

cPa DIXON, WALLER & CO., INC.

WILEY SCHOOL

DISTRICT NUMBER RE-13JT

WILEY, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

**DIXON, WALLER & CO., INC.**

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FINANCIAL STATEMENTS  
JUNE 30, 2018

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WILEY SCHOOL DISTRICT NUMBER RE-13JT  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2018

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BOARD OF EDUCATION

Andrew Prosser	President
Chad Krentz	Vice President
Brad Lubbers	Secretary
Neil Mauch	Treasurer
Josh Weimer	BOCES Representative

SCHOOL OFFICIALS

Dave Eastin	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082  
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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Wiley School District Number RE-13JT  
Wiley, Colorado 81092

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wiley School District Number RE-13JT, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

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 Wiley School District Number RE-13JT, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post employment benefits trend data on pages i through viii and 43 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wiley School District Number RE-13JT's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

  
Trinidad, Colorado  
November 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS



## Management's Discussion And Analysis

This section of the Wiley School District RE-13JT's annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2018. Please read it in context and conjunction with the information presented that is furnished in the financial statements audited by Dixon, Waller and Company, Inc., Certified Public Accountants.

The School District has adopted a financial reporting model as promulgated by the Governmental Accounting Standards Board (GASB). The GASB requires certain comparative information between the current year and the prior year to be presented in the MD&A. The District adopted GASB 68 in 2015 which requires the recognition of their portion of the Net Pension Liability of PERA. The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$206,628. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$196,101 to \$(1,373,846) from \$(1,177,745) at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

The financial statements reflect the status of the **governmental funds** that include the General Fund (10) which accounts for all financial resources except for those legally required to be accounted for separately; Risk Management Fund (18) accounts for all financial resources held legally restricted for specific insurance purposes; Colorado Pre-School Fund (19) accounts for all financial resources related to preschool students identified by the Colorado Preschool program; Food Service Fund (21) accounts for all financial resources related to food service operations; Grant Fund (22) accounts for all financial resources tied to specific grant funding; Athletic Fund (23) accounts for sports activities; Capital Reserve

Capital Project Fund (43) accounts for capital expenditures financed through grants and transfers; and Pupil Activity Agency Fund (74) accounts for the various special group, class or club activities.

### **Financial Highlights:**

- The liabilities and deferred inflows of Wiley School District RE-13JT exceeded its assets and deferred outflows at the close of June 30, 2018 by \$2,721,814 (total net position) as reported in the government-wide financial statements. The District's total net position is directly impacted by the adoption of GASB 68 and the Net Pension Liability of PERA totaling \$9,048,445 and GASB 75 and the Net OPEB Liability totaling \$206,628.
- The District's government-wide total net position decreased by \$1,544,069 from the prior fiscal year due to the changes made by PERA for fiscal year 2018 in the recognition of net pension liability and net OPEB liability. The net pension liability increased from \$8,256,801 in fiscal year 2017 to \$9,048,445 in fiscal year 2018 and the net OPEB liability is \$206,628.
- Expenses from governmental activities were offset by program specific charges, and grants and contributions of \$411,932. General revenues from property taxes and specific ownership taxes were \$375,606 and state equalization amounted to \$2,200,326.
- The General Fund reported a fund balance of \$2,622,227 at the close of the June 30, 2018 budget year. The total of all governmental funds fund balances was \$2,657,113 at the fiscal year end. The \$165,736 increase in the General Fund fund balance was a direct result of revenues exceeding expenditures. The District strives to follow a balanced budget which both meets the needs of the students and provides a sound and stable foundation for the District.

### **Government-wide Statements**

The financial statements are designated to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the

students. The statement of net assets includes 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.

The two government-wide statements report the District's assets and liabilities and how they have changed. Net position, the difference between the District's assets, liabilities and deferred flows are one indicator of the districts financial health. Over time, increases or decreases in the District's net position measures whether the financial health is improving or deteriorating. Readers need to take into account additional non-financial factors in rating the district overall such as changes in the District's tax base, student enrollment and overall condition of the facilities. As stated previously, the District's net position was significantly impacted by the adoption of GASB 68 and the inclusion of the Net Pension Liability of PERA and GASB 75 and the inclusion of the Other Post Employment Benefit (OPEB) Plan on the financial statements.

The government-wide financial statements of the District include the Governmental activities. The District's basic services are included within, such as instruction, support, general administration, food service, and capital outlay. The statements also indicate that funding for these services come primarily from state equalization, property tax and grant sources. Our District also had secured a special loan called a Quality Zone Academy Bond. The remainder of the funds from this 15 year interest free loan were spent in December 2013. The QZAB loan was in the amount \$1,214,000. This money was spent in the following areas (as allowed): rehabilitating or repairing school facilities, acquiring information technology equipment, acquiring school buses and vans, training and curriculum development. The yearly payment for this loan is taken from the General Fund and the final regular payment was made ahead of schedule in July of 2017.

### **Fund Financial Statements**

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of accounts designed to keep control over resources segregated for specific activities or objectives. The Wiley School District, like other governments, uses fund accounting to guarantee and prove compliance. Beginning with the 2015 fiscal year, the Food Service Fund was changed from a proprietary (enterprise) fund to

a special revenue fund, therefore; all District funds now fall under the governmental funds category.

### Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances (resources available to spend at the end of the fiscal year). Such information is used to evaluate the District's short-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the District's near-term financial decisions.

### Notes to the Basic Financial Statements

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

### Required Supplementary Information

The district adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the required supplementary information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of the report.

**Statement of Net Position**

	Governmental Activities 2017-2018	Total	Governmental Activities 2016-2017	Total
<b>Assets</b>				
Current and other	2,959,014	2,959,014	2,784,999	2,784,999
Capital assets	1,696,700	1,696,700	1,702,369	1,702,369
<b>Total Assets</b>	<b>4,655,714</b>	<b>4,655,714</b>	<b>4,487,368</b>	<b>4,487,368</b>
<b>Deferred Outflow Resources</b>				
Deferred Pension Cost	2,841,907	2,841,907	3,177,282	3,177,282
<b>Total Deferred Outflow Resources</b>	<b>2,841,907</b>	<b>2,841,907</b>	<b>3,177,282</b>	<b>3,177,282</b>
<b>Liabilities</b>				
Current	291,842	291,842	274,159	274,159
Long term	51,984	51,984	122,205	122,205
Net Pension Liability	9,048,445	9,048,445	8,256,801	8,256,801
Net OPEB Liability	206,628	206,628		
<b>Total Liabilities</b>	<b>9,598,899</b>	<b>9,598,899</b>	<b>8,653,165</b>	<b>8,653,165</b>
<b>Deferred Inflow of Resources</b>				
Deferred Pension	620,536	620,536	189,230	189,230
<b>Total Deferred Inflow of Resources</b>	<b>620,536</b>	<b>620,536</b>	<b>189,230</b>	<b>189,230</b>
<b>Net Assets</b>				
Invested in capital assets net of related debt	1,696,700	1,696,700	1,626,274	1,626,274
Restricted TABOR Reserve	86,500	86,500	101,000	101,000
Restricted for Multi-Year Contracts	89,498	89,498	76,698	76,698
Food Service	21,914	21,914	23,674	23,674
Unrestricted	(4,616,426)	(4,616,426)	(3,005,391)	(3,005,391)
<b>Total Net Assets</b>	<b>(2,721,814)</b>	<b>(2,721,814)</b>	<b>(1,177,745)</b>	<b>(1,177,745)</b>

**Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Wiley School District, current assets exceeded current liabilities by \$2,667,172 at the close of business June 30, 2018. However, inclusion of the Net Pension Liability for PERA and the OPEB Plan has negatively affected the District's financial position. A better indicator of financial health for the 2018 fiscal year may be the total change in net position.

**Changes in Net Position  
Fiscal Year Ending June 30, 2018**

	<b>Govern- mental</b>	<b>Total 2017-2018</b>	<b>Govern- mental</b>	<b>Total 2016-2017</b>	<b>Change Increase (Decrease)</b>
<b>Revenues</b>					
Property Taxes	330,436	330,436	302,575	302,575	27,861
Specific Ownership Taxes	45,170	45,170	41,234	41,234	3,936
Equalization	2,200,326	2,200,326	2,183,389	2,183,389	16,937
Charges for Services	104,916	104,916	78,048	78,048	26,868
Grants & Contributions	307,016	307,016	909,326	909,326	(602,310)
Earnings on Investments	25,139	25,139	31,724	31,724	(6,585)
Other Revenues	29,368	29,368	18,755	18,755	10,613
Transfers	-	-	-	-	-
<b>Total Revenues</b>	<b>3,042,371</b>	<b>3,042,371</b>	<b>3,565,051</b>	<b>3,565,051</b>	<b>(522,680)</b>
<b>Expenses</b>					
Instructional Services	1,763,149	1,763,149	1,704,880	1,704,880	58,269
Support Services:					
Students	53,792	53,792	56,033	56,033	(2,241)
Instructional Staff	55,041	55,041	53,106	53,106	1,935
District Administration	128,889	128,889	114,862	114,862	14,027
School Administration	146,244	146,244	133,563	133,563	12,681
Business Services	79,008	79,008	80,579	80,579	(1,571)
Operations & Maint	277,368	277,368	864,864	864,864	(587,496)
Transportation	116,550	116,550	99,582	99,582	16,968
Central	63,375	63,375	57,754	57,754	5,621
Food Service	130,216	130,216	140,943	140,943	(10,727)
Debt Service:					
Interest, Amortization					
Capital Outlay	7,856	7,856	63,690	63,690	(55,834)
OPEB Cost	4,918	4,918			
Amortization of Pension Cost	1,563,934	1,563,934	1,259,791	1,259,791	304,143
<b>Total Expenses</b>	<b>4,390,340</b>	<b>4,390,340</b>	<b>4,629,647</b>	<b>4,629,647</b>	<b>(239,307)</b>
<b>Increase (Decrease) in Net Position</b>	<b>(1,347,969)</b>	<b>(1,347,969)</b>	<b>(1,064,596)</b>	<b>(1,064,596)</b>	<b>(283,373)</b>

The following table reflects the District's major operating functions:

**Governmental Activities**

	<b>Total Cost of Services 2017-2018</b>	<b>Total Cost of Services 2016-2017</b>	<b>Net Costs 2017-2018</b>	<b>Net Costs 2016-2017</b>
Instructional Services	1,763,149	1,704,880	1,500,721	1,538,880
Supporting Services:				
Students	53,792	56,033	53,792	56,033
Instructional Staff	55,041	53,106	41,781	44,921
General Administration	128,889	114,862	128,889	114,862
School Administration	146,244	133,563	146,244	133,563
Business Services	79,008	80,579	79,008	80,579
Operations & Maint.	277,368	864,864	277,368	247,338
Transportation	116,550	99,582	102,489	87,248
Central Support	63,375	57,754	63,375	57,754
Food Service	130,216	140,943	8,033	13,829
Capital Outlay	7,856	63,690	7,856	7,475
OPEB Cost	4,918		4,918	
Amortization of Pension Cost	1,563,934	1,259,791	1,563,934	1,259,791
<b>Total</b>	<b>4,390,340</b>	<b>4,629,647</b>	<b>3,978,408</b>	<b>3,642,273</b>

**Next Year's Budget**

The budget for the 2018-2019 school year will be impacted by increased health insurance premiums, a stagnant local economy, substantial state minimum wage increases and significant reductions in state and federal funding. The Administration is confident that the budget development process and the adoption of the budget amendment in January is a good reflection of the District's anticipated revenues and expenditures.

**Capital Assets and Debt Administration**

The District's investments in capital assets for its governmental activities as of June 30, 2018 amount to \$1,696,700. This total is comprised of capital assets in the amount of \$5,935,020 less accumulated depreciation of \$4,238,320. Wiley School District assets are made up of the following:

- Buildings and Improvements
- Sites and Improvements
- Transportation Equipment
- Equipment

**Request for Information**

This financial report is designed to demonstrate accountability and provide the District's citizens, taxpayers, customers, and creditors a general overview of the District's finances. Questions or comments concerning this report may be sent to Mr. Dave Eastin, Superintendent of Schools, P.O. Box 247, Wiley, CO 81092 or Telephone 719-829-4806.



BASIC FINANCIAL STATEMENTS

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
STATEMENT OF NET POSITION  
June 30, 2018

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	2,520,803	2,520,803
Investments	332,257	332,257
Accounts Receivable	32,435	32,435
Accrued Revenue	15,702	15,702
Property Taxes Receivable	29,800	29,800
Inventories	4,515	4,515
Prepaid Assets	23,502	23,502
Capital Assets	5,935,020	5,935,020
Accumulated Depreciation	<u>(4,238,320)</u>	<u>(4,238,320)</u>
<u>Total Assets</u>	<u>4,655,714</u>	<u>4,655,714</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	2,832,841	2,832,841
Other Post Employment Benefits	<u>9,066</u>	<u>9,066</u>
<u>Total Deferred Outflows</u>	<u>2,841,907</u>	<u>2,841,907</u>
<u>LIABILITIES</u>		
Accounts Payable	24,236	24,236
Accrued Salaries and Benefits	224,237	224,237
Grant Amounts Received in Advance	42,869	42,869
Other Liabilities	500	500
NonCurrent Liabilities:		
QZAB Payments Due Within One Year	-	-
QZAB Due in More Than One Year	-	-
Compensated Absences	51,984	51,984
Net Pension Liability	9,048,445	9,048,445
Net OPEB Liability	<u>206,628</u>	<u>206,628</u>
<u>Total Liabilities</u>	<u>9,598,899</u>	<u>9,598,899</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	617,079	617,079
Other Post Employment Benefits	<u>3,457</u>	<u>3,457</u>
<u>Total Deferred Inflows</u>	<u>620,536</u>	<u>620,536</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	1,696,700	1,696,700
Restricted for:		
TABOR Reserve	86,500	86,500
Multi-Year Agreements	89,498	89,498
Food Service	21,914	21,914
Unrestricted	<u>(4,616,426)</u>	<u>(4,616,426)</u>
<u>TOTAL NET POSITION</u>	<u>(2,721,814)</u>	<u>(2,721,814)</u>

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



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

	<u>General</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	2,473,556	7,901	39,346	2,520,803
Investments	332,257	-	-	332,257
Accounts Receivable	32,435	-	-	32,435
Accrued Revenue	584	15,118	-	15,702
Due From Other Funds	-	-	-	-
Property Taxes Receivable	29,800	-	-	29,800
Prepaid Insurance	23,502	-	-	23,502
Inventories	-	-	4,515	4,515
<u>Total Assets</u>	<u>2,892,134</u>	<u>23,019</u>	<u>43,861</u>	<u>2,959,014</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES:</u></b>				
Accounts Payable	22,795	816	625	24,236
Accrued Salaries and Benefits	208,068	7,819	8,350	224,237
Due To Other Funds	-	-	-	-
Other Liabilities	500	-	-	500
Grant Amounts Received in Advance	28,485	14,384	-	42,869
<u>Total Liabilities</u>	<u>259,848</u>	<u>23,019</u>	<u>8,975</u>	<u>291,842</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	10,059	-	-	10,059
<b><u>FUND BALANCES:</u></b>				
Nonspendable:				
Prepays	23,502	-	-	23,502
Inventories	-	-	4,515	4,515
Restricted:				
Emergency Reserve	86,500	-	-	86,500
Multi Year Obligations	89,498	-	-	89,498
Food Service	-	-	21,914	21,914
Committed:				
Insurance	7,502	-	-	7,502
Capital Outlay	-	-	6,413	6,413
Assigned:				
Student Activities	-	-	2,044	2,044
Unassigned	2,415,225	-	-	2,415,225
<u>Total Fund Balances</u>	<u>2,622,227</u>	<u>-</u>	<u>34,886</u>	<u>2,657,113</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<u>2,892,134</u>	<u>23,019</u>	<u>43,861</u>	<u>2,959,014</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2018

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Amounts reported for governmental activities in the statement of net position are different because:

<u>Total Fund Balance – Governmental Funds</u>	2,657,113
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$5,935,020 and the accumulated depreciation is \$4,238,320.	1,696,700
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available in the fund financial statements.	10,059
Long-term liabilities, including certificates of participation and general obligation bonds and capital leases are not due and payable in the current period and therefore are not reported in funds.	-
Compensated absences are not reported as a liability in the funds.	(51,984)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(9,048,445)
Net Other Post Employment Benefits Liability	(206,628)
Deferred Outflows	2,841,907
Deferred Inflows	<u>(620,536)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(2,721,814)</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018

	<u>General</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	339,840	-	-	339,840
Specific Ownership Taxes	45,170	-	-	45,170
Earnings on Investments	11,967	-	77	12,044
Other Local Sources	84,297	727	62,035	147,059
State Aid	2,321,162	8,904	2,489	2,332,555
Federal Aid	<u>23,966</u>	<u>66,642</u>	<u>71,405</u>	<u>162,013</u>
<b>Total Revenues</b>	<u>2,826,402</u>	<u>76,273</u>	<u>136,006</u>	<u>3,038,681</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instructional Services	1,558,489	63,013	46,011	1,667,513
Supporting Services:				
Students	53,792	-	-	53,792
Instructional Staff	41,781	13,260	-	55,041
District Administration	128,889	-	-	128,889
School Administration	144,132	-	-	144,132
Business	79,008	-	-	79,008
Operation & Maintenance of Facilities	274,151	-	-	274,151
Transportation	105,297	-	-	105,297
Food Service	-	-	122,061	122,061
Central	63,375	-	-	63,375
Debt Service:				
Principal	63,000	-	-	63,000
Interest	-	-	-	-
Capital Outlay	-	-	<u>116,686</u>	<u>116,686</u>
<b>Total Expenditures</b>	<u>2,511,914</u>	<u>76,273</u>	<u>284,758</u>	<u>2,872,945</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>314,488</u>	<u>-</u>	<u>(148,752)</u>	<u>165,736</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>(85,000)</u>	<u>-</u>	<u>85,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(85,000)</u>	<u>-</u>	<u>85,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	229,488	-	(63,752)	165,736
<b>FUND BALANCE – Beginning</b>	<u>2,392,739</u>	<u>-</u>	<u>98,638</u>	<u>2,491,377</u>
<b>FUND BALANCES – Ending</b>	<u>2,622,227</u>	<u>-</u>	<u>34,886</u>	<u>2,657,113</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2018

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Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances – Total Governmental Funds 165,736

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	148,060	
Depreciation Expense	<u>(153,729)</u>	(5,669)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (9,404)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Debt Principal	63,000	
Interest on QZAB credited by fiscal agent	<u>13,095</u>	76,095

Compensated absences change in the period based on amounts earned or paid:

Net change in compensated absences	(5,874)
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The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension Cost	(1,563,934)	
Other Post Employment Benefits Cost	<u>(4,918)</u>	(1,568,852)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,347,968)

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
June 30, 2018

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	<u>Student Activities Fund</u>	<u>Totals</u>
<u>ASSETS</u>		
Cash	62,282	62,282
Investments	<u>-</u>	<u>-</u>
<u>Total Assets</u>	<u>62,282</u>	<u>62,282</u>
 <u>LIABILITIES</u>		
Due to Student Groups	<u>62,282</u>	<u>62,282</u>
<u>Total Liabilities</u>	<u>62,282</u>	<u>62,282</u>

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



NOTES TO BASIC FINANCIAL STATEMENTS

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Wiley School District Number RE-13JT (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Wiley School District Number RE-13JT. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Designated Purpose Grant Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.      Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

Designated Purpose Grants – Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, No Child Left Behind programs which must be expended as designated by the grantor agency.

Additionally, the District reports the following fund type: Trust and Agency Fund

The Student Activity Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E.      Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F.      Receivables

Property taxes levied in 2017 but uncollected in 2018 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2018 are recorded as deferred revenue. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G.    Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H.    Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (8-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.    Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

In addition to liabilities, the statement of financial position and governmental balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

K. Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1996 the registered voters approved a ballot resolution authorizing Wiley School District Number RE-13JT to collect, retain and expend all revenues collected during 1995 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2018 the District reserved \$86,500 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2017 property tax calendar for Prowers and Bent Counties was as follows:

Levy Date	December 15, 2017
Lien Date	January 1, 2018
Tax Bills Mailed	January 1, 2018
First Installment Due	February 28, 2018
Second Installment Due	June 15, 2018
If Paid in Full, Due	April 30, 2018
Tax Sale – 2016 Delinquent Property Taxes	October 25, 2017

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M.    Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N.    Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O.    GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O.    GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	4,515	-	4,515
Prepays	23,502	-	-	-	23,502
<u>Restricted:</u>					
Emergencies	86,500	-	-	-	86,500
Multi Year Obligations	89,498	-	-	-	89,498
Food Service	-	-	21,914	-	21,914
<u>Committed:</u>					
Insurance	7,502	-	-	-	7,502
Capital Outlay	-	6,413	-	-	6,413
<u>Assigned:</u>					
Pupil Activities	-	-	-	2,044	2,044
<u>Unassigned</u>	<u>2,415,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,415,225</u>
<u>Total Fund Balances</u>	<u>2,622,227</u>	<u>6,413</u>	<u>26,429</u>	<u>2,044</u>	<u>2,657,113</u>

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	85,000	-
Student Athletics Special Revenue Fund	-	25,000
Food Service Fund	-	-
Capital Reserve – Capital Project Fund	-	<u>60,000</u>
	<u>85,000</u>	<u>85,000</u>
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	-	-
Food Service Fund	-	-
	<u>-</u>	<u>-</u>

NOTE 3      BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 3      BUDGETARY INFORMATION (Continued)

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General, Special Revenue, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4      CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 4      CASH AND INVESTMENTS (Continued)

At June 30, 2018, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,322,351	2,331,274
Cash with County Treasurer	<u>10,734</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,583,085</u>	<u>2,581,274</u>

As presented above, deposits with a bank balance of \$2,331,274 and a carrying balance of \$2,322,351 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2018, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
CSafe	External Investment	Under 60 Days	332,257

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

**Credit Risk** – State Law limits the type of investments allowable. The investment in CSafe were rated AAA by Standard & Poor's.

**Concentration of Credit Risk** – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2018:

- CSafe Investment Pool – Investments in this pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Non-Depreciable Assets:</u>				
Land	35,936	-	-	35,936
<u>Depreciable Assets:</u>				
Buildings	4,344,872	133,830	-	4,478,702
Site Improvements	628,976	-	-	628,976
Vehicles	561,601	-	-	561,601
Equipment	132,162	14,230	-	146,392
Food Service	83,413	-	-	83,413
<u>Total Depreciable Assets</u>	<u>5,751,024</u>	<u>148,060</u>	<u>-</u>	<u>5,899,084</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Buildings	3,068,874	104,365	-	3,173,239
Site Improvements	366,976	23,969	-	390,945
Vehicles	495,897	11,253	-	507,150
Equipment	101,898	5,987	-	107,885
Food Service	50,946	8,155	-	59,101
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>4,084,591</u>	<u>153,729</u>	<u>-</u>	<u>4,238,320</u>
<u>Total Capital Assets, Net</u>	<u>1,702,369</u>	<u>(5,669)</u>	<u>-</u>	<u>1,696,700</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction	128,992
School Administration	2,112
Operations and Maintenance	3,217
Transportation	11,253
Food Service	8,155
<u>Total Depreciation Expense –Governmental Activities</u>	<u>153,729</u>

NOTE 6      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, and June 30, 2018, are estimated to be \$224,237. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 7      PENSION PLAN

**Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

Pensions. Wiley School District Number RE-13JT participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

General Information about the Pension Plan

Plan description. Eligible employees of the Wiley School District Number RE-13JT are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

Benefits provided as of December 31, 2017. 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:

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 7      PENSION PLAN (Continued)

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

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

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

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

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

As of December 31, 2017, 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. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      PENSION PLAN (Continued)

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.

*Contribution provisions as of June 30, 2018.* Eligible employees and Wiley School District Number RE-13JT are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	5.000%	5.50%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>18.63%</b>	<b>19.13%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Wiley School District Number RE-13JT is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Wiley School District Number RE-13JT were \$245,649 for the year ended June 30, 2018.

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

At June 30, 2018, the Wiley School District Number RE-13JT reported a liability of \$9,048,445 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Wiley School District Number RE-13JT proportion of the net pension liability was based on Wiley School District Number RE-13JT contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the Wiley School District Number RE-13JT proportion was 0.0279 percent, which was an increase of 0.0002 to its proportion measured as of December 31, 2016.



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      PENSION PLAN (Continued)

For the year ended June 30, 2018, the Wiley School District Number RE-13JT recognized pension expense of \$1,563,934. At June 30, 2018, the Wiley School District Number RE-13JT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	166,363	-
Changes of assumptions or other inputs	2,310,404	(14,661)
Net difference between projected and actual earnings on pension plan investments	179,381	(534,722)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	52,708	(67,696)
Contributions subsequent to the measurement date	123,985	N/A
Total	2,832,841	(617,079)

\$123,985 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	1,390,636
2020	818,430
2021	16,391
2022	(133,680)
2023	-
Thereafter	-

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      PENSION PLAN (Continued)

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      PENSION PLAN (Continued)

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

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

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

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 7      PENSION PLAN (Continued)

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

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 7**      **PENSION PLAN (Continued)**

*Sensitivity of the Wiley School District Number RE-13JT proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 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 (3.78 percent) or 1-percentage-point higher (6.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	11,429,725	9,048,445	7,107,974

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 7**      **PENSION PLAN (Continued)**

At June 30 2018, the Wiley School District Number RE-13JT reported a liability of \$9,048,445 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the Wiley School District Number RE-13JT's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	4,088,009

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$4,223,870 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Wiley School District Number RE-13JT 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 which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$369.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

**NOTE 8**      OTHER POST EMPLOYMENT BENEFITS

**Defined Benefit And Other Post Employment Benefit (OPEB) Plan**

Summary of Significant Accounting Policies

*OPEB.* Wiley School District Number RE-13JT participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

*Plan Plan description.* Eligible employees of the Wiley School District Number RE-13JT are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

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

*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.



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
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 June 30, 2018

**NOTE 8**      OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Wiley School District Number RE-13JT is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Wiley School District Number RE-13JT were \$13,272 for the year ended June 30, 2018.

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

At June 30, 2018, the Wiley School District Number RE-13JT reported a liability of \$206,628 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Wiley School District Number RE-13JT proportion of the net OPEB liability was based on Wiley School District Number RE-13JT contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Wiley School District Number RE-13JT proportion was 0.0159 percent, which was an increase of 0.0001 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Wiley School District Number RE-13JT recognized OPEB expense of \$4,918. At June 30, 2018, the Wiley School District Number RE-13JT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	977	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(3,457)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,478	-
Contributions subsequent to the measurement date	6,611	N/A
Total	9,066	(3,457)

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

\$6,611 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	(382)
2020	(382)
2021	(382)
2022	(382)
2023	482
Thereafter	44

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

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

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

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per 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 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      OTHER POST EMPLOYMENT BENEFITS (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

Sensitivity of the Wiley School District Number RE-13JT 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	200,943	206,628	213,476

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 8      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Wiley School District Number RE-13JT 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	232,315	206,628	184,704

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 9      JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the Santa Fe Trail 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 District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2017, the latest available information, is as follows:

Assets and Deferred Outflows	3,380,566
Liabilities and Deferred Inflows	<u>6,557,276</u>
Net Position	<u>(3,176,710)</u>
Revenues	2,449,802
Expenses	<u>3,215,297</u>
Change in Net Position	<u>(765,495)</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and financial statements are filed with Colorado State Auditor's Office.

NOTE 10      LONG-TERM DEBT

	Balance <u>7-01-2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6-30-2018</u>	Current <u>Portion</u>
QZAB Bonds	<u>76,095</u>	<u>      -</u>	<u>76,095</u>	<u>-0-</u>	<u>-0-</u>

During the year ended June 30, 2004, the District issued \$1,214,000 in Qualified Zone Academy Bonds (QZABs). These bonds were created by Section 226 (a) of the Taxpayer Relief Act of 1997. The act allowed the issuance of debt by public schools within empowerment enterprise zones to be interest free. There must be an education program designed in cooperation with businesses and receive a private business contribution that is not less than 10% of the net present value of the bond proceeds. Payments were made semi-annually in varying amounts to advance fund the required payment in July 2018 of \$1,214,000.



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 11      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2018.

An audited summary of the Colorado School District's Pool financial information for the six months ended June 30, 2017 (latest information available) follows:

Total Assets	<u>42,273,940</u>
Total Liabilities	<u>11,655,251</u>
Total Surplus	<u>30,618,689</u>
Revenue	7,429,394
Underwriting Expenses	<u>4,126,717</u>
Underwriting Gain (Loss)	3,302,677
Net Investment Income	276,653
Other Income	-
Net Income (Loss) Before Dividend	<u>3,579,330</u>
Dividend	-
Net Income	<u>3,579,330</u>
Change in Non Admitted Assets	<u>235,606</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>30,618,689</u>

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

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NOTE 12    COMPENSATED ABSENCES

The District has a compensated absence policy. For the year ended June 30, 2018 a liability of \$51,984 was recorded in the statement of Net Position. A summary of changes in compensated absences is as follows:

<u>Beginning Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2018</u>
<u>46,110</u>	<u>5,874</u>	<u>—</u>	<u>51,984</u>

NOTE 13    RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 14    INTERFUND ACTIVITY

Transfers of \$25,000 to the Student Activity Special Revenue Fund and \$60,000 to the Capital Reserve-Capital Project Fund were made by the General Fund to support operations.

NOTE 15    RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(1,177,745) has been changed by the net OPEB liability at June 30, 2017 of \$(204,373) and related deferred flows of \$8,272, resulting in a restated beginning net position of \$(1,373,846).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

## BUDGET INFORMATION

### General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

### Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Designated Purpose Grants Fund – This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	213,000	283,000	339,840	56,840
Specific Ownership Taxes	35,000	42,500	45,170	2,670
Earnings on Investments	11,000	11,000	11,967	967
Delinquent Taxes & Interest	1,200	1,700	1,723	23
Other	60,150	86,750	82,574	(4,176)
<u>State Sources</u>				
Equalization	2,000,905	2,018,000	2,200,326	182,326
Transportation	14,500	14,500	14,061	(439)
Vocational Education	20,000	15,633	13,837	(1,796)
Other	103,012	126,190	92,938	(33,252)
<u>Federal Sources</u>				
Designated Purpose Grants	13,433	19,611	23,966	4,355
Other	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>2,472,200</u></b>	<b><u>2,618,884</u></b>	<b><u>2,826,402</u></b>	<b><u>207,518</u></b>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	994,595	1,015,650	968,360	47,290
Employee Benefits	358,951	363,412	329,569	33,843
Purchased Services - Professional	147,225	147,225	112,291	34,934
Purchased Services - Property	3,000	3,080	360	2,720
Purchased Services - Other	14,425	14,425	8,007	6,418
Supplies and Materials	58,912	68,247	41,367	26,880
Property	7,890	110,133	87,964	22,169
Other Objects	15,400	17,144	10,571	6,573
<u>Total Instruction</u>	<u>1,600,398</u>	<u>1,739,316</u>	<u>1,558,489</u>	<u>180,827</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	11,670	11,670	13,165	(1,495)
Employee Benefits	5,863	5,863	5,770	93
Purchased Services - Professional	19,000	19,200	19,123	77
Supplies and Materials	23,400	23,400	15,669	7,731
Other Objects	500	500	65	435
<u>Total Student Services</u>	<u>60,433</u>	<u>60,633</u>	<u>53,792</u>	<u>6,841</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	17,200	17,200	17,200	-
Employee Benefits	3,689	3,689	3,620	69
Purchased Services – Professional	36,900	36,900	17,035	19,865
Purchased Services – Other	7,250	7,250	3,538	3,712
Supplies and Materials	3,500	3,500	388	3,112
<u>Total Instructional Staff</u>	<u>68,539</u>	<u>68,539</u>	<u>41,781</u>	<u>26,758</u>
<u>General Administration</u>				
Salaries	76,698	76,698	76,698	-
Employee Benefits	28,452	28,452	27,609	843
Purchased Services – Professional	17,500	17,650	12,175	5,475
Purchased Services – Other	11,350	11,350	4,692	6,658
Supplies and Materials	1,600	1,600	837	763
Other Objects	8,900	8,900	6,878	2,022
<u>Total General Administration</u>	<u>144,500</u>	<u>144,650</u>	<u>128,889</u>	<u>15,761</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	101,653	101,653	99,908	1,745
Employee Benefits	38,637	38,637	35,043	3,594
Purchased Services – Other	500	500	-	500
Supplies and Materials	6,850	6,850	5,171	1,679
Other Objects	4,800	4,800	4,010	790
<u>Total School Administration</u>	<u>152,440</u>	<u>152,440</u>	<u>144,132</u>	<u>8,308</u>
<u>Business Services</u>				
Salaries	55,251	55,251	45,251	10,000
Employee Benefits	11,937	11,937	9,536	2,401
Purchased Services – Professional	10,100	10,100	7,610	2,490
Purchased Services – Property	13,600	13,600	11,407	2,193
Purchased Services – Other	6,100	6,100	2,618	3,482
Supplies and Materials	5,800	5,800	2,586	3,214
<u>Total Business Services</u>	<u>102,788</u>	<u>102,788</u>	<u>79,008</u>	<u>23,780</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	68,147	68,147	63,733	4,414
Employee Benefits	31,283	31,283	27,817	3,466
Purchased Services – Property	67,900	67,900	39,110	28,790
Purchased Services – Other	41,080	10,000	10,352	(352)
Supplies and Materials	127,500	127,500	116,808	10,692
Property	4,000	19,100	16,331	2,769
<u>Total Operations and Maintenance</u>	<u>339,910</u>	<u>323,930</u>	<u>274,151</u>	<u>49,779</u>
<u>Student Transportation</u>				
Salaries	48,620	49,620	49,002	618
Employee Benefits	12,973	12,973	13,640	(667)
Purchased Services – Professional	1,300	1,300	790	510
Purchased Services – Property	18,600	18,500	20,823	(2,323)
Purchased Services – Other	6,500	2,600	1,866	734
Supplies and Materials	24,500	24,500	19,176	5,324
<u>Total Student Transportation</u>	<u>112,493</u>	<u>109,493</u>	<u>105,297</u>	<u>4,196</u>
<u>Central Support</u>				
Purchased Services – Other	32,100	72,500	63,375	9,125
<u>Total Central Support</u>	<u>32,100</u>	<u>72,500</u>	<u>63,375</u>	<u>9,125</u>
<u>Total Supporting Services</u>	<u>1,013,203</u>	<u>1,034,973</u>	<u>890,425</u>	<u>144,548</u>
<u>Debt Service</u>				
Principal	65,000	63,000	63,000	-
<u>Total Debt Service</u>	<u>65,000</u>	<u>63,000</u>	<u>63,000</u>	<u>-</u>
<u>Appropriated Reserves</u>	<u>1,890,021</u>	<u>2,081,834</u>	<u>-</u>	<u>2,081,834</u>
<u>TOTAL EXPENDITURES</u>	<u>4,568,622</u>	<u>4,919,123</u>	<u>2,511,914</u>	<u>2,407,209</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,096,422)</u>	<u>(2,300,239)</u>	<u>314,488</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(100,000)	(100,000)	(85,000)	15,000
<u>Total Other Financing Sources (Uses)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(85,000)</u>	<u>15,000</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(2,196,422)</u>	<u>(2,400,239)</u>	<u>229,488</u>	
<u>FUND BALANCE, July 1</u>	<u>2,196,422</u>	<u>2,400,239</u>	<u>2,392,739</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,622,227</u>	

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
DESIGNATED PURPOSE GRANTS – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local Sources	-	-	727	727
State Sources	8,582	11,640	8,904	(2,736)
Federal Sources	<u>86,035</u>	<u>94,957</u>	<u>66,642</u>	<u>(28,315)</u>
<u>Total Revenues</u>	<u>94,617</u>	<u>106,597</u>	<u>76,273</u>	<u>(30,324)</u>
<u>Expenditures</u>				
Salaries	35,000	35,000	35,400	(400)
Employee Benefits	14,228	14,228	10,929	3,299
Purchased Services – Other	625	10,000	2,910	7,090
Supplies and Materials	25,893	33,928	18,481	15,447
Property	25,716	25,727	8,553	17,174
Other Objects	-	-	-	-
<u>Total Expenditures</u>	<u>101,462</u>	<u>118,883</u>	<u>76,273</u>	<u>42,610</u>
<u>Revenues Over (Under) Expenditures</u>	(6,845)	(12,286)	-	
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
<u>Revenues and Sources Over (Under) Expenditures and Uses</u>				
	(6,845)	(12,286)	-	
<u>FUND BALANCES, July 1</u>	<u>6,845</u>	<u>12,286</u>	-	
<u>FUND BALANCES, June 30</u>	-	-	-	

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



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0280%	0.0277%	0.0283%	0.0296%	0.0301%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$9,048,445	\$8,256,801	\$4,330,597	\$4,007,683	\$3,833,977	-	-	-	-	-
District's covered-employee payroll	\$1,301,171	\$1,277,921	\$1,270,584	\$1,244,953	\$1,215,372	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	695%	646%	319%	322%	315%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%	62.80%	64.06%	-	-	-	-	-

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 245,649	\$ 234,875	\$ 216,362	\$ 210,106	\$ 194,252	\$ 181,607	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (245,649)</u>	<u>\$ (234,875)</u>	<u>\$ (216,362)</u>	<u>\$ (210,106)</u>	<u>\$ (194,252)</u>	<u>\$ (181,607)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$1,301,171	\$1,277,921	\$1,220,584	\$1,244,953	\$1,215,372	\$1,203,929	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.88%	18.38%	17.72%	16.88%	15.98%	15.08%	-	-	-	-

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0159%	0.0158%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$206,628	\$204,373	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,301,171	\$1,277,921	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.88%	15.99%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.71%	-	-	-	-	-	-	-	-

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 13,272	\$ 13,034	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (13,272)</u>	<u>\$ (13,034)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,301,171	\$1,277,921	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

AND OTHER SCHEDULES

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Service Fund – This fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

Student Athletics Fund – This fund is used to account for the costs associated with school athletics programs. It is funded by event receipts and transfers from the General Fund.

### Capital Project Funds

Capital Reserve – Capital Project Fund – This fund is used to account for resources assigned for purposes of acquisition or improvement to existing capital assets.

### Fiduciary Funds

Student Activity Agency Fund – This fund is used to account for amounts held by the District in a fiduciary capacity for student clubs and organizations.

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Capital Reserve Capital Project</u>	<u>Food Service</u>	<u>Student Athletics</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>				
Cash	7,038	30,264	2,044	39,346
Investments	-	-	-	-
Accounts Receivable	-	-	-	-
Accrued Revenue	-	-	-	-
Due From Other Funds	-	-	-	-
Inventories	-	<u>4,515</u>	-	<u>4,515</u>
<u>Total Assets</u>	<u>7,038</u>	<u>34,779</u>	<u>2,044</u>	<u>43,861</u>
 <u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	625	-	-	625
Accrued Salaries	-	8,350	-	8,350
Due To Other Funds	-	-	-	-
Other Payables	-	-	-	-
<u>Total Liabilities</u>	<u>625</u>	<u>8,350</u>	<u>-</u>	<u>8,975</u>
 <u>Fund Balances:</u>				
Nonspendable:				
Inventories	-	4,515	-	4,515
Restricted:				
Food Service	-	21,914	-	21,914
Committed:				
Capital Outlay	6,413	-	-	6,413
Assigned:				
Student Activities	-	-	2,044	2,044
Unassigned	-	-	-	-
<u>Total Fund Balances</u>	<u>6,413</u>	<u>26,429</u>	<u>2,044</u>	<u>34,886</u>
<u>Total Liabilities &amp; Fund Balances</u>	<u>7,038</u>	<u>34,779</u>	<u>2,044</u>	<u>43,861</u>

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Reserve Capital Project</u>	<u>Food Service</u>	<u>Student Athletics</u>	
<u>Revenue</u>				
Earnings on Investments	-	65	12	77
Other Local Sources	-	48,289	13,746	62,035
State Aid	-	2,489	-	2,489
Federal Aid	-	<u>71,405</u>	-	<u>71,405</u>
<u>Total Revenues</u>	<u>-</u>	<u>122,248</u>	<u>13,758</u>	<u>136,006</u>
<u>Expenditures</u>				
Current:				
Instructional Services	-	-	46,011	46,011
Supporting Services:				
Students	-	-	-	-
Instructional Staff	-	-	-	-
Food Service	-	122,061	-	122,061
Insurance	-	-	-	-
Capital Outlay	<u>116,686</u>	-	-	<u>116,686</u>
<u>Total Expenditures</u>	<u>116,686</u>	<u>122,061</u>	<u>46,011</u>	<u>284,758</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	(116,686)	187	(32,253)	(148,752)
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>60,000</u>	-	<u>25,000</u>	<u>85,000</u>
<u>Net Change in Fund Balances</u>	(56,686)	187	(7,253)	(63,752)
<u>Fund Balances – Beginning</u>	<u>63,099</u>	<u>26,242</u>	<u>9,297</u>	<u>98,638</u>
<u>Fund Balances – Ending</u>	<u>6,413</u>	<u>26,429</u>	<u>2,044</u>	<u>34,886</u>

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



WILEY SCHOOL DISTRICT NUMBER RE-13JT  
FOOD SERVICE – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	49,500	48,289	(1,211)
Earnings on Investments	50	65	15
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	2,700	2,489	(211)
<u>Federal Sources</u>			
School Lunches and Breakfast	76,500	71,405	(5,095)
Commodities	-	-	-
<u>Total Revenues</u>	<u>128,750</u>	<u>122,248</u>	<u>(6,502)</u>
 <u>EXPENDITURES</u>			
Salaries	42,700	41,942	758
Employee Benefits	9,160	8,969	191
Purchased Services – Property	1,500	431	1,069
Purchased Services - Other	3,000	575	2,425
Food Purchases	80,000	57,715	22,285
Capital Outlay	1,000	-	1,000
Commodities	10,000	8,894	1,106
Non-Food Supplies	5,200	3,535	1,665
Appropriated Reserves	17,432	-	17,432
<u>Total Expenditures</u>	<u>169,992</u>	<u>122,061</u>	<u>47,931</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(41,242)	187	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	15,000	-	(15,000)
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>			
	(26,242)	187	
<u>FUND BALANCE, July 1</u>	<u>26,242</u>	<u>26,242</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>26,429</u>	

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 CAPITAL RESERVE – CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earnings on Investments	-	-	-
Other Local	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Expenditures</u>			
Building Improvements & Equipment	<u>123,100</u>	<u>116,686</u>	<u>6,414</u>
<u>Total Expenditures</u>	<u>123,100</u>	<u>116,686</u>	<u>6,414</u>
 <u>Revenues Over (Under) Expenditures</u>	 <u>(123,100)</u>	 <u>(116,686)</u>	
 <u>Other Financing Sources (Uses)</u>			
Transfers	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<u>Total Other financing Sources (Uses)</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
 <u>Revenues and Sources Over (Under) Expenditures and Uses</u>	 <u>(63,100)</u>	 <u>(56,686)</u>	
 <u>FUND BALANCES, July 1</u>	 <u>63,100</u>	 <u>63,099</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>6,413</u>	

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 STUDENT ATHLETICS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Earnings on Investments	25	12	(13)
Other Local	<u>15,480</u>	<u>13,746</u>	<u>(1,734)</u>
<u>Total Revenues</u>	<u>15,505</u>	<u>13,758</u>	<u>(1,747)</u>
 <u>Expenditures</u>			
Co-Curricular Instruction	<u>49,805</u>	<u>46,011</u>	<u>3,794</u>
<u>Total Expenditures</u>	<u>49,805</u>	<u>46,011</u>	<u>3,794</u>
 <u>Revenues Over (Under) Expenditures</u>	 (34,300)	 (32,253)	
 <u>Other Financing Sources (Uses)</u>			
Transfers	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
 <u>Revenues and Sources Over (Under) Expenditures and Uses</u>	 (9,300)	 (7,253)	
 <u>FUND BALANCES, July 1</u>	 <u>9,300</u>	 <u>9,297</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>2,044</u>	

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

WILEY SCHOOL DISTRICT NUMBER RE-13JT  
 SCHEDULE OF RECEIPTS AND EXPENDITURES – BUDGET AND ACTUAL  
 STUDENT ACTIVITY AGENCY FUND  
 For the Year Ended June 30, 2018

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	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>RECEIPTS</u>			
Other Local	<u>146,000</u>	<u>129,176</u>	<u>(16,824)</u>
<u>Total Receipts</u>	<u>146,000</u>	<u>129,176</u>	<u>(16,824)</u>
 <u>EXPENDITURES</u>			
Pupil Activities	<u>200,876</u>	<u>121,770</u>	<u>79,106</u>
Net Increase (Decrease) in Deposits Held	(54,876)	7,406	
Deposits Held – Beginning of Year	<u>54,876</u>	<u>54,876</u>	
Deposits Held – End of Year	<u>—</u>	<u>62,282</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 2680 - WILEY RE-13 JT  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>							
10 General Fund	2,385,162		2,593,997		2,360,435		2,614,724
18 Risk Mgmt Sub-Fund of General Fund	7,576		75,181		75,255		7,502
19 Colorado Preschool Program Fund	0		76,222		76,222		0
<b>Sub-Total</b>	<b>2,392,738</b>		<b>2,745,400</b>		<b>2,511,913</b>		<b>2,622,226</b>
11 Charter School Fund	0		0		0		0
20.25-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const. Tech. Main. Fund	0		0		0		0
21 Food Service Spec Revenue Fund	26,242		122,249		122,061		26,430
22 Govt Designated-Purpose Grants Fund	0		76,273		76,273		0
23 Pupil Activity Special Revenue Fund	9,297		38,759		46,011		1,044
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
35 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	63,059		60,000		116,646		6,313
46 Supplemental Cap Const. Tech. Main Fund	0		0		0		0
<b>Totals</b>	<b>2,491,176</b>		<b>3,096,600</b>		<b>2,877,543</b>		<b>2,677,113</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
69 (67-69) Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
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	54,876		129,176		121,770		62,282
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>54,876</b>		<b>129,176</b>		<b>121,770</b>		<b>62,282</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District 2680 - WILEY RE-13 JT  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,782,881	0	12,558	9,945	0	30,264	0	7,038	0	0	0	62,282	0	2,904,968	
Cash with Fiscal Agent (8105)	10,374	0	0	0	0	0	0	0	0	0	0	0	0	10,374	
Other Investment Accounts (8112-8115)	584	0	0	0	0	0	0	0	0	0	0	0	0	584	
Taxes Receivable (8121,8122)	29,800	0	0	0	0	0	0	0	0	0	0	0	0	29,800	
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grants Accounts Receivable (8142)	23,966	0	0	15,118	0	0	0	0	0	0	0	0	0	39,084	
Other Receivables (8151-8154,8161)	8,469	0	0	0	0	0	0	0	0	0	0	0	0	8,469	
Inventories (8171,8172,8173)	0	0	0	0	0	4,516	0	0	0	0	0	0	0	4,516	
Prepaid Expenses 8181,8182)	23,502	0	0	0	0	0	0	0	0	0	0	0	0	23,502	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Assets</b>	<b>2,879,576</b>	<b>0</b>	<b>12,558</b>	<b>25,063</b>	<b>0</b>	<b>34,780</b>	<b>0</b>	<b>7,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,282</b>	<b>0</b>	<b>3,021,297</b>	

	Governmental						Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>														
<b>LIABILITIES</b>														
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	22,613	0	182	816	0	0	0	625	0	0	0	0	0	24,237
Accrued Expenses (7461)	195,693	0	12,375	7,819	0	8,350	0	0	0	0	0	0	0	224,237
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	28,485	0	0	14,383	0	0	0	0	0	0	0	0	0	42,868
Other Current Liabilities (7491,7492,7499)	500	0	0	0	0	0	0	0	0	0	0	0	0	500
Deferred Inflow (7800)	10,059	0	0	0	0	0	0	0	0	0	0	0	0	10,059
<b>Total Liabilities</b>	<b>257,350</b>	<b>0</b>	<b>12,558</b>	<b>23,019</b>	<b>0</b>	<b>8,350</b>	<b>0</b>	<b>625</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301,901</b>



**Governmental**

**Proprietary**

**Fiduciary**

FUND EQUITY	Governmental										Proprietary				Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85				
Non-spendable Fund Balance 6710	23,502	0	0	0	0	4,516	0	0	0	0	0	0	0	0	0	28,018		
Restricted Fund Balance 6720	0	0	0	0	0	21,914	0	0	0	0	0	0	0	0	0	21,914		
TABOR 3% Emergency Reserve 6721	86,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86,500		
TABOR Multi-Year 6722	89,498	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,498		
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		
Committed Fund Balance 6750	7,502	0	0	0	0	0	0	6,413	0	0	0	0	0	0	0	13,915		
Assigned Fund Balance 6760	0	0	0	3,044	0	0	0	0	0	0	0	52,282	0	0	64,326			
Unassigned Fund Balance 6770	2,415,224	0	0	0	0	0	0	0	0	0	0	0	0	0	2,415,224			
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
<b>Total Fund Equity</b>	<b>2,672,226</b>	<b>0</b>	<b>0</b>	<b>2,044</b>	<b>0</b>	<b>26,430</b>	<b>0</b>	<b>6,413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,282</b>	<b>0</b>	<b>0</b>	<b>2,719,395</b>			

Total Liabilities & Fund Equity	Governmental										Proprietary				Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85				
2,879,576	0	0	12,558	25,063	0	34,780	0	7,038	0	0	0	62,282	0	0	3,021,296			

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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