>(6,128,053)</u>
Net Capital Assets	<u>\$ 36,351,647</u>	<u>\$ (492,755)</u>	<u>\$ -</u>	<u>\$ 35,858,892</u>

Debt Administration

As of June 30, 2021 the District had total outstanding long-term debt as follows:

	<u>Balance</u> <u>06/30/20</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/21</u>	<u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Expense</u>
2017 General Obligation Bonds	\$ 27,400,000	\$ -	\$ 1,120,000	\$ 26,280,000	\$ 1,175,000	\$ 1,188,550
2017 GO Bond Premiums	2,162,979	-	217,694	1,945,285	207,673	-
Accrued Leave	38,821	25,078	-	63,899	-	-
Total	\$ 29,601,800	\$ 25,078	\$ 1,337,694	\$ 28,289,184	\$ 1,382,673	\$ 1,188,550

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 2021 for approximately \$31 million. The bond is to build a new 3-6 school and repair/improve existing facilities. With the addition of the school, expenses will be added for staff, supplies and maintenance.

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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 46 - 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 50 - 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 53 - 58 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report and Bolded Balance Sheet reports on pages 59 - 62 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mayberry + Company, LLC

Englewood, CO
December 1, 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, 2021.

WIGGINS SCHOOL DISTRICT RE-50J
Statement of Net Position
June 30, 2021

	Governmental Activities
	<hr/>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 14,426,772
Cash with Fiscal Agent	97,346
Taxes Receivable	109,536
Grants Receivable	216,415
Other Accounts Receivable	14,451
Inventory	9,334
Capital and Other Assets	
Capital Assets not Being Depreciated	1,512,017
Capital Assets Being Depreciated	40,474,927
Accumulated Depreciation	(6,128,053)
Total Assets	<hr/> 50,732,744 <hr/>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	4,767,187
Net OPEB Deferred Outflows	78,711
Total Deferred Outflows of Financial Resources	<hr/> 4,845,898 <hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<hr/> \$ 55,578,642 <hr/>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 13,099
Accrued Interest	96,713
Accrued Salaries & Benefits	693,114
Unearned Revenue	18,280
Noncurrent Liabilities	
Due Within One Year	1,175,000
Due In More Than One Year	36,035,704
Total Liabilities	<hr/> 38,076,320 <hr/>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	4,538,557
Net OPEB Deferred Inflows	128,554
Bond Premiums	1,945,285
Total Deferred Inflows of Financial Resources	<hr/> 6,612,396 <hr/>
Net Position	
Net Investment in Capital Assets	9,578,891
Restricted Net Position	6,096,291
Unrestricted Net Position	(4,785,256)
Total Net Position	<hr/> 10,889,926 <hr/>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<hr/> \$ 55,578,642 <hr/>

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, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental Activities				
Instruction	\$ 3,450,323	\$ 318,380	\$ 141,169	\$ -
Supporting Services	3,475,311	25,940	1,412,427	45,000
Total Primary Government	<u>\$ 6,925,634</u>	<u>\$ 344,320</u>	<u>\$ 1,553,596</u>	<u>\$ 45,000</u>
General Revenues				
Property Taxes				10,861,590
Specific Ownership Taxes				578,765
Investment Earnings				9,722
Other Revenues				55,626
Total General Revenues				<u>11,505,703</u>
Change in Net Position				6,522,985
Beginning Net Position				4,366,941
Ending Net Position				<u>\$ 10,889,926</u>

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

WIGGINS SCHOOL DISTRICT RE-50J
 Balance Sheet
 Governmental Funds
 June 30, 2021

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Total Program Reserve Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
ASSETS				
Cash and Investments	\$ 8,176,807	\$ 452,725	\$ 107,476	\$ 262,769
Cash with Fiscal Agent	85,550	3,244	-	-
Taxes Receivable	83,492	5,596	-	-
Interfund Accounts Receivable	1,575	28,226	-	-
Grants Receivable	175,104	-	41,311	-
Other Accounts Receivable	12,646	-	1,805	-
Inventory	-	-	9,334	-
TOTAL ASSETS	<u>\$ 8,535,174</u>	<u>\$ 489,791</u>	<u>\$ 159,926</u>	<u>\$ 262,769</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ -	\$ 5,585	\$ -
Accounts Payable	12,156	-	943	-
Accrued Salaries & Benefits	670,204	-	22,910	-
Unearned Revenue	-	-	18,280	-
Unearned Revenue Grants	44,410	-	-	-
Total Liabilities	<u>726,770</u>	<u>-</u>	<u>47,718</u>	<u>-</u>
Fund Balance				
Nonspendable Fund Balance	-	-	9,334	-
Restricted Fund Balance				
Restricted for Program Reserve/Debt Service/Capital Projects	-	489,791	-	-
Restricted for TABOR Emergencies	275,000	-	-	-
Committed Fund Balance	-	-	102,874	262,769
Unassigned Fund Balance	7,533,404	-	-	-
Total Fund Balance	<u>7,808,404</u>	<u>489,791</u>	<u>112,208</u>	<u>262,769</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 8,535,174</u>	<u>\$ 489,791</u>	<u>\$ 159,926</u>	<u>\$ 262,769</u>

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

Debt Service		Capital Projects		Totals	
Bond Redemption		Capital Reserve			
Fund	Building Fund	Project Fund	2021	2020	
\$ 3,538,776	\$ 1,787,941	\$ 100,278	\$ 14,426,772	\$ 9,473,787	
8,552	-	-	97,346	52,366	
20,448	-	-	109,536	2,237,971	
-	-	-	29,801	29,802	
-	-	-	216,415	127,562	
-	-	-	14,451	13,454	
-	-	-	9,334	10,696	
<u>\$ 3,567,776</u>	<u>\$ 1,787,941</u>	<u>\$ 100,278</u>	<u>\$ 14,903,655</u>	<u>\$ 11,945,638</u>	
\$ -	\$ 24,217	\$ -	\$ 29,802	\$ 29,802	
-	-	-	13,099	11,552	
-	-	-	693,114	647,529	
-	-	-	18,280	10,683	
-	-	-	44,410	347,891	
-	<u>24,217</u>	-	<u>798,705</u>	<u>1,047,457</u>	
-	-	-	9,334	10,696	
3,567,776	1,763,724	-	5,821,291	4,698,142	
-	-	-	275,000	287,000	
-	-	100,278	465,921	300,533	
-	-	-	7,533,404	5,601,810	
<u>3,567,776</u>	<u>1,763,724</u>	<u>100,278</u>	<u>14,104,950</u>	<u>10,898,181</u>	
<u>\$ 3,567,776</u>	<u>\$ 1,787,941</u>	<u>\$ 100,278</u>	<u>\$ 14,903,655</u>	<u>\$ 11,945,638</u>	

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WIGGINS SCHOOL DISTRICT RE-50J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2021

Fund Balance - Governmental Funds		\$	14,104,950
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	1,512,017	
Capital assets, being depreciated		40,474,927	
Accumulated depreciation		<u>(6,128,053)</u>	35,858,891
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		4,767,187	
Net pension liability		(10,485,707)	
Net pension deferred inflows		<u>(4,538,557)</u>	(10,257,077)
OPEB Liability			
Net OPEB deferred outflows		78,711	
Net OPEB liability		(381,098)	
Net OPEB deferred inflows		<u>(128,554)</u>	(430,941)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(26,280,000)	
Accrued interest payable		(96,713)	
Bond premiums		(1,945,285)	
Accrued compensated absences		<u>(63,899)</u>	(28,385,897)
Total Net Position - Governmental Activities			<u>\$ 10,889,926</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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Total Program Reserve Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
REVENUES				
Local Sources	\$ 7,877,827	\$ 490,976	\$ 21,072	\$ 304,820
Intermediate Sources	1,432	-	-	-
State Sources	417,570	-	2,597	-
Federal Sources	718,006	-	369,062	-
TOTAL REVENUES	<u>9,014,835</u>	<u>490,976</u>	<u>392,731</u>	<u>304,820</u>
EXPENDITURES				
Current:				
Instruction	4,384,327	-	-	261,638
Pupil Support	142,395	-	-	-
Staff Support	26,082	-	-	-
General Administration	323,609	1,185	-	-
School Administration	305,906	-	-	-
Operations and Maintenance	1,241,201	-	-	-
Transportation	128,113	-	-	-
Other Central Support	291,758	-	-	-
Risk Management	151,038	-	-	-
Food Service	-	-	372,717	-
Facilities	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	<u>6,994,429</u>	<u>1,185</u>	<u>372,717</u>	<u>261,638</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	2,020,406	489,791	20,014	43,182
OTHER FINANCING SOURCES (USES)				
Transfers in (Out)	(100,812)	-	-	812
CHANGE IN FUND BALANCE	1,919,594	489,791	20,014	43,994
BEGINNING FUND BALANCE	5,888,810	-	92,194	218,775
ENDING FUND BALANCE	<u>\$ 7,808,404</u>	<u>\$ 489,791</u>	<u>\$ 112,208</u>	<u>\$ 262,769</u>

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

Debt Service		Capital Projects		Totals	
Bond					
Redemption		Capital Reserve			
Fund	Building Fund	Project Fund	2021	2020	
\$ 3,197,282	\$ 2,957	\$ 18	\$ 11,894,952	\$ 10,222,833	
-	45,000	-	46,432	2,622	
-	-	-	420,167	711,711	
-	-	-	1,087,068	546,325	
<u>3,197,282</u>	<u>47,957</u>	<u>18</u>	<u>13,448,619</u>	<u>11,483,491</u>	
-	-	-	4,645,965	4,406,913	
-	-	-	142,395	124,775	
-	-	-	26,082	97,798	
900	-	-	325,694	301,977	
-	-	-	305,906	287,128	
-	-	-	1,241,201	842,824	
-	-	-	128,113	270,285	
-	-	-	291,758	213,506	
-	-	-	151,038	152,137	
-	-	-	372,717	304,045	
-	302,431	-	302,431	826,508	
<u>2,308,550</u>	<u>-</u>	<u>-</u>	<u>2,308,550</u>	<u>2,308,175</u>	
<u>2,309,450</u>	<u>302,431</u>	<u>-</u>	<u>10,241,850</u>	<u>10,136,071</u>	
<u>887,832</u>	<u>(254,474)</u>	<u>18</u>	<u>3,206,769</u>	<u>1,347,420</u>	
-	-	100,000	-	-	
<u>887,832</u>	<u>(254,474)</u>	<u>100,018</u>	<u>3,206,769</u>	<u>1,347,420</u>	
<u>2,679,944</u>	<u>2,018,198</u>	<u>260</u>	<u>10,898,181</u>	<u>9,550,761</u>	
<u>\$ 3,567,776</u>	<u>\$ 1,763,724</u>	<u>\$ 100,278</u>	<u>\$ 14,104,950</u>	<u>\$ 10,898,181</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, 2021

Change in Fund Balance - Governmental Funds		\$	3,206,769
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases		\$	397,264
Depreciation Expense			<u>(890,020)</u>
			(492,756)
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			2,280,171
Change in net pension liability			<u>(1,919,238)</u>
Current year change and amortization of deferred inflows - net			2,102,906
			<u>2,463,839</u>
OPEB Liability			
Current year change and amortization of deferred outflows - net			24,414
Change in OPEB liability			39,902
Current year change and amortization of deferred inflows - net			<u>(36,464)</u>
			27,852
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			1,120,000
Amortization of bond premiums/deferred charge (gain)			217,694
Change in accrued interest payable			4,666
Change in accrued compensated absences			<u>(25,079)</u>
			<u>1,317,281</u>
Total Net Position - Governmental Activities		\$	<u><u>6,522,985</u></u>

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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. 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, 2021

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 Funds –

Total Program Reserve Fund – Property tax revenues collected from a tax levy imposed pursuant to § 22-54-107(5) are accounted for in the Total Program Reserve Fund. The District may expend money from the Total Program Reserve Fund only to offset the amount of a reduction in the district’s state share caused by application of the budget stabilization factor pursuant to § 22-54-104(5)(g); except that, in a budget year in which the school district levies for its total program the number of mills calculated pursuant to § 22-54-106(2)(a)(II), if the balance of the Total Program Reserve Fund exceeds an amount equal to the District’s total program for that budget year multiplied by the negative factor calculated pursuant to § 22-54-104(5)(g) for that budget year, the District may expend the amount of the excess balance. Any money remaining in the fund at the end of a fiscal year must remain in the fund and may be used in future years only as provided for above in this paragraph.

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, the District paid total assessments of \$36,308 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021

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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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, 2021, follows:

Cash deposits	\$ 4,669,236
Investments	9,302,927
Cash on hand	<u>335</u>
Total cash and investments	<u>\$ 13,972,498</u>

These balances are allocated as follows in the financial statements:

Unrestricted	<u>\$ 8,645,781</u>
Restricted	
Restricted for capital projects	1,787,941
Restricted for debt service	<u>3,538,776</u>
Total restricted	<u>5,326,717</u>
Total cash and investments	<u>\$ 13,972,498</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, 2021

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, 2021, 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>4,590,911</u>	<u>4,419,236</u>
Total Deposits	<u>\$ 4,840,911</u>	<u>\$ 4,669,236</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, 2021 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>Uncategorized</u>	<u>Total</u>
Mutual Funds - Restricted	\$ -	\$ 3,538,776	\$ -	\$ -	\$ 3,538,776
Local Govt Invest Pools	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,764,151</u>	<u>-</u>
Total Categorized Investments	<u>\$ -</u>	<u>\$ 3,538,776</u>	<u>\$ -</u>	<u>\$ 5,764,151</u>	<u>\$ 3,538,776</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 2021, 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, 2021

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, 2021, 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, 2021, the District did not have any investments requiring safekeeping.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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	\$ 5,764,151	-	AAAm
Mutual Funds (Bond Trustee)	<u>3,538,776</u>	-	AAAm
Total Investments	<u>\$ 9,302,927</u>		

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2021 of \$9,334, 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 7/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/21</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,219,622	\$ -	\$ -	\$ 1,219,622
Construction in Progress	-	<u>292,396</u>	-	<u>292,396</u>
Total Capital Assets not being depreciated	<u>1,219,622</u>	<u>292,396</u>	-	<u>1,512,018</u>
Capital Assets being depreciated:				
Buildings & Improvements	38,510,031	12,345	-	38,522,376
Equipment	744,906	74,707	-	819,613
Food Service Equipment	12,579	17,817	-	30,396
Transportation Equipment	<u>1,102,542</u>	-	-	<u>1,102,542</u>
Total Capital Assets being depreciated	<u>40,370,058</u>	<u>104,869</u>	-	<u>40,474,927</u>
Accumulated Depreciation:				
Land and Buildings	(4,245,880)	(795,021)	-	(5,040,901)
Equipment	(303,379)	(46,553)	-	(349,932)
Food Service Equipment	(12,579)	(594)	-	(13,173)
Transportation Equipment	<u>(676,195)</u>	<u>(47,852)</u>	-	<u>(724,047)</u>
Total Accumulated Depreciation	<u>(5,238,033)</u>	<u>(890,020)</u>	-	<u>(6,128,053)</u>
Net Capital Assets	<u>\$ 36,351,647</u>	<u>\$ (492,755)</u>	<u>\$ -</u>	<u>\$ 35,858,892</u>

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation is allocated across the various functions as follows:

Instruction	\$ 521,221
Supporting Services	368,799
Total Depreciation	<u>\$ 890,020</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, 2021, are as follows:

General Fund	\$ 629,643
Preschool	40,561
Food Service Fund	<u>22,910</u>
Total	<u>\$ 693,114</u>

NOTE 6: LONG-TERM DEBT

The District's long-term debt transactions for the year ended June 30, 2021, were as follows:

	<u>Balance</u> <u>06/30/20</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/21</u>	<u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Expense</u>
2017 General Obligation Bonds	\$ 27,400,000	\$ -	\$ 1,120,000	\$ 26,280,000	\$ 1,175,000	\$ 1,188,550
2017 GO Bond Premiums	2,162,979	-	217,694	1,945,285	207,673	(217,694)
Accrued Leave	38,821	25,078	-	63,899	-	-
Total	<u>\$ 29,601,800</u>	<u>\$ 25,078</u>	<u>\$ 1,337,694</u>	<u>\$ 28,289,184</u>	<u>\$ 1,382,673</u>	<u>\$ 970,856</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, 2021

NOTE 6: LONG-TERM DEBT (Continued)

2017 General Obligation Bonds (Continued)

Annual debt service requirements for the bond is as follow:

Fiscal Year	Principal	Interest	Total
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	1,420,000	883,800	2,303,800
2027-2031	8,090,000	3,285,200	11,375,200
2032-2036	9,720,000	1,747,425	11,467,425
2037	2,225,000	55,625	2,280,625
Total	\$ 26,280,000	\$ 10,073,625	\$ 36,353,625

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, 2021.

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 (FNP) and additions to/deductions from the FNP 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. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in 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, 2021: Eligible employees of, 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 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	9.88%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) 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. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State’s 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$728,160 for the year ended June 30, 2021.

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2021, the District reported a liability of \$10,485,707 for its proportionate share of the net pension liability. 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	\$	(10,485,707)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	-
Total	\$	(10,485,707)

At December 31, 2020, the District proportion was 0.06936 percent, which was an increase of 0.01202 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,651,149 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, 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	\$ 525,241	\$ -
Changes of assumptions or other inputs	\$ 1,008,693	\$ (1,367,247)
Net difference between projected and actual earnings on pension plan investments	\$ 568,111	\$ (2,792,850)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 2,283,489	\$ (378,460)
Contributions subsequent to the measurement date	\$ 381,653	\$ -
Total	\$ 4,767,187	\$ (4,538,557)

\$381,653 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, 2022. 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, 2021

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
2022	\$ (805,402)
2023	1,009,221
2024	7,279
2025	(364,121)
Total	\$ (153,023)

Actuarial assumptions. The total pension liability in the December 31, 2019 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	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

- **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.

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

The actuarial assumptions used in the December 31, 2019, valuation 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 PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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 3.00 percent.
- 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. 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 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, 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. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

- The AIR balance was excluded from the initial FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP 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 rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net 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)	\$ (14,303,363)	\$ (10,485,707)	\$ (7,304,341)

Pension plan fiduciary net position. Detailed information about the SCHDTF's FNP is available in PERA's Annual Report 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.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

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, 2021 program members contributed \$30,670.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

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 (FNP) and additions to/deductions from the FNP 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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 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, 2021

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 \$37,830 for the year ended June 30, 2021.

At June 30, 2021, the District reported a liability of \$381,098 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.040106 percent, which was an Increase of 0.00265 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$13,961. At June 30, 2021, 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	\$ 903	\$ (79,739)
Net difference between projected and actual earnings on pension plan investments	\$ 4,220	\$ (19,658)
Changes of assumptions or other inputs	\$ 2,517	\$ (23,369)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 51,489	\$ (5,788)
Contributions subsequent to the measurement date	\$ 19,582	\$ -
Total	\$ 78,711	\$ (128,554)

\$16,582 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

Year Ended June 30:	Fiscal Year Totals
2022	\$ (17,536)
2023	(15,592)
2024	(17,879)
2025	(14,290)
2026	(3,890)
2027	(238)
Total	\$ (69,425)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 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	8.10% for 2020, 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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

Medicare Plan	Cost for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/ Self-Insured Prescription	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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%

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled 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.

Post-retirement non-disabled 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.

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

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	70.00%
Wage inflation	3.00%
Salary increase, including wage inflation	3.00% 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	8.10% for 2020, 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

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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)

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's Name changed to Alternatives, effective January 1, 2020

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 nominal rate of return assumption of 7.25 percent.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
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)	\$ (371,248)	\$ (381,098)	\$ (392,565)

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, 2020, 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 3.00 percent.
- 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.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- 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, 2021

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)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (436,554)	\$ (381,098)	\$ (333,715)

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

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments – The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2021, 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 \$275,000, as required by the Amendment.

WIGGINS SCHOOL DISTRICT RE-50J
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine transfers during the year ended June 30, 2021:

General Fund	
Transfer to Pupil Activity Fund	\$ (812)
Transfer to Cap Res Fund	(100,000)
Pupil Activity Fund	
Transfer from General Fund	812
Capital Reserve Projects Funds	
Transfer from General Fund	<u>100,000</u>
Net Transfers	<u>\$ -</u>

The District has the following interfund balances at year end:

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 \$(4,785,256) and primarily due to the PERA net pension liability of \$10,485,707 as further described in Note 8 and the net OPEB liability of \$381,098 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.

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%
June 30, 2021	0.069359%	\$ (10,485,707)	\$ -	\$ (10,485,707)	\$ 3,757,276	279.08%	66.99%

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%
June 30, 2021	\$ 728,160	\$ (728,160)	\$ -	\$ 3,757,276	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 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%
June 30, 2021	0.040106%	\$ (381,098)	\$ 3,757,276	10.143%	32.78%

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%
June 30, 2021	\$ 38,324	\$ (38,324)	\$ -	\$ 3,757,276	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, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Original	Final	Actual	Variance	2020
	Budget	Budget		with Final	Actual
REVENUES					
Local Sources					
Property Taxes	\$ 6,505,272	\$ 6,963,605	\$ 7,174,346	\$ 210,741	\$ 5,785,570
Specific Ownership Taxes	335,943	312,556	569,405	256,849	486,981
Delinquent Taxes	-	-	8,554	8,554	6,450
Tuition From Individuals	9,045	9,046	13,133	4,087	35,214
Investment Earnings	50,100	20,100	6,501	(13,599)	67,756
Pupil Activity Revenues	-	-	426	426	-
Donations	80,955	45,000	45,200	200	78,150
Local BOCES Passthrough	-	-	3,613	3,613	3,919
Parking Fees	-	-	4,675	4,675	2,500
Overhead Cost Revenue	-	-	-	-	8,123
Other Local	32,000	59,340	51,974	(7,366)	57,726
Total Local Sources	<u>7,013,315</u>	<u>7,409,647</u>	<u>7,877,827</u>	<u>468,180</u>	<u>6,532,389</u>
Intermediate Sources					
Mineral Leases	2,700	2,700	1,432	(1,268)	2,622
State Sources					
State Share (Equalization)	(726,000)	(2,838)	-	2,838	127,038
State Transportation	54,694	56,566	536	(56,030)	57,517
State Grants from CDE					
State ECEA (Special Education)	-	(209,752)	(99,974)	109,778	-
State ELPA Prof Dev and Student Support	-	-	14,342	14,342	11,236
State ELPA	21,000	27,147	-	(27,147)	9,569
State Share - Colorado Preschool Program (CPP)	-	-	-	-	1,167
State Gifted and Talented	-	-	(11,936)	(11,936)	-
Counselor Grant	80,000	110,000	93,320	(16,680)	86,500
READ Act	22,792	12,819	-	(12,819)	-
State Grants to Libraries	-	3,500	3,500	-	4,500
School Turnaround Leaders Development Program	54,600	54,600	81,539	26,939	-
Small Rural Schools Additional Funding	-	223,042	223,043	1	166,535
Additional As- Risk Funding	-	-	3,283	3,283	2,940
Career Success Pilot Program Incentives	3,307	3,307	666	(2,641)	3,000
Kindergarten Facility Grant	-	-	-	-	26,267
READ Act	-	-	12,819	12,819	12,784
Other CDE State Grants	84,100	84,100	74,497	(9,603)	79,250
State Grants from Other Agencies					
State Vocational Education	30,997	30,997	-	(30,997)	28,472
State PERA Contribution	-	-	-	-	80,112
Other Agency State Grants	-	-	17,350	17,350	-
State Grants Provided through BOCES	6,793	6,793	4,585	(2,208)	6,793
Total State Sources	<u>(367,717)</u>	<u>400,281</u>	<u>417,570</u>	<u>17,289</u>	<u>703,680</u>
Federal Sources					
Federal Grants from CDE					
Coronavirus Relief Fund	-	293,202	293,202	-	143,272
Educ Stab Fd - Elem Sec Emer Relief II - Formula	-	445,535	262,432	(183,103)	-
Ed Stab Fd - Elem Sec Emer Relief - Formula	-	-	27,959	27,959	59,875
Race to the Top- Early Childhood Readiness Assess	498	498	90	(408)	-
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	-	12,453	9,583	(2,870)	40,331
Federal Provided through BOCES	139,999	146,494	124,740	(21,754)	138,031
Total Federal Sources	<u>140,497</u>	<u>898,182</u>	<u>718,006</u>	<u>(180,176)</u>	<u>381,509</u>
TOTAL REVENUES	<u>6,788,795</u>	<u>8,710,810</u>	<u>9,014,835</u>	<u>304,025</u>	<u>7,620,200</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, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	2,840,379	2,859,202	2,756,032	103,170	2,664,021
Benefits	1,127,294	1,145,806	1,015,008	130,798	998,396
PS-Professional	88,705	86,598	79,288	7,310	36,124
PS-Property	29,300	29,300	28,033	1,267	29,679
PS-Other	148,516	150,495	94,679	55,816	98,999
Supplies	140,668	449,538	407,741	41,797	268,084
Property	2,000	4,500	-	4,500	30,480
Other Expenses	2,700	6,450	3,546	2,904	9,755
Total Instruction	<u>4,379,562</u>	<u>4,731,889</u>	<u>4,384,327</u>	<u>347,562</u>	<u>4,135,538</u>
Supporting Services					
Pupil Support					
Salaries	131,353	131,353	82,825	48,528	72,954
Benefits	33,877	33,877	22,819	11,058	21,516
PS- Professional	1,800	1,800	-	1,800	52
PS-Other	89,590	107,026	36,308	70,718	28,683
Supplies	900	900	443	457	1,570
Other Expenses	450	450	-	450	-
Total Pupil Support	<u>257,970</u>	<u>275,406</u>	<u>142,395</u>	<u>133,011</u>	<u>124,775</u>
Staff Support					
Salaries	50,829	50,829	17,109	33,720	61,462
Benefits	29,774	29,774	4,963	24,811	21,778
PS-Other	1,750	1,750	1,850	(100)	1,335
Supplies	4,500	4,500	2,160	2,340	3,036
Property	-	-	-	-	9,985
Other Expenses	750	750	-	750	202
Total Staff Support	<u>87,603</u>	<u>87,603</u>	<u>26,082</u>	<u>61,521</u>	<u>97,798</u>
General Administration					
Salaries	214,135	214,135	216,292	(2,157)	173,673
Benefits	68,819	68,819	67,274	1,545	79,173
PS- Professional	34,000	34,000	21,149	12,851	23,928
PS-Other	20,500	20,500	4,634	15,866	12,134
Supplies	2,800	2,800	4,371	(1,571)	2,656
Other Expenses	2,500	2,500	9,889	(7,389)	9,513
Total General Administration	<u>342,754</u>	<u>342,754</u>	<u>323,609</u>	<u>19,145</u>	<u>301,077</u>
School Administration					
Salaries	216,755	216,755	214,309	2,446	208,560
Benefits	78,045	78,045	73,564	4,481	65,603
PS-Other	2,000	2,000	2,677	(677)	2,161
Supplies	16,000	16,000	14,506	1,494	10,344
Other Expenses	2,000	2,000	850	1,150	460
Total School Administration	<u>314,800</u>	<u>314,800</u>	<u>305,906</u>	<u>8,894</u>	<u>287,128</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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Operations and Maintenance					
Salaries	362,440	362,440	374,237	(11,797)	359,217
Benefits	147,410	147,410	134,070	13,340	133,345
PS- Property	69,600	69,600	78,442	(8,842)	93,232
PS-Other	13,400	13,400	10,806	2,594	7,697
Supplies	298,981	748,016	634,146	113,870	248,233
Property	-	-	9,500	(9,500)	1,100
Other Expenses	15,487	15,487	-	15,487	-
Total Operations and Maintenance	907,318	1,356,353	1,241,201	115,152	842,824
Transportation					
Salaries	153,300	153,300	78,468	74,832	126,903
Benefits	40,322	40,322	24,633	15,689	35,442
PS- Property	22,000	22,000	11,560	10,440	20,908
PS-Other	27,400	27,400	-	27,400	65
Supplies	84,000	84,000	13,452	70,548	49,343
Property	-	-	-	-	37,624
Other Expenses	400	400	-	400	-
Total Transportation	327,422	327,422	128,113	199,309	270,285
Other Central Support					
Salaries	106,260	106,260	94,536	11,724	78,049
Benefits	24,332	24,332	15,780	8,552	13,259
PS- Professional	20,000	20,000	13,830	6,170	20,000
PS-Other	32,000	32,000	33,218	(1,218)	33,147
Property	45,200	45,200	134,394	(89,194)	69,051
Total Other Central Support	227,792	227,792	291,758	(63,966)	213,506
Risk Management					
PS-Other	138,000	138,000	151,038	(13,038)	152,137
Total Supporting Services	2,603,659	3,070,130	2,610,102	460,028	2,289,530
Facilities/Capital Outlay					
Equipment	-	-	-	-	59,875
Contingency	4,575,822	6,799,121	-	6,799,121	-
TOTAL EXPENDITURES	11,559,043	14,601,140	6,994,429	7,606,711	6,484,943
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(4,770,248)	(5,890,330)	2,020,406	7,910,736	1,135,257
OTHER FINANCING SOURCES (USES)					
Transfers	(32,093)	1,520	(100,812)	(102,332)	(100,000)
CHANGE IN FUND BALANCE	(4,802,341)	(5,888,810)	1,919,594	7,808,404	1,035,257
BEGINNING FUND BALANCE	5,161,881	5,888,810	5,888,810	-	4,853,553
ENDING FUND BALANCE	\$ 359,540	\$ -	\$ 7,808,404	\$ 7,808,404	\$ 5,888,810

See accompanying Independent Auditors' Report.

SPECIAL REVENUE FUND

The Total Program Reserve Fund accounts for the District's Program Reserve mill levy funding.

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

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

WIGGINS SCHOOL DISTRICT RE-50J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Total Program Reserve Fund
For the Year Ended June 30, 2021

	2021		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
Property Taxes	\$ -	\$ 481,548	\$ 481,548
Specific Ownership Taxes	-	9,360	9,360
Delinquent Taxes	-	43	43
Investment Earnings	-	24	24
TOTAL REVENUES	-	490,975	490,975
EXPENDITURES			
Supporting Services			
General Administration			
PS- Professional	-	1,185	(1,185)
CHANGE IN FUND BALANCE	-	489,790	489,790
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	\$ -	\$ 489,790	\$ 489,790

See accompanying Independent Auditors' Report.

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, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
REVENUES					
Local Sources					
Investment Earnings	\$ 150	\$ 150	\$ 38	\$ (112)	\$ 152
Food Service Revenue	104,000	73,500	17,652	(55,848)	86,590
Donations	-	-	(272)	(272)	730
Other Local	1,000	1,000	3,654	2,654	1,659
Total Local Sources	105,150	74,650	21,072	(53,578)	89,131
State Sources					
State Grants from CDE					
State Matching Child Nutrition	2,575	2,600	2,597	(3)	2,575
Start Smart Nutrition	1,500	-	-	-	494
School Lunch Protection: Free and Reduced	2,800	-	-	-	2,778
State Grants from Other Agencies					
State PERA Contribution	-	-	-	-	2,184
Total State Sources	6,875	2,600	2,597	(3)	8,031
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	25,000	-	-	-	16,540
National School Lunch Program	116,000	300,000	49,721	(250,279)	130,861
Summer Food Service Program for Children	-	-	282,871	282,871	-
Natl School Lunch Equipment Grant	(1)	17,818	17,817	(1)	-
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	15,000	15,000	18,653	3,653	17,415
Total Federal Sources	155,999	332,818	369,062	36,244	164,816
TOTAL REVENUES	268,024	410,068	392,731	(17,337)	261,978
EXPENDITURES					
Supporting Services					
Food Service					
Salaries	119,000	127,000	125,776	1,224	101,804
Benefits	63,002	64,750	40,763	23,987	33,568
PS- Property	7,000	5,000	1,248	3,752	6,363
Supplies	195,500	212,500	185,768	26,732	145,971
Food	-	-	1,345	(1,345)	13,096
Commodities	-	-	-	-	3,243
Property	5,000	22,817	17,817	5,000	-
Other Expenses	-	70,195	-	70,195	-
TOTAL EXPENDITURES	389,502	502,262	372,717	129,545	304,045
CHANGE IN FUND BALANCE	(121,478)	(92,194)	20,014	112,208	(42,067)
BEGINNING FUND BALANCE	121,478	92,194	92,194	-	134,261
ENDING FUND BALANCE	\$ -	\$ -	\$ 112,208	\$ 112,208	\$ 92,194

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, 2021

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Pupil Activity Revenues	\$ 274,000	\$ 274,000	\$ 304,820	\$ 30,820	\$ 327,684
EXPENDITURES					
Instruction					
Other Expenses	<u>274,000</u>	<u>274,000</u>	<u>261,638</u>	<u>12,362</u>	<u>271,375</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	-	43,182	43,182	56,309
OTHER FINANCING SOURCES (USES)					
Transfers	<u>-</u>	<u>-</u>	<u>812</u>	<u>812</u>	<u>-</u>
CHANGE IN FUND BALANCE	-	-	43,994	43,994	56,309
BEGINNING FUND BALANCE	<u>162,466</u>	<u>218,775</u>	<u>218,775</u>	<u>-</u>	<u>162,466</u>
ENDING FUND BALANCE	<u>162,466</u>	<u>218,775</u>	<u>262,769</u>	<u>43,994</u>	<u>218,775</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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DEBT SERVICE FUND

Bond Redemption 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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 3,197,245	\$ 3,199,418	\$ 3,192,450	\$ (6,968)	\$ 3,196,673
Delinquent Taxes	-	-	4,648	4,648	3,939
Investment Earnings	15,000	15,000	184	(14,816)	12,933
TOTAL REVENUES	<u>3,212,245</u>	<u>3,214,418</u>	<u>3,197,282</u>	<u>(17,136)</u>	<u>3,213,545</u>
EXPENDITURES					
Supporting Services					
General Administration					
Other Expenses	900	900	900	-	900
Debt Service					
Interest	1,188,550	1,188,550	1,188,550	-	1,243,175
Principal	1,120,000	1,120,000	1,120,000	-	1,065,000
Total Debt Service	2,308,550	2,308,550	2,308,550	-	2,308,175
Contingency	3,581,439	3,584,912	-	3,584,912	-
TOTAL EXPENDITURES	<u>5,890,889</u>	<u>5,894,362</u>	<u>2,309,450</u>	<u>3,584,912</u>	<u>2,309,075</u>
CHANGE IN FUND BALANCE	(2,678,644)	(2,679,944)	887,832	3,567,776	904,470
BEGINNING FUND BALANCE	2,678,644	2,679,944	2,679,944	-	1,775,474
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,567,776</u>	<u>\$ 3,567,776</u>	<u>\$ 2,679,944</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Building Fund – This fund accounts for the District’s Bond funded capital outlays

Capital Project Reserve 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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 20,000	\$ 20,000	\$ 2,957	\$ (17,043)	\$ 43,027
Intermediate Sources					
Impact Fee Revenue	-	-	45,000	45,000	-
TOTAL REVENUES	20,000	20,000	47,957	27,957	43,027
EXPENDITURES					
Facilities/Capital Outlay					
Buildings	400,000	400,000	302,431	97,569	553,332
CHANGE IN FUND BALANCE	(1,978,503)	(2,018,198)	(254,474)	1,763,724	(510,305)
BEGINNING FUND BALANCE	1,978,503	2,018,198	2,018,198	-	2,528,503
ENDING FUND BALANCE	\$ -	\$ -	\$ 1,763,724	\$ 1,763,724	\$ 2,018,198

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, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 100	\$ 100	\$ 18	\$ (82)	\$ 57
Donations	-	-	-	-	13,500
Other Local	-	-	-	-	3,500
TOTAL REVENUES	<u>100</u>	<u>100</u>	<u>18</u>	<u>(82)</u>	<u>17,057</u>
EXPENDITURES					
Facilities/Capital Outlay					
Equipment	<u>100,100</u>	<u>100,360</u>	<u>-</u>	<u>100,360</u>	<u>213,301</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(100,000)</u>	<u>(100,260)</u>	<u>18</u>	<u>100,278</u>	<u>(196,244)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>(260)</u>	<u>100,018</u>	<u>100,278</u>	<u>(96,244)</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>260</u>	<u>260</u>	<u>-</u>	<u>96,504</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,278</u>	<u>\$ 100,278</u>	<u>\$ 260</u>

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2515 - Wiggins RE-50(I)
 Fiscal Year 2020-21
 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	5,888,810		8,563,269		6,643,675		7,808,404
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		350,754		350,754		0
Sub- Total	5,888,810		8,914,023		6,994,429		7,808,404
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		490,976		1,185		489,790
21 Food Service Spec Revenue Fund	92,194		392,731		372,718		112,208
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	218,775		305,633		261,638		262,769
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	2,679,944		3,197,282		2,309,450		3,567,776
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	2,018,198		47,956		302,431		1,763,724
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	260		100,018		0		100,278
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	10,898,181		13,448,620		10,241,852		14,104,949
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 2020-21

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		
ASSETS																		
Cash and Investments (8100-8104,8111)	8,135,640	0	41,166	262,769	0	452,725	107,476	3,538,776	1,888,219	0	0	0	0	0	0	14,426,772		
Cash with Fiscal Agent (8105)	85,550	0	0	0	0	3,244	0	8,552	0	0	0	0	0	0	0	97,346		
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)	83,492	0	0	0	0	5,596	0	20,448	0	0	0	0	0	0	0	109,535		
Interfund Loans Receivable (8131,8132)	1,575	0	0	0	0	28,226	0	0	0	0	0	0	0	0	0	29,802		
Grants Accounts Receivable (8142)	175,104	0	0	0	0	0	41,311	0	0	0	0	0	0	0	0	216,415		
Other Receivables (8151-8154,8161)	12,646	0	0	0	0	0	1,805	0	0	0	0	0	0	0	0	14,451		
Inventories (8171,8172,8173)	0	0	0	0	0	0	9,334	0	0	0	0	0	0	0	0	9,334		
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	8,494,007	0	41,166	262,769	0	489,790	159,926	3,567,776	1,888,219	0	0	0	0	0	0	14,903,654		

	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	605	0	0	0	944	0	0	0	0	0	0	0	0	13,100
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	629,643	0	40,561	0	0	0	22,910	0	0	0	0	0	0	0	0	693,114
Unearned Revenue (7481)	0	0	0	0	0	0	18,280	0	0	0	0	0	0	0	0	18,280
Grants Deferred Revenue (7482)	44,410	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,410
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	685,603	0	41,166	0	0	0	47,719	0	24,217	0	0	0	0	0	0	798,705

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	9,334	0	0	0	0	0	0	0	0	9,334
Restricted Fund Balance 6720	0	0	0	0	0	489,790	0	3,567,776	1,763,724	0	0	0	0	0	0	5,821,289
TABOR 3% Emergency Reserve 6721	275,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	275,000
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
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	262,769	0	0	102,874	0	100,278	0	0	0	0	0	0	465,922
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	7,533,404	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,533,404
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	7,808,404	0	0	262,769	0	489,790	112,208	3,567,776	1,864,002	0	0	0	0	0	0	14,104,949

	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	8,494,007	0	41,166	262,769	0	489,790	159,926	3,567,776	1,888,219	0	0	0	0	0	0	14,903,654

	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
For Each Fund Type: 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.