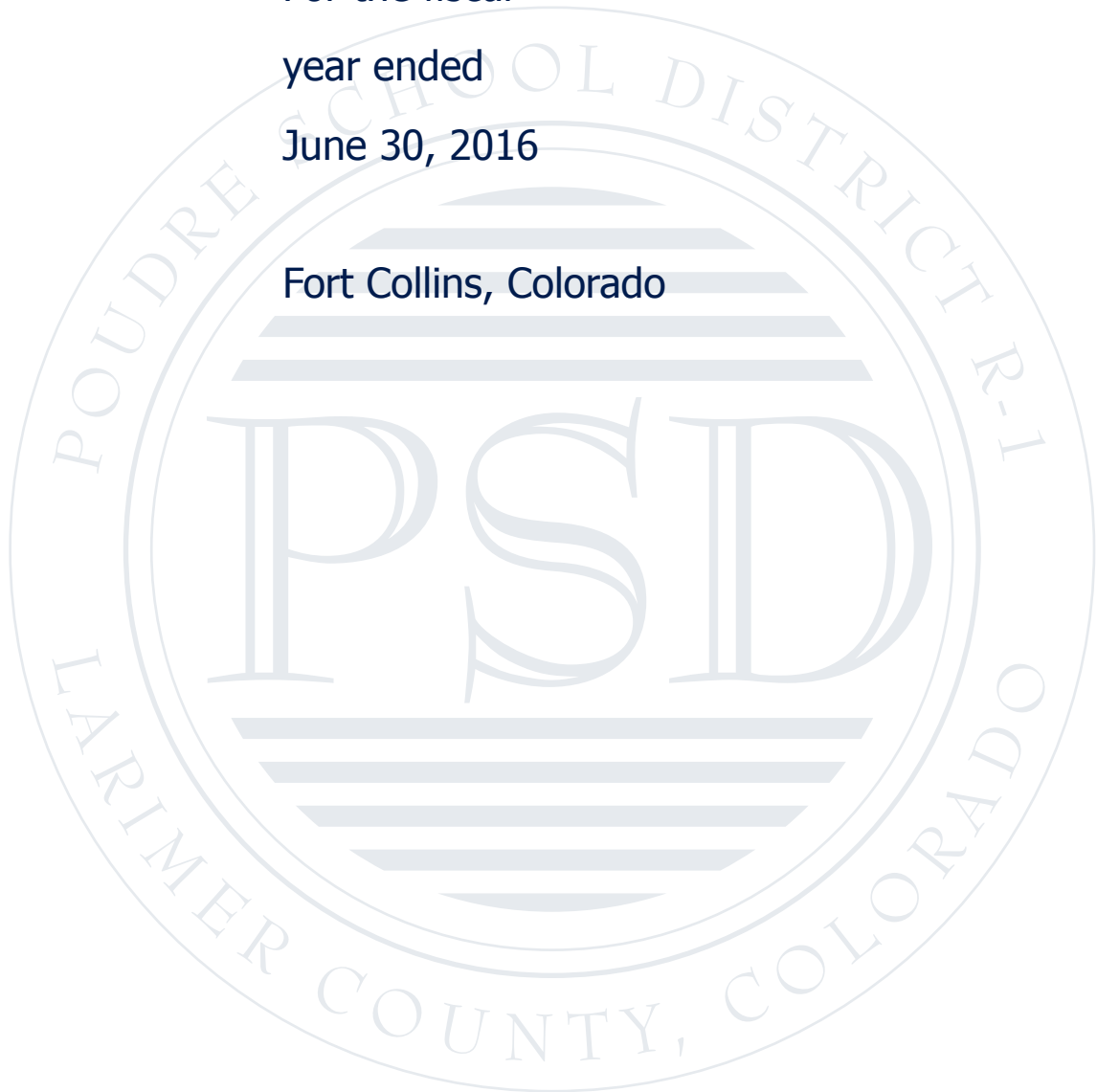




Comprehensive Annual **Financial Report** **2016**

For the fiscal
year ended
June 30, 2016

Fort Collins, Colorado



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Poudre School District, Fort Collins, Colorado

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

**Prepared by:
Poudre School District
Finance Department**

Published December 16, 2016

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For the Fiscal Year Ended June 30, 2016
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Introductory Section

Letter of Transmittal

GFOA Certificate of Achievement for
Excellence in Financial Reporting

ASBO Certificate of Excellence in Financial
Reporting

Organizational Chart

List of Elected and Appointed Officials



December 16, 2016

Board of Education and Citizens
Poudre School District
Fort Collins, Colorado

Colorado law requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we present the Comprehensive Annual Financial Report of Poudre School District for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the financial aspects of Poudre School District. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the information presented, including all disclosures, rests with the Finance Department of Poudre School District. To provide a reasonable basis for making these representations, management of Poudre School District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Poudre School District's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of all operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of Poudre School District's financial activities have been included.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited Poudre School District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Poudre School District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering unmodified opinions that the financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Poudre School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's Single Audit Report for the fiscal year ended June 30, 2016.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the District

Poudre School District (the District) is the reporting entity for financial reporting purposes, and is not included in any other governmental reporting entity. The financial statements of the District include all funds that are controlled by the publicly elected seven-member Board of Education. The Board of Education adopts the budget, selects management, significantly influences operations, and is primarily accountable for fiscal matters.

The District was formed in the 1960-61 school year during a school district consolidation, and is now comprised of 52 schools: 6 high schools (4 comprehensive and 2 alternative), 9 middle schools, 30 elementary schools (including 25 neighborhood schools, 3 remote mountain area schools, and 2 specialized non-neighborhood elementary schools), an expeditionary learning and lab school serving grades K-12, an online school serving grades K-12, a home options school, and 4 charter schools. All school buildings are either new or remodeled in the past 25 years. A large number of the non-mountain schools are located within the City of Fort Collins, Colorado, which is sixty miles north of Denver. The geographic area of Poudre School District is 1,856 square miles located primarily within Larimer County, making it one of the largest districts in Colorado. Included in the District are the City of Fort Collins, the Towns of Timnath, Wellington and a portion of Windsor, and the communities of Bellvue, Laporte, Livermore, Poudre Canyon and Red Feather Lakes.

Student enrollment has increased slightly in the last five years with an average growth rate of 1.5%; K-12 enrollment was 28,611 (including charter schools) for the 2015-16 school year and is projected to increase another 1.5% to approximately 29,000 students. Approximately 11,500 of these students were transported by the District's bus services each day, and an estimated 11,147 students per day ate the regular school lunch provided by the District's food services. The District employed approximately 3,360 full-time equivalent units. Teachers average 12 years' experience and 64 percent hold master's degrees and above. More than 20,000 parents and community members directly support student education by serving on School Accountability Committees, the District Accountability Committee, the District Advisory Board, or by volunteering.

Poudre School District (referred to as the primary government in some portions of this document) provides a full range of educational programs and services authorized by Colorado State Statutes. Included are basic kindergarten through twelfth-grade (K-12) education as well as preschool, special, vocational, gifted and talented, bilingual education and numerous services and programs. The District's standards-based curriculum challenges all students to achieve at high levels, meeting or exceeding the state's educational requirements. While the District's K-12 curriculum is delivered in its neighborhood school system, the District offers a variety of programs that meet academic standards through alternative curricula and instructional delivery methods. The District's "School Choice" program allows families to select schools that meet their children's educational needs. These offerings include International Baccalaureate, Core Knowledge Curriculum, Bilingual Immersion, Expeditionary Learning, elementary focus schools, non-traditional/non-graded, advanced placement, post-secondary college credit, alternative secondary, and online programs.

The District is fully accredited by the Colorado Department of Education Accreditation and Accountability Unit maintaining a positive rating in all three Key Performance Indicators. The District is subject to periodic monitoring to ensure continued compliance with accreditation standards. The District has never lost its accreditation. Additionally, the District is in compliance with the state required financial policies and procedures. The legal level of budgetary control for the District is the fund level.

Component units are included in the District's reporting entity because of the nature and significance of their operational or financial relationship with the District. Included as component units are four charter schools (Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori). For more information related to these component units, refer to the Notes to Basic Financial Statements.

Achievement

Poudre School District prides itself on providing an outstanding education to our students. The mission of the District is "Educate...Every Child, Every Day" while the vision states "Poudre School District exists to support and inspire every child to think, to learn, to care, and to graduate prepared to be successful in a changing world." Following are some highlights related to achievement during the 2015-16 school year.

- District graduates earned approximately \$38 million in scholarships with multiple students attending prestigious universities: American University, Brown University, California Institute of Technology, Carnegie Mellon University, Colorado School of Mines, Cornell College, Creighton University, Dartmouth College, George Washington University, Harvey Mudd College, Northwestern University, Oberlin College, Stanford University, University of Notre Dame, U.S. military academies, and West Point Military Academy, Vanderbilt University.
- PSD has an amazing number of students who have been selected as prestigious scholars including 18 National Merit Scholars, two Boettcher Scholars, and three Daniels Fund scholars. In addition, eight PSD students earned perfect ACT scores, four students earned military appointments, 151 students earned an International Baccalaureate diploma, and 186 students graduated with an Advanced Placement endorsed diploma.
- 88% of graduates completed at least one post-secondary class prior to graduation.
- District-wide averages for students who met or exceeded expectations on standardized tests remain well ahead of state averages.
- Dropout rate was 1.5% in 2014-15.
- 11th and 12th grade students consistently perform higher than students statewide and nationwide on college entrance exams. Scores from the Pre-SAT test, administered to tenth grade students during spring 2016 for the first time, show that the percentage of PSD students who met both literacy and math Career Readiness benchmarks exceeds the state by about 20%. District students scored an average composite score of 22.2 compared to a statewide average of 20.6.
- Numerous students across the District were awarded local, regional, state or national recognition.
- Poudre School District earned the U.S. Department of Education Green Ribbon Schools award for efforts to improve student health and reduce environmental impact.

PSD also continues to address the needs of its lower-rated schools on a number of levels:

- Improvement Plans are being implemented in all schools to address strategies for helping low-performing students. Improvement strategies are listed in each school's accountability plan.
- PSD receives extensive diagnostic analyses from the CMAS and MAP testing programs to improve instruction. These assessment results provide detailed information regarding student progress toward learning the Colorado Academic Standards. PSD is providing expanded data analysis training for teachers, principals, and curriculum facilitators so they can effectively use the data to improve instructional strategies.
- PSD continues to educate parents and encourage parental support and involvement in their student's education.

Economic Condition and Outlook

U.S. and Colorado economies continue to expand amid weakness in some areas. Ongoing growth has been sustained by healthy increases in consumer spending, as many households are reaping the benefits of a labor market at full employment. Meanwhile, investment by businesses has declined, as business owners struggle to combat a fragile global economy, low energy and agricultural prices, and rising competition for employees.

Colorado's economy, which had led the nation through the better part of the expansion, is now in line with the national economy by most measures. The state is still feeling the effects of the oil price crash at the end of 2014 as energy companies and related businesses adjust to a new business environment. Caution among households and a shift toward consumption of services is constraining retail purchases and sales tax revenue. Separately, immigration and household formation are supercharging demand for housing, boosting the state's construction industry, bolstering home values, and driving inflation.

The national and state economies are anticipated to grow modestly through the forecast period. While business confidence will likely remain meager in the near term, the private sector is eventually expected to benefit from a gradual rebound in oil prices, as well as a global economy outdistancing the worst of its troubles. The Federal Reserve is expected to raise interest rates at a slow but deliberate pace, beginning in 2016 and continuing through 2017.

Northern Colorado economic conditions continue to be the strongest in the state. However, the decline in oil prices has adversely impacted Weld County which makes up the eastern portion of the region. In Larimer County, where the District is located, growth in employment has grown faster than the State in the first seven months of 2016. In

oil-dependent Weld County, employment growth thus far in 2016 is only one quarter of the growth that occurred in 2015. Accordingly, while the Larimer County unemployment rate remains among the lowest in the State, the Weld County rate has begun to tick upward. Residential construction permits in Larimer County have increased in 2016, while Weld County permits have declined. Retail sales exhibit a similar pattern with growth in Larimer County and declines in Weld County.

Budget Impact

The primary source of revenue provided to the District is defined in the current provisions of the Colorado Public School Finance Act of 1994, as amended annually. Funding provided from this Act is provided by a combination of local property tax, specific ownership tax, primarily from vehicle registrations, and state equalization aid. In November 2000, voters approved State Constitutional Amendment 23. Amendment 23 requires K-12 funding to increase by inflation plus 1% from 2001-2011 and by inflation after that. However, because of the past economic downturn and Colorado's resulting budget challenges, increases that would otherwise be applied as defined under Amendment 23 will not be fully implemented through 2016-17. In June 2014 a lawsuit was filed against the State (Dwyer vs. State of Colorado) with the argument that reductions applied to K-12 funding are unconstitutional under Amendment 23. However, in September of 2015 the Colorado Supreme Court ruled that these reductions are constitutional. There are currently no Colorado school finance lawsuits outstanding.

Colorado's funding challenges have weighed heavily on all school districts in the State requiring an initial reduction of \$382 million below the amount that should be funded for K-12 education for fiscal year 2010-11. In fiscal year 2011-12 the legislature introduced a "negative factor" to Colorado's School Finance Formula. This "negative factor" quantifies the gap between the amounts that would otherwise be provided under Amendment 23 and the actual amount provided to school districts in Colorado through the School Finance Formula. For fiscal year 2011-12 the "negative factor" or gap in funding grew to \$774 million or a reduction of approximately 13%. The "negative factor" further advanced to \$1.0 billion for fiscal years 2012-13 and 2013-14. In 2014-15 and 2015-16 the State Legislature took action to reduce the "negative factor" by over \$100 million. The total "negative factor" for 2015-16 was \$830 million.

The Governor's office has presented the proposed State Budget which will be used to begin budget discussions for the 2017 Legislative Session. The Governor's budget proposal anticipates partial funding for inflation and student growth. Inflation is estimated at 2.7%, and would increase base per pupil funding from \$6,367.90 to \$6,539.83, an increase of \$171.93. However, the negative factor is expected to increase by \$45 million, bringing the total projected negative factor to be \$876 million in fiscal year 2016-17. It is expected that the current gap in funding will remain into the foreseeable future, without a structural change to the State's budget and how K-12 education is funded in Colorado.

In response to the reductions applied to K-12 in the recent past, Poudre School District has implemented budget reductions over the last several years to meet shortfalls in the School Finance Formula. The District is actively monitoring the condition of the State's budget, which ultimately impacts the majority of revenue available to the District. The District continues a long history of good financial standing and is positioned well to weather future uncertainty that may arise over the next few years.

Long-Term Financial Planning/Major Focus Areas

District Ends

The Board of Education's District Ends Policy outlines the overarching goals for the District. The Board of Education created the District Ends (revised August 2015) with input from all community stakeholders including administrators, classified staff, teachers, parents and business leaders.

The Superintendent is charged with implementing programs to fulfill these goals and objectives. The Policy outlines PSD's four major goals, which seek to ensure that all students have a well-rounded education that prepares them to succeed in a changing world.

1. Foundations for Success: Colorado Academic Standards/Wellness
2. Success in a changing world: Post-Secondary Readiness
3. Above and Beyond: Individual levels of excellence for students

4. Connections: Academically and Socially connected to the school community

These goals incorporate specific 21st Century Skills the Board and District believe are necessary for students to succeed beyond high school either in a post-secondary institution or in the competitive workforce.

Through the improvement process, PSD also creates a Unified Improvement Plan each year which outlines areas for improvement and strategies and means by which the district is working to increase student achievement. All current District Unified Improvement Plans (and those for each school) are posted on the Colorado Department of Education's SchoolVIEW webpage for public review.

Standards-Based Teaching and Learning Framework

The Standards-Based Teaching and Learning Framework Task Force was inspired and motivated to establish a teaching and learning framework that serves all students. A priority was to create a common set of expectations explicitly identifying the roles of students, educators, administrators, and parents/guardians, knowing that the contributions from each of these groups would be integral to the future success of the framework. The Standards-Based Teaching and Learning Framework is the collective effort of multiple stakeholder groups who believe in the value of aligned expectations aiming for the highest levels of organization success.

The framework is designed around five primary dimensions: Purpose; Curriculum & Pedagogy; Assessment for Student Learning; Student Engagement; and Classroom Environment & Culture. While these dimensions are universal, the organization of the framework is directly influenced by the work of the Center for Educational Leadership at the University of Washington.

In each of the five dimensions, sub-dimension categories provide additional specificity and outline the key characteristics of the dimension. Expectations for students, educators, building administrators, central office support services and parents/guardians are identified within each of these sub-dimensions.

Resources to support a deeper understanding of each dimension are included in the Online Toolkit version of the framework, which is accessible to all stakeholders from the District's website. These resources are designed to provide additional examples of the most successful practices and models from the field in each respective category. A process for maintaining these resources is in place to ensure that this component of the framework is appropriately updated.

Facilities Planning Process

Long range facilities planning is part of PSD's ongoing work to create positive learning environments for all students. PSD updates its Comprehensive Facilities Master Plan approximately every 7 to 10 years. PSD last completed a Master Plan in 2007. The current master planning effort began in 2013.

During this effort, the district has:

- Conducted a comprehensive demographic survey in partnership with Strategic Resources West, Inc.
- Convened a Long Range Planning Group, comprised of internal and external experts, to develop a preliminary Facilities Master Plan recommendation.
- Vetted the preliminary Facilities Master Plan recommendation through a series of more than 165 public meetings, in person and via live-stream, for thousands of participants, including staff, parents and community members.
- Convened a Community Facilities Advisory Committee, consisting of parents, business leaders, community members, and members of previous district Mill & Bond Committees, to advise the district as it prepared its recommendations

Needs Assessment. As the District's long range planning group began its planning efforts, three time periods of action related to the development and implementation of an updated Comprehensive Facilities Master Plan were identified: Immediate need (2015-2017); mid-term need (2018-2022); and long-term need (2022-2035 and beyond).

Given growth within District boundaries, both experienced and anticipated in the near-term, the long range planning group focused its efforts on developing a Comprehensive Facilities Master Plan update that addresses the facilities needs of the district between the years 2016 and 2022. Within this 2016-2022 timeframe, long range planning efforts have led to the development of a plan comprised of several parts that addresses both immediate and mid-term needs related to growth within the district.

Immediate Needs and Proposed Solutions. The region in which the District is located is currently experiencing notable population growth. Based on the demographic studies conducted by Strategic Resources West, Inc., this population growth is likely to continue well into the future. As a result of this population growth, many District schools, particularly in the southeast quadrant of the District, are currently experiencing challenges related to building capacity. This strain on building capacity has led to the identification of several areas of immediate facilities-related need that have been or will be addressed as early as the 2016-17 school year. Proposed solutions to address immediate needs include: ongoing school choice management, modular placements, and relocation of district placed programs to alternative facilities.

Mid-Term Needs and Proposed Solutions to Address Growth. Given the population growth already underway within the District, an updated Comprehensive Facilities Master Plan has been designed to address growth with permanent facilities in the mid-term (2016-2022). Proposed solutions to address these needs include: (i) a new Southeast elementary school east of I-25 to alleviate pressure at Bacon, Bethke and Timnath elementary schools; (ii) permanent addition to Zach Elementary School to replace temporary placements of current and immediate need modular classrooms and accommodate growth in the Zach neighborhood; (iii) Early Childhood Relocation and Boundary Modification to Riffenburgh Elementary to make additional classroom space available to accommodate neighborhood growth; (iv) a new middle/high school east of I-25 at the Prospect site owned by the District to alleviate pressure at Leshner and Preston Middle Schools and Fossil Ridge High School, which will transition to a high school concurrent with construction of a new middle school east of I-25 in the future; (v) a new middle/high school in or near the Town of Wellington at a new site in or near Wellington to alleviate pressure at Wellington Middle School and Poudre High School, which may transition to a high school concurrent with possible construction of a new middle school in or near Wellington at some time at least 10 years out; and (vi) new athletics complex at the new middle/high school east of I-25. The long range plan anticipates cost of \$313 million toward this effort.

In addition to the potential new facilities outlined above, the plan also includes a database of infrastructure/facilities improvements identified as deferred and/or anticipated maintenance and instructionally focuses school requests. The long range plan anticipates targeting at least \$40 million toward these efforts.

Financing. To finance the long range plan, the Board of Education approved a resolution August 2016 calling an election on November 8, 2016 authorizing ballot issues for an \$8 million mill levy override for the payment of operating costs, included but not limited to: (a) operating costs for new buildings, (b) new and existing school and school support staff salaries (including but not limited to teachers, principals, paraprofessionals, special education, English language, mental health, school resource officers, custodial, transportation, and facilities), (c) new and existing school materials, equipment, and technology, and (d) financial support to existing schools for growth. In addition, the resolution also calls for the issuance of \$375 million in general obligation bonds for the purpose of acquiring, constructing, improving, equipping and furnishing district buildings and other property, including but not limited to: (a) new schools and additions to existing schools, (b) ongoing facilities improvements, (c) a new transportation facility, and (d) a new athletic complex.

Audit Committee

The Board of Education established an Audit Committee within Poudre School District. The primary function of the Audit Committee is to assist the Board of Education in fulfilling its financial oversight responsibilities. Meetings of the Committee occur approximately every other month. Membership of the Committee includes two Board of Education and five community representatives, as well as ad-hoc representatives from the District. Responsibilities and duties of the Committee include overseeing the independent audit; reviewing annual and quarterly financial statements, the systems of internal controls, and financial and compliance reporting processes; providing an open avenue of communication; participating in the planning, evaluation and reporting process of supplemental engagements or procedures; evaluating the efforts of the external auditor; and presenting annually to the Board of Education and management.

Based on recommendation from the Audit Committee, the District created an internal audit function. The scope and focus of the internal auditor's services concerns those activities that may have a direct impact on the District's compliance with accounting and financial standards, regulations, procedures and policies.

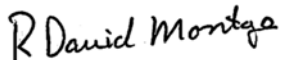
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Poudre School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the eighteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to Poudre School District for the nineteenth consecutive year. We believe that our current comprehensive annual financial report continues to meet the requirements necessary to obtain this certificate, and we are submitting it to the ASBO to determine its eligibility for another certificate.

We extend our appreciation to the entire professional accounting staff of the District's Finance Department. The preparation of this report would not have been possible without their dedicated efforts and expertise, not only during the reporting process, but also throughout the year. Appreciation and recognition is also extended to our independent audit firm, CliftonLarsonAllen LLP, and its professional audit staff for the assistance and analysis provided throughout the year.



R. David Montoya
Executive Director of Finance

Government Finance Officers Association


Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Poudre School District
Colorado

For its Comprehensive Annual
Financial Report for the
Fiscal Year Ended

June 30, 2015



Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Poudre School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

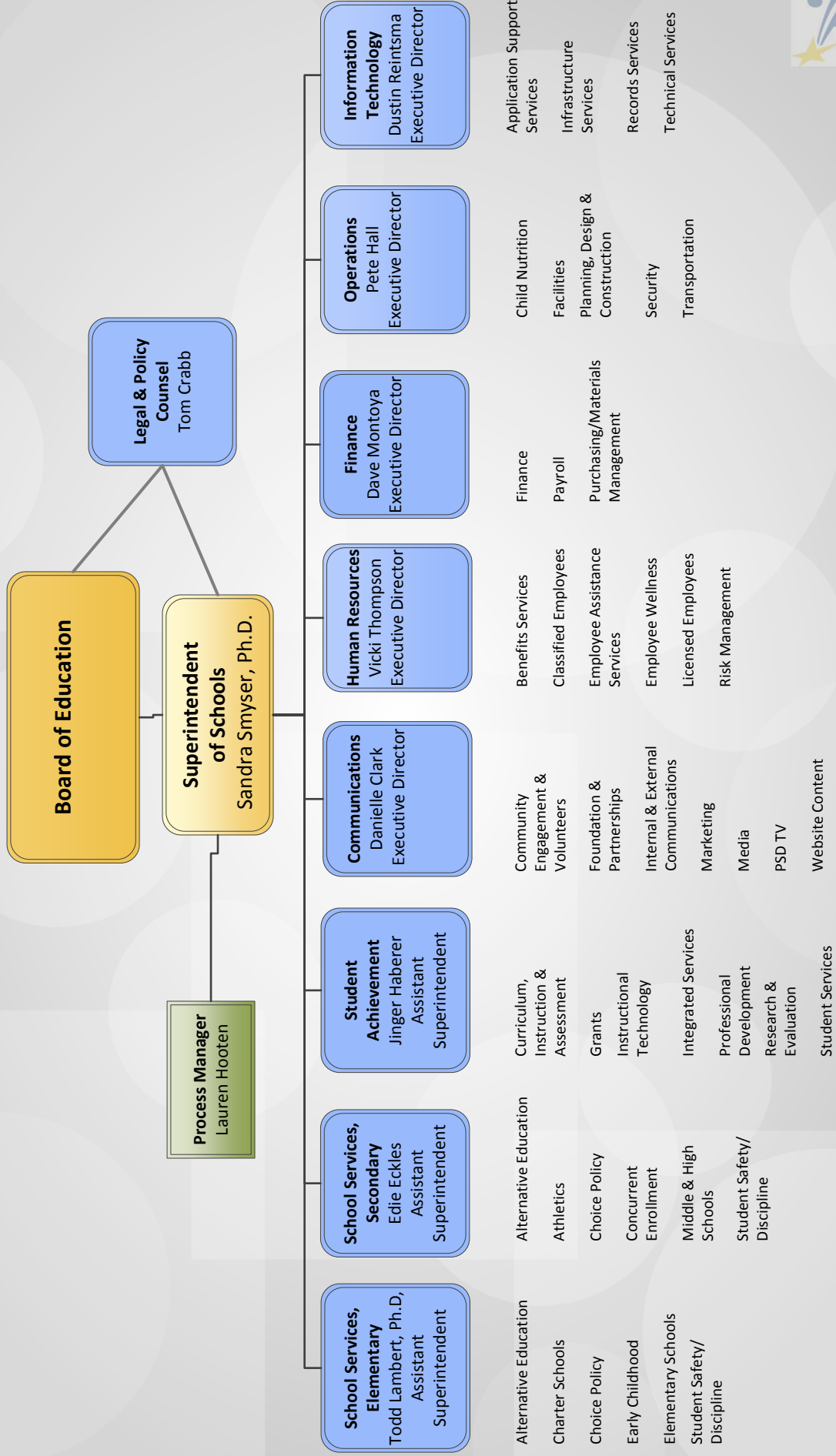
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Poudre School District Organizational Chart

2015-2016 School Year



**Poudre School District
List of Elected and Appointed Officials
June 30, 2016**

Elected Officials - Board of Education

Term Expires

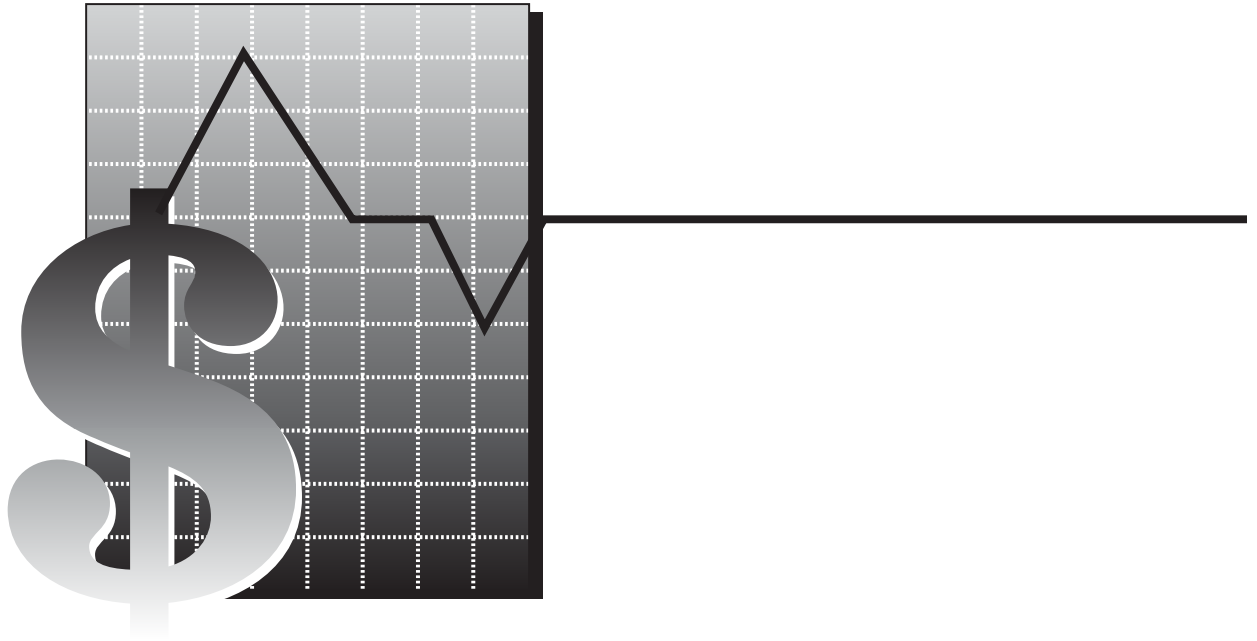
President	Cathy Kipp	2019
Vice President	David Trask	2017
Director	Christophe Febvre	2017
Director	Susan Gutowsky	2019
Director	Carolyn Reed	2017
Director	Rob Petterson	2019
Director	Nate Donovan	2019

Appointed Officials

Secretary to the Board of Education	Tessa Oppenheimer
Treasurer to the Board of Education	Dave Montoya

Superintendent's Cabinet

Superintendent of Schools	Sandra Smyser
Assistant Superintendent of Elementary Schools	Todd Lambert
Assistant Superintendent of Secondary Schools	Edie Eckles
Assistant Superintendent of Student Achievement	Jinger Haberer
Executive Director of Communications	Danielle Clark
Executive Director of Human Resources	Vicki Thompson
Executive Director of Finance	Dave Montoya
Executive Director of Operations	Pete Hall
Excutive Director of Information Technology	Dustin Reintsma
Legal & Policy Counsel	Tom Crabb





Financial Section

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT

Board of Education
Poudre School District
Fort Collins, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Poudre School District (the District), as of and for the year ended June 30, 2016, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori School, which represent 100% of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori School, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori School were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows 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 on pages 17-27, the analysis and budgetary comparison information on pages 68-73, and the District's proportionate share of the net pension liability and schedule of employer contributions on pages 74-75 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 District's basic financial statements. The combining and individual fund financial statements and schedules and the Auditor's Electronic Financial Data Integrity Check Figures as listed in the tables of contents 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 and schedules and the Auditor's Electronic Financial Data Integrity Check Figures 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 and schedules and the Auditor's Electronic Financial Data Integrity Check Figures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

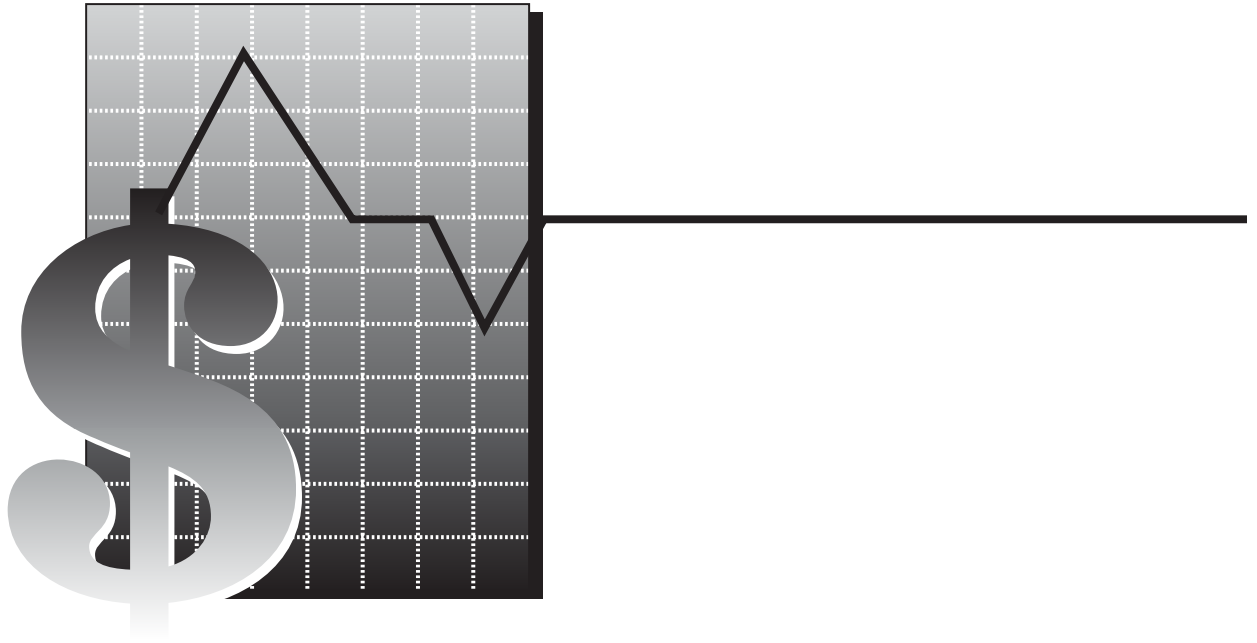
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Broomfield, Colorado
December 16, 2016





Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) Section of this document is a component of required supplementary information used to introduce the basic financial statements and provide an analytical overview of the District's financial activities.

Poudre School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

This section of Poudre School District's (District) Comprehensive Annual Financial Report offers readers of the District's financial statements a narrative overview and analysis of the financial activities of Poudre School District for the fiscal year ended June 30, 2016. Information in the Management's Discussion and Analysis is focused on the primary government unless specifically noted. We encourage readers to consider the information presented here in conjunction with additional information furnished by the letter of transmittal at the beginning of this report and the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position of governmental activities decreased \$20.8 million to a deficit of \$303.9 million, which represents a 7.36% decrease from the prior year. This decrease is due to the pension expense recognized in fiscal year 2016. Pension expense represents the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions. Absent the requirement to include this activity, the District's net position would have experienced an increase of 3.67%.
- General revenues, primarily property taxes and state equalization, accounted for \$273.0 million in revenue or 83% of all current fiscal year revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and restricted investment earnings accounted for \$55.7 million or 17% of total current fiscal year revenues.
- Among major funds, the General Fund had \$250.2 million in current fiscal year revenues, which primarily consisted of property taxes and state aid, and \$254.4 million in expenditures. The General Fund's fund balance decreased \$5.3 million over the prior year primarily due to less than anticipated property tax collections combined with the utilization of fund balance for long-range planning activities, including the purchase of land for a future school site.
- The fund balance of the Capital Projects Fund increased from \$6.2 million to \$24.4 million due to the issuance of \$30.0 million in school improvement bonds. This issuance was the final issuance related to a successful bond election in November 2010 which provided authorization for the District to issue \$120 million in general obligation bonds for the purpose of acquiring, improving, equipping and furnishing District buildings and other property.
- The District retired debt totaling \$18.9 million during the fiscal year through the payment of scheduled principal.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements provide both *short-term* and *long-term* information about the District's *overall* financial status. The government-wide financial statements include the statement of net position and the statement of activities.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

The *statement of net position* presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as the condition of school buildings and other facilities, need to be considered.

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

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues. Included in governmental activities are most of the District's basic services such as regular and special education, transportation and administration.

The government-wide financial statements include not only financial data for the District itself (known as the primary government), but also component units of the district, which consists of four charter schools (discretely presented component units). A component unit is a legally separate entity from the District, but an entity, which has significant operational and/or financial relationships with the District.

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund and Designated Special Purpose Grants Fund, all of which are considered major funds. Data from the other special revenue funds are combined into a single, aggregated presentation. Individual fund data for the two non-major special revenue funds is provided in the form of combining statements and schedules.

Proprietary Funds: The District maintains one type of proprietary fund. The internal service funds are accounting devices used primarily to accumulate and allocate costs internally among the District's various functions. The internal service funds include (1) the Warehouse Fund which accounts for the operation of District functions that provide goods or services to District departments and other governments and non-profit organizations on a cost reimbursement basis and (2) the Employee Self-Insurance Fund which provides employee health and dental benefits and life insurance. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplementary Information section of this report. Because all of these funds predominantly benefit the

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

District, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District currently has one fiduciary fund, the Private-Purpose Trust Fund, used primarily to account for scholarship activity. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Included in the Supplementary Information section is budget-to-actual information for the Private-Purpose Trust Fund as required by state law.

Component Units: A statement of net position and statement of activities for the discretely presented component units (charter schools) has been provided in this section. The component units have been included to provide more complete information regarding public school activities within the District. Each component unit has separately issued financial statements available.

Notes to Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (General Fund and major Special Revenue Funds budget-to-actual schedules, a schedule showing the District's proportionate share of the net pension liability and a schedule of District contributions to the pension plan) and *supplementary information*. Supplementary information includes the combining statements mentioned earlier in connection with internal service funds, as well as budget-to-actual information for all funds (other than for the General Fund and major Special Revenue Funds, which are included as required supplementary information) as dictated by state law.

Financial Analysis of the District as a Whole

Net position may serve over time as a useful indicator of a government's financial position. Prior to the implementation of GASB 68 in fiscal year 2015, the District's net position reflected positive balances in all three categories of net position. At the end of the 2016 fiscal year, the District's net position reflected positive balances in net investment in capital assets and restricted, however, unrestricted net position was a deficit of \$435.9 million. This resulted in a total deficit net position of \$303.9 million, a decrease of \$20.8 million.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

The following table provides a summary of the District's net position at June 30, 2016 and June 30, 2015.

	As of June 30, 2016	As of June 30, 2015	Percent Change
Current assets	\$ 163,460,656	\$ 148,209,570	10.3%
Capital assets, net	261,887,195	255,158,611	2.6%
Total assets	<u>425,347,851</u>	<u>403,368,181</u>	5.4%
Deferred outflows	<u>81,734,746</u>	<u>30,748,761</u>	165.8%
Current liabilities	35,445,223	36,665,931	(3.3%)
Long-term liabilities	767,521,928	679,958,907	12.9%
Total liabilities	<u>802,967,151</u>	<u>716,624,838</u>	12.0%
Deferred inflows	<u>8,030,740</u>	<u>572,190</u>	1,303.5%
Net position			
Net investment in capital assets	69,088,476	57,185,046	(20.8%)
Restricted	62,861,134	55,324,165	13.6%
Unrestricted	(435,864,904)	(395,589,297)	(10.2%)
Total net position	<u>\$ (303,915,294)</u>	<u>\$ (283,080,086)</u>	(7.4%)

Net investment in capital assets represents the cost of the assets (net of accumulated depreciation) less debt applicable to those assets. Debt attributable to unspent bond proceeds is included in restricted net position. The District uses capital assets to provide services to students. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets. The following are significant current year items that had an impact on the Statement of Net Position.

- The net addition of \$18.5 million in capital assets through various site improvements.
- The net addition of \$51.3 million in deferred outflows related to pensions.
- The issuance of \$30.0 million in school improvement bonds with \$4.4 million in premium.
- The principal retirement of \$18.9 million through scheduled bond payments and amortization of \$2.7 million in premium.
- The net increase in the net pension liability of \$74.7 million.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

The following table provides a summary of the changes in net position.

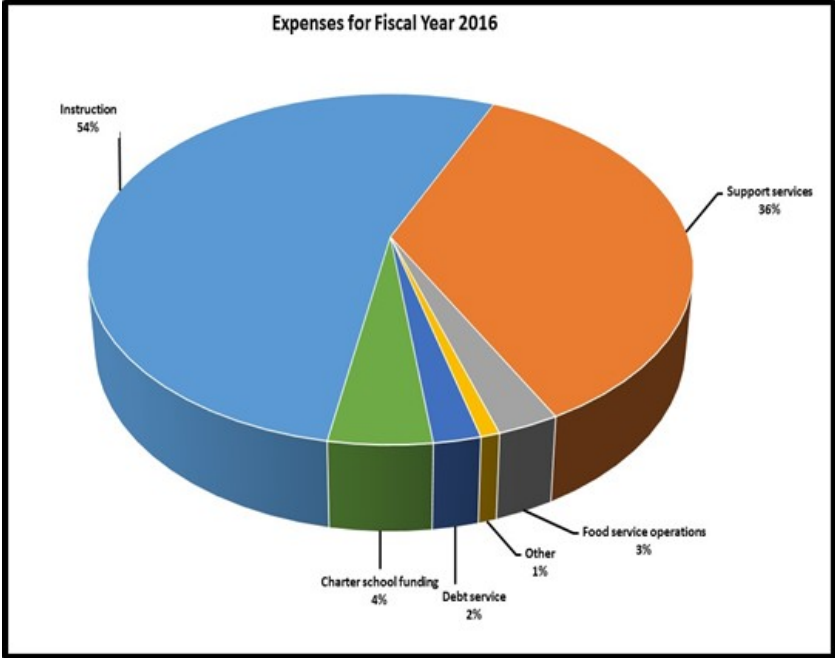
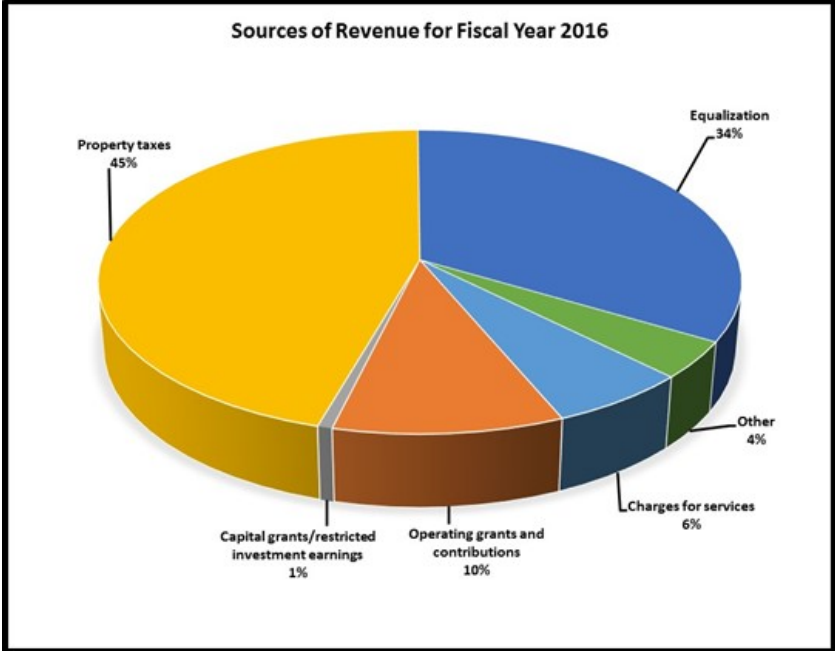
	Year Ended June 30, 2016	Year Ended June 30, 2015	Percent Change
Revenues	\$	\$	
Program Revenues			
Charges for services	20,326,124	16,393,494	24.0%
Operating grants and contributions	33,249,459	35,726,567	(6.9%)
Capital grants/restricted investment earnings	2,138,477	1,902,881	12.4%
General revenues			
Property taxes	149,368,884	129,411,406	15.4%
Equalization	110,657,525	110,698,549	0.0%
Other	12,976,644	12,788,780	1.5%
Total revenues	<u>328,717,113</u>	<u>306,921,677</u>	7.1%
Expenses			
Instruction	187,152,364	170,920,008	9.5%
Support services:			
Students	20,060,394	17,679,219	13.5%
Instructional staff	22,789,005	21,661,354	5.2%
General administration	3,312,293	3,258,028	1.7%
School administration	21,833,308	20,028,914	9.0%
Business	4,807,707	3,098,427	55.2%
Operations and maintenance of plant	24,089,053	25,185,436	(4.4%)
Student transportation	8,282,372	7,854,413	5.4%
Central	19,688,095	18,057,591	9.0%
Other	208,744	243,262	(14.2%)
Food service operations	9,904,744	8,666,611	14.3%
Other	3,085,632	3,191,063	(3.3%)
Debt service	7,654,857	9,493,756	(19.4%)
Charter school funding	16,683,753	15,412,916	8.2%
Total expenses	<u>349,552,321</u>	<u>324,750,998</u>	7.6%
Change in net position	(20,835,208)	(17,829,321)	(16.9%)
Net position, beginning of year	<u>(283,080,086)</u>	<u>(265,250,765)</u>	(6.7%)
Net position, end of year	\$ <u>(303,915,294)</u>	\$ <u>(283,080,086)</u>	(7.4%)

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 45 cents and 34 cents respectively of every dollar raised. These revenues directly relate to the level of District enrollment. Another 11% came from grants and contributions, and the remainder came from fees charged for services and other miscellaneous sources.

The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

The following charts display revenues by source and expenses by program for the total school district.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**



The decrease in net position for governmental activities in the 2016 fiscal year was approximately \$20.8 million. Key elements of the decrease in net position for governmental activities are as follows:

- The cost of all governmental activities in the 2016 fiscal year was \$349.6 million.
- Users of the District's programs financed some of the costs (\$20.3 million). Revenues in this category include items such as school meals, athletic fees; tuition for all-day kindergarten; and building rental income.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

- Federal and state governmental grants, contributions by local governments, businesses and individuals and student fundraising profits subsidized certain programs amounting to \$35.4 million.
- District and state taxpayers financed most of the District's costs, with revenue from taxes (property taxes and specific ownership taxes) approximately \$161.3 million and state per-pupil formula revenue (Equalization) approximately \$110.7 million.
- Charges for services increased 24.0%. This increase relates to an increase in pupil activity fees to fund student related trips and activities.
- Capital grants and contributions/restricted investment earnings increased 12.4% over the prior fiscal year due to an increase in capital construction funds. These funds are flowed to the charter schools.
- Significant increases in expenses between the 2015 and the 2016 fiscal year occurred in the instruction and support services categories primarily due to the effect of \$58.9 million of pension expense recognized in fiscal year 2016, offset by \$27.7 million by the accrual accounting of District pension contributions.
- In addition to the effect of pension related items, food service operations increased 12.4% due to the purchase of kitchen equipment.
- Facilities acquisition and construction decreased \$1.0 million due to facilities planning activities in fiscal year 2015 that did not meet the District's capitalization criteria. Similar activities did not occur in fiscal year 2016.

Financial Analysis of the District's Funds

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Overall fund balance in the District's governmental funds increased approximately \$20.6 million, primarily due to the issuance of \$30.0 million in bonds.

The General Fund is the principal operating fund of the District. The General Fund comprises 38.1% of the total fund balance. Approximately \$8.1 million or 18.1% of the General Fund's fund balance is unassigned. The decrease in fund balance of \$5.3 million to \$44.7 million was primarily due to less than anticipated property tax collections combined with the utilization of fund balance for long-range planning activities, including the purchase of land for a future school site.

Among the other major funds, the Debt Service Fund had \$37.8 million in current fiscal year revenues, primarily comprised of property taxes, and \$29.7 million in debt service expenditures. The Debt Service Fund's fund balance increased \$8.1 million to \$42.3 million. The excess in revenues over expenditures was due to property tax collections to be utilized for scheduled payments of principal and interest in December 2016.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

The fund balance in the Capital Projects Fund increased \$18.2 million to \$24.4 million due to the bond proceeds of \$30.0 million and \$4.4 million in premium to be utilized for various site improvements. Revenues in the Designated Special Purpose Grants Fund were primarily comprised of Federal revenue (94.7%). Fund balance in the Nonmajor Special Revenue Fund decreased \$505,938 due primarily to the utilization of fund balance in the Food Service Fund for kitchen equipment.

Proprietary Funds

Total net position in the internal service funds decreased \$5.7 million. The decrease was primarily due to a \$5.7 million decrease in net position of the Employee Self-Insurance Fund. The decrease resulted from the utilization of net assets to provide for a reduction in District contributions in fiscal year 2016 combined with a reduction in the actuarially calculated claims liability.

General Fund Budgetary Highlights

The net change in the GAAP basis fund balance of the District's General Fund for the 2016 fiscal year was a decrease of \$5.3 million. This change resulted in an ending GAAP basis fund balance of \$44.7 million.

The 2016 fiscal year budget was adopted in June 2015, with a revised (final) budget adopted in January 2016. The budgets for the District's General Fund for the 2016 fiscal year included assumptions related to key factors such as inflation, funded pupil count, and increases to employee compensation as a result of the annual negotiations process. There was an increase of \$4.8 million in appropriations between the original and final budget. The primary cause of this increase was a result of compensation expenditures exceeding anticipated costs, changes in anticipated per-pupil funding, and a decrease in the estimated funded pupil count. These three areas led to higher appropriations at the January revision which were supported by the District's unassigned fund balance. The District took the following actions as a result of this variance: (a) contributions to the Employee Self-Insurance Fund were reduced on a one-time basis temporarily reducing compensation related expenditures in the General Fund preventing further erosion of the unassigned fund balance; (b) through collaborative employee negotiations process approximately \$1.6 million in new funding was not assigned to costs helping to bring alignment between revenue and expenditure, and (c) limited negotiated increases to not exceed anticipated revenues.

On a budgetary basis, the projected fund balance presented in the final budget was approximately \$56.8 million, approximately \$1.6 million lower than actual results of \$58.3 million for the fiscal year. Actual General Fund revenue and other financing sources that occurred during the 2016 fiscal year was \$252.4 million and actual expenditures and other financing uses on a budgetary basis were approximately \$256.7 million. Of the \$4.3 million of expenditures in excess of revenue, \$0.8 million was one-time spending on the District's Long Range Planning efforts and \$2.0 million was one-time spending on land. Both of which were supported by reducing the pre-established restrict reserve balance for school site acquisition, expansion and development and a reduction of the Board contingency reserve from 3% to 2% to support long range planning.

District policy states that the District shall strive to maintain an appropriated reserve amount in its General Fund within the range of 3% to 5% of each fiscal year's expenditures and other financing uses. This reserve amount is intended to safeguard against unanticipated expenditures and/or unrealized revenues, as well as to help maintain a high credit rating for the District and reduce the need for short-term borrowing. In addition to this established reserve within the unassigned fund balance category, the Board also authorized a contingency reserve of 3% of General Fund expenditures and other financing uses through their annual budget resolution process.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

The difference between the District's GAAP and non-GAAP fund balance is \$13,640,781. This amount relates to compensation earned as of June 30, 2016, but not paid until July 2016. In the budgetary basis fund balance, this amount is represented as assigned fund balance. The remainder of the District's fund balance (GAAP basis fund balance) is classified into non-spendable of \$580,951, restricted of \$14,626,076, assigned of \$21,395,280, and unassigned of \$8,086,205. Unassigned fund balance in the District's General Fund represents approximately 3% of GAAP basis expenditures and other financing uses. The ending unassigned fund balance is below the established range identified in District policy of 5% to 7% (3% to 5% appropriated reserve plus 2% Board-approved contingency reserve). The Board-approved contingency reserve was reduced from 3% to 2% in FY2016 to support long range planning efforts of the District.

Capital Assets

By the end of fiscal year 2016, the District had invested \$456.5 million in a broad range of capital assets, including land, intangible assets (water rights), buildings, site improvements, vehicles and other equipment. This amount represents a net increase prior to depreciation of approximately \$18.5 million primarily due to various capital projects for site renovations. Total depreciation expense for the year was approximately \$12.1 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Land	\$ 21,530,241	\$ 19,570,177
Construction in progress	9,076,019	6,518,378
Water rights	1,773,451	1,629,451
Buildings, net	212,333,130	209,771,853
Site improvements, net	8,384,480	8,759,604
Vehicles, net	2,472,293	2,355,416
Software, net	602,686	685,614
Other equipment, net	5,714,895	5,868,118
Total capital assets, net	<u>\$ 261,887,195</u>	<u>\$ 255,158,611</u>

Additional information about the District's capital assets is presented in Note 3 to the basic financial statements.

Long-Term Debt Activity

At year-end, the District had approximately \$217.1 million in long-term debt outstanding, \$28.1 million due within one year. The District retired debt totaling \$21.7 million during the fiscal year through the payment of scheduled principal and amortization of premium. Outstanding long-term debt increased approximately \$12.8 million or 6.2% resulting from the retirement of debt combined with the issuance of \$30.0 million in school improvement bonds and \$4.4 million in premium.

A bond election held in November 2010 authorized the District to issue \$120 million in general obligation bonds of which \$60 million was issued during the 2011 fiscal year and \$30 million was issued during the 2013 fiscal year and the final \$30 million during the 2016 fiscal year. Colorado Revised Statute (C.R.S.) 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specified formula. The District's outstanding debt is below the limit. See Table XI in the Statistical Section of this document for detailed computations associated with the limit.

The District maintains an "Aa2" rating from Moody's and an "AA+" from Fitch for general obligation debt.

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

Additional information about the District's long-term debt is presented in Note 4 to the basic financial statements.

Factors Bearing on the District's Future

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

- Fluctuations in student enrollment directly impact the financial resources the District uses to operate since the primary source of revenue is per pupil funding. District K-12 enrollment has been relatively stable for the past five years, with slight increases in the past few years. The District is again anticipating enrollment growth for the 2016-17 school year. The growth is attributable to a number of factors, particularly the economy and desirability of living in the District. Additionally, enrollment data indicates that enrollment growth in the next several years will range from approximately 1.5% to 2.0% per year.
- Under state law, the District may contract with individuals and organizations for the operation of schools, referred to as "charter schools," within the District. For purposes of the Public School Finance Act, pupils enrolled in a charter school in the District are included in the pupil enrollment of the District. Such charter schools are financed in part from a portion of the District's revenues received under the Public School Finance Act. The District is required to pay a charter school a certain percentage of per pupil revenues for each pupil enrolled in such charter school, less certain central administrative costs. The addition of new charter schools or expansion of existing charter schools could impact the District's finances. Currently, there are not any new charter schools being planned.
- The District continues to monitor the State's financial status. While Colorado's economic expansion continues to be moderate, structural problems with the State's budget, coupled with TABOR refunds and growing costs in education and health services are continuing to put pressure on the state budget. The Governor's budget proposal incorporates funding for inflation and enrollment growth for education. However, the proposal recommends a \$45 million increase in the negative factor, bringing the total to \$876 million or 11.7% of formula funding. Increasing the negative factor may begin to unravel the positive gains made by funding inflation and enrollment growth. The District will monitor economic reports and forecast throughout the year to determine what potential impacts the State's budget decisions will have on the District.
- As part of its ongoing work in planning for the future and accounting for growth in the region, the District recently updated its Long Range Plan. The plan includes the building of two new middle/high schools, a new elementary school, a permanent addition to Zach Elementary, a new shared athletic complex, a new transportation maintenance facility and some deferred maintenance at all schools. In August 2016 the Board of Education unanimously approved submitting for voter consideration a \$375 million bond and an \$8 million mill levy override to support this growth. The bond measure narrowly passed at 50.04% and the mill levy passed at 58.12%.
- Colorado's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. Appropriation decisions regarding the State's share of Total Program Funding are made on an annual basis by the State legislature. It is possible that the General Assembly may cut public school funding as part of overall State spending cuts in the future. As a result, the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws (including but not

**Poudre School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Continued)**

limited to the School Finance Act), provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

- The Public Employees' Retirement Association (PERA) of Colorado, the pension plan that covers all District employees, will continue increasing employer contribution rates each year, culminating in a rate of 20.15% by January 2018. The current rate of 19.15% will increase .5% effective January 2017, for a total of 19.65%. The increase in contribution rates was enacted by the State legislature and the PERA Board in order to increase pension plan funding levels in relation to actuarial calculations. The annual increased costs will impact the District financially, and the District will need to consider the increase in annual budgets.
- Rising nationwide healthcare costs are a consideration as the District evaluates the benefits provided to employees. The District is cautious about how to manage increases in benefits costs that significantly exceed the increases in revenues from year to year. The District's Benefits Committee will continue to meet to discuss, analyze and recommend the level of benefits being offered to employees.
- The nation's economic situation continues to be a factor in the financial outlook of the District as it relates to federal funding resources. The District will continue to monitor potential impacts and incorporate anticipated changes into future years' operations.

In regard to the above-mentioned factors, preparation for the 2018 fiscal year budget has begun.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or requests for additional financial information should be directed to the Executive Director of Finance, Poudre School District, 2407 LaPorte Avenue, Fort Collins, CO 80521.

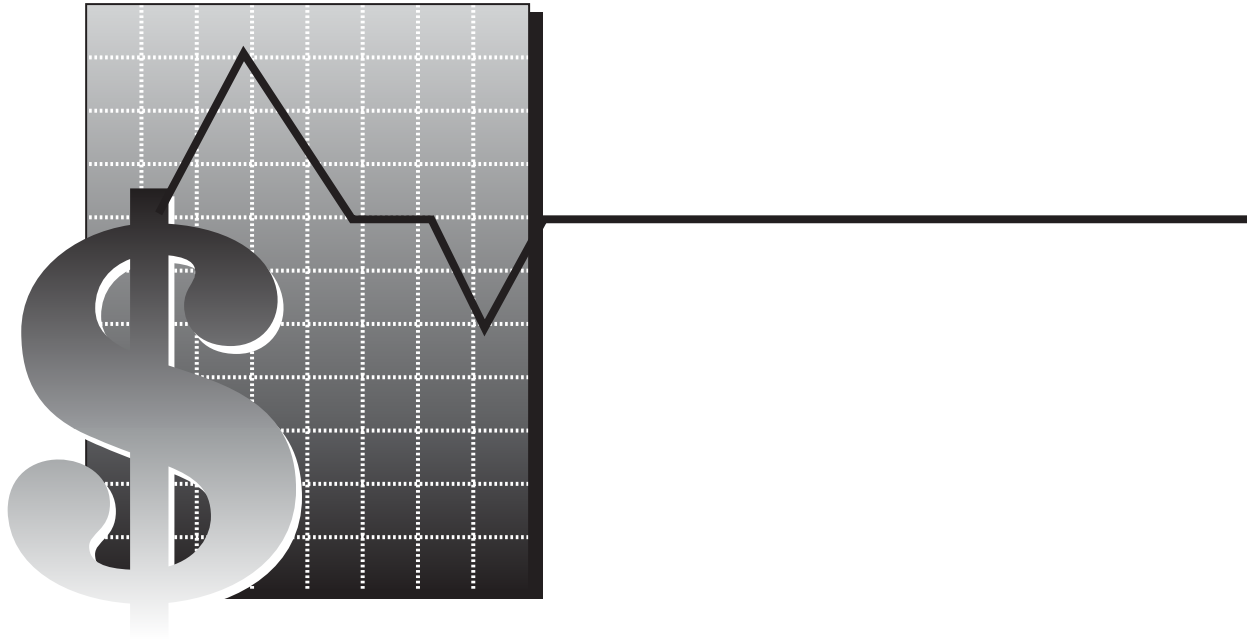
Complete financial statements for each discretely presented component unit (charter schools) are available at each school's administrative office.

Liberty Common School
1725 Sharp Point Dr
Fort Collins, CO 80525

Ridgeview Classical Schools
1800 S Lemay Ave
Fort Collins, CO 80525

Mountain Sage Community School
2310 East Prospect Rd, Suite A
Fort Collins, CO 80525

Fort Collins Montessori School
1900 S. Taft Hill Rd
Fort Collins, CO 80526





Basic Financial Statements

Financial statements presented in this section comprise the minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.

Poudre School District
Government-Wide Statement of Net Position
June 30, 2016

	Primary Government Governmental Activities	Discretely Presented Component Units
ASSETS		
Cash and investments (including restricted amounts)	\$ 149,766,425	\$ 11,768,858
Cash with Larimer County Treasurer	1,918,304	—
Accrued interest	9,720	—
Property taxes receivable	4,484,710	—
Receivable from grantor agencies	4,249,409	—
Accounts receivable	1,497,165	180,438
Due from component units	40,947	—
Prepaid items and other assets	841,194	53,958
Inventory	652,782	—
Land	21,530,241	2,313,455
Construction in progress	9,076,019	2,589,010
Water rights	1,773,451	12,864
Other capital assets, net of accumulated depreciation:		
Buildings and site improvements	220,717,610	19,158,919
Vehicles	2,472,293	71,373
Software	602,686	—
Other equipment	5,714,895	499,297
	<u>425,347,851</u>	<u>36,648,172</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	80,683,577	4,534,333
Deferred charges on debt refunding	1,051,169	158,551
Total deferred outflows of resources	<u>81,734,746</u>	<u>4,692,884</u>
LIABILITIES		
Accounts payable	15,508,751	972,976
Due to primary government	—	40,948
Accrued salaries and benefits	15,139,266	698,344
Other liabilities	—	12,466
Accrued interest	385,055	515,929
Retirement severance payable	222,908	—
Unearned revenue	506,323	166,868
Estimated liability for unsubmitted claims	3,682,920	—
Noncurrent liabilities:		
Due within one year	28,260,000	590,171
Due in more than one year	739,261,928	52,217,141
	<u>802,967,151</u>	<u>55,214,843</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	7,784,142	402,761
Deferred credit on debt refunding	246,598	66,190
Total deferred inflows of resources	<u>8,030,740</u>	<u>468,951</u>
NET POSITION		
Net investment in capital assets	69,088,476	473,885
Restricted for:		
Debt service	42,367,073	2,228,547
TABOR	8,100,000	522,819
School site acquisition, expansion and development	6,526,076	—
Construction/repair and replacement of facility	—	240,105
Public school activities	4,533,703	—
Food service activities	1,164,006	—
Payment of claims	170,276	—
Unrestricted	(435,864,904)	(17,808,094)
	<u>(303,915,294)</u>	<u>(14,342,738)</u>
Total net position	\$ (303,915,294)	\$ (14,342,738)

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Government-Wide Statement of Activities
For the Fiscal Year Ended June 30, 2016**

Activities:	Program Revenues			Capital Grants/ Restricted Investment Earnings	Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Instruction	\$ 187,152,364	\$ 9,995,214	\$ 16,425,968	\$ —	\$ (160,731,182)	
Support services:						
Students	20,060,394	—	3,104,161	—	(16,956,233)	
Instructional staff	22,789,005	163,492	2,233,728	—	(20,391,785)	
General administration	3,312,293	523,489	36,894	—	(2,751,910)	
School administration	21,833,308	—	57,594	—	(21,775,714)	
Business	4,807,707	204,368	64,887	—	(4,538,452)	
Operations and maintenance of plant	24,089,053	—	—	—	(24,089,053)	
Student transportation	8,282,372	113,381	1,849,011	—	(6,319,980)	
Central	19,688,095	7,978,654	460,372	—	(11,249,069)	
Other	208,744	—	94,350	—	(114,394)	
Food services operations	9,904,744	1,137,848	7,687,477	—	(1,079,419)	
Community services	399,039	209,678	188,170	—	(1,191)	
Education for adults	95,647	—	—	—	(95,647)	
Facilities acquisition and construction	404,359	—	—	2,138,477	1,734,118	
Unallocated depreciation	2,186,587	—	—	—	(2,186,587)	
Debt service	7,654,857	—	1,046,847	—	(6,608,010)	
Charter school funding	16,683,753	—	—	—	(16,683,753)	
Total primary government	\$ 349,552,321	\$ 20,326,124	\$ 33,249,459	\$ 2,138,477	\$ (293,838,261)	
Component units	\$ 20,723,738	\$ 2,772,709	\$ 397,744	\$ —	\$ (17,553,285)	
General revenues:						
Property taxes, levied for general purposes					\$ 112,248,400	—
Property taxes, levied for debt services					37,120,484	—
Specific ownership taxes					11,942,335	—
Unrestricted earnings on investments					447,503	15,271
Miscellaneous					586,806	144,287
Equalization					110,657,525	—
Charter school funding					—	16,683,753
Total general revenues					273,003,053	16,843,311
Change in net position					(20,835,208)	(709,974)
Net position at beginning of year					(283,080,086)	(13,632,764)
Net position at end of year					\$ (303,915,294)	\$ (14,342,738)

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Governmental Funds
Balance Sheet
June 30, 2016**

	General	Debt Service	Capital Projects	Designated Special Purpose Grants	Nonmajor Special Revenue	Total Governmental Funds
ASSETS						
Cash and investments (including restricted amounts)	\$ 60,032,646	\$ 41,376,554	\$ 29,032,990	\$ 25,000	\$ 7,132,383	\$ 137,599,573
Cash with Larimer County Treasurer	1,657,222	261,082	—	—	—	1,918,304
Accrued interest	9,079	—	641	—	—	9,720
Property taxes receivable	3,370,218	1,114,492	—	—	—	4,484,710
Receivable from grantor agencies	—	—	—	4,241,978	7,431	4,249,409
Accounts receivable	992,518	—	—	—	344,119	1,336,637
Prepaid items	580,951	—	—	4,000	—	584,951
Inventory	—	—	—	—	397,773	397,773
Due from component units	40,947	—	—	—	—	40,947
Due from other funds	3,613,002	—	—	—	—	3,613,002
Total assets	\$ 70,296,583	\$ 42,752,128	\$ 29,033,631	\$ 4,270,978	\$ 7,881,706	\$ 154,235,026
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 9,063,279	\$ —	\$ 4,674,093	\$ 199,743	\$ 365,545	\$ 14,302,660
Accrued salaries and benefits	13,640,782	—	—	907,737	590,747	15,139,266
Retirement severance payable	222,908	—	—	—	—	222,908
Unearned revenue	129,895	—	—	376,428	—	506,323
Due to other funds	—	—	—	2,783,070	829,932	3,613,002
Estimated liability for unsubmitted claims	1,052,000	—	—	—	—	1,052,000
Total liabilities	24,108,864	—	4,674,093	4,266,978	1,786,224	34,836,159
Deferred inflows of resources:						
Unavailable property taxes	1,499,207	495,606	—	—	—	1,994,813
Total liabilities and deferred inflows of resources	25,608,071	495,606	4,674,093	4,266,978	1,786,224	36,830,972
Fund balances:						
Nonspendable:						
Prepaid items	580,951	—	—	4,000	—	584,951
Inventory	—	—	—	—	397,773	397,773
Restricted for:						
TABOR - emergency reserves	7,525,000	—	—	—	—	7,525,000
TABOR - multi-year contracts	575,000	—	—	—	—	575,000
School site acquisition, expansion and development	6,526,076	—	—	—	—	6,526,076
Debt service	—	42,256,522	—	—	—	42,256,522
Capital projects	—	—	23,487,705	—	—	23,487,705
Public school activities	—	—	—	—	4,533,703	4,533,703
Food service	—	—	—	—	1,164,006	1,164,006
Assigned for:						
Carryover budgets	20,586,880	—	—	—	—	20,586,880
Capital projects	—	—	871,833	—	—	871,833
Long Range Planning	808,400	—	—	—	—	808,400
Unassigned:						
Required contingency reserves	4,753,494	—	—	—	—	4,753,494
Appropriated reserve	3,332,711	—	—	—	—	3,332,711
Total fund balances	44,688,512	42,256,522	24,359,538	4,000	6,095,482	117,404,054
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,296,583	\$ 42,752,128	\$ 29,033,631	\$ 4,270,978	\$ 7,881,706	\$ 154,235,026

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2016**

Total fund balances - governmental funds		\$	117,404,054
Amounts reported for governmental activities in the statement of net position are different because:			
Property taxes not available soon enough to pay for the current periods expenditures are not recorded in the funds			1,994,813
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Governmental capital assets	\$	456,400,473	
Accumulated depreciation		<u>(194,589,603)</u>	261,810,870
Deferred outflows/inflows of resources are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflow on debt refunding		1,051,169	
Deferred inflow on debt refunding		(246,598)	
Deferred inflow related to pensions		(7,784,142)	
Deferred outflow related to pensions		<u>80,683,577</u>	73,704,006
Internal service funds are used by the District's management to charge certain activities such as employee self-insurance and warehouse to individual funds. The account balances of the internal service funds are included in governmental activities.			9,047,966
Accrued interest is not due and payable in the current period and therefore not reported as a liability in the funds.			(385,055)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:			
Bonds payable		(203,955,000)	
Bond premium payable		(13,135,995)	
Net pension liability		(549,208,215)	
Compensated absences		<u>(1,192,738)</u>	<u>(767,491,948)</u>
Total net position - governmental activities			\$ <u>(303,915,294)</u>

The accompanying notes are an integral part of this financial statement.

**Poudre School District
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Designated Special Purpose Grants</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:						
Local sources	\$ 129,735,859	\$ 36,761,328	\$ 154,948	\$ 181,955	\$ 14,271,050	\$ 181,105,140
State sources	120,214,786	—	—	523,055	136,649	120,874,490
Federal sources	218,598	1,046,847	—	12,451,896	4,897,571	18,614,912
Total revenues	<u>250,169,243</u>	<u>37,808,175</u>	<u>154,948</u>	<u>13,156,906</u>	<u>19,305,270</u>	<u>320,594,542</u>
Expenditures:						
Current—						
Instruction	136,767,264	—	—	8,086,560	10,668,730	155,522,554
Support services:						
Students	14,901,872	—	—	2,265,501	259,111	17,426,484
Instructional staff	17,743,929	—	—	2,086,009	121,790	19,951,728
General administration	2,941,320	—	—	—	62,000	3,003,320
School administration	18,757,962	—	—	26,005	278,762	19,062,729
Business	3,140,152	—	—	454,401	—	3,594,553
Operation and maintenance of plant	21,758,249	—	1,133,816	—	42,927	22,934,992
Student transportation	7,370,214	—	—	—	1,425	7,371,639
Central	9,546,823	—	100,606	885	10,863	9,659,177
Other	208,744	—	—	—	—	208,744
Food services operations	1,930	—	513	—	9,284,998	9,287,441
Community services	184,100	—	—	188,171	1,800	374,071
Education for adults	95,647	—	—	—	—	95,647
Facilities acquisition and construction	148,770	—	236,863	—	—	385,633
Capital outlay	4,107,700	—	14,675,893	45,374	141,702	18,970,669
Debt service—						
Purchased services	—	4,000	242,783	—	—	246,783
Interest on debt	—	10,735,033	—	—	—	10,735,033
Retirement of debt	—	18,937,540	—	—	—	18,937,540
Charter school funding	16,683,753	—	—	—	—	16,683,753
Total expenditures	<u>254,358,429</u>	<u>29,676,573</u>	<u>16,390,474</u>	<u>13,152,906</u>	<u>20,874,108</u>	<u>334,452,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,189,186)</u>	<u>8,131,602</u>	<u>(16,235,526)</u>	<u>4,000</u>	<u>(1,568,838)</u>	<u>(13,857,948)</u>
Other financing sources (uses):						
Premium on bonds issued	—	—	4,416,108	—	—	4,416,108
Issuance of bonds	—	—	30,000,000	—	—	30,000,000
Transfers in	2,277,812	—	—	—	3,340,712	5,618,524
Transfers (out)	(3,340,712)	—	—	—	(2,277,812)	(5,618,524)
Total other financing sources (uses)	<u>(1,062,900)</u>	<u>—</u>	<u>34,416,108</u>	<u>—</u>	<u>1,062,900</u>	<u>34,416,108</u>
Net change in fund balance	(5,252,086)	8,131,602	18,180,582	4,000	(505,938)	20,558,160
Fund balances at beginning of year	49,940,598	34,124,920	6,178,956	—	6,601,420	96,845,894
Fund balances at end of year	<u>\$ 44,688,512</u>	<u>\$ 42,256,522</u>	<u>\$ 24,359,538</u>	<u>\$ 4,000</u>	<u>\$ 6,095,482</u>	<u>\$ 117,404,054</u>

The accompanying notes are an integral part of the basic financial statements.

Poudre School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the Fiscal Year Ended June 30, 2016

Total net changes in fund balances - governmental funds		\$ 20,558,160
Amounts reported for governmental activities in the statement of activities are different because:		
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		1,259,528
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 18,970,669	
Depreciation expense	<u>(12,119,545)</u>	6,851,124
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	27,690,981	
Pension expense	<u>(58,900,361)</u>	(31,209,380)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities.		
Debt issuance	(34,416,108)	
Amortization of premium	2,713,796	
Principal repayment	<u>18,937,540</u>	(12,764,772)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on an accrual basis of accounting, these expenses are reported regardless of when the financial resources are available.		
Disposal of capital assets	(110,947)	
Amortization of accreted interest	(27,192)	
Accreted interest	401,447	
Amortization of bond related deferred outflows/inflows	302	
Accrued interest	(8,177)	
Compensated absences	<u>(50,695)</u>	204,738
Internal service funds are used by management to charge the costs of certain activities such as employee self-insurance and warehouse to individual funds. The net revenue (expense) of the internal funds is reported with governmental activities in the Statement of Activities.		
		<u>(5,734,606)</u>
Change in net position - governmental activities		<u><u>\$ (20,835,208)</u></u>

The accompanying notes are an integral part of this financial statement.

**Poudre School District
Proprietary Funds
Statement of Net Position
June 30, 2016**

	Governmental Activities Internal Service Funds Total
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 11,877,468
Cash - restricted	289,384
Accounts receivable	160,528
Prepaid items	256,243
Inventory	255,009
	12,838,632
Total current assets	12,838,632
Noncurrent assets:	
Capital assets:	
Equipment	121,249
Less accumulated depreciation	(44,924)
	76,325
Total capital assets (net of accumulated depreciation)	76,325
Total assets	12,914,957
LIABILITIES	
Current liabilities:	
Accounts payable	1,206,091
Estimated liability for unsubmitted claims	2,630,920
	3,837,011
Total current liabilities	3,837,011
Noncurrent liabilities:	
Due in more than one year	29,980
	29,980
Total noncurrent liabilities	29,980
Total liabilities	3,866,991
NET POSITION	
Net Investment in capital assets	76,325
Restricted for payment of claims	170,276
Unrestricted	8,801,365
	9,047,966
Total net position	\$ 9,047,966

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Proprietary Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016**

	<u>Governmental Activities Internal Service Funds Total</u>
Operating revenues:	
District Contributions	\$ 15,405,251
Employee Contributions	7,978,654
Sales	<u>1,024,129</u>
Total operating revenues	<u>24,408,034</u>
Operating expenses:	
Administration:	
Salaries	647,708
Employee benefits	173,121
Purchased services	1,554,064
Operating supplies	935,744
Internal charges	1,192
Depreciation	11,593
Claims	25,004,194
Premiums	1,888,575
Other	<u>19,512</u>
Total operating expenses	<u>30,235,703</u>
Operating loss	<u>(5,827,669)</u>
Non-operating revenues:	
Investment earnings	<u>93,063</u>
Total non-operating revenues	<u>93,063</u>
Change in net position	(5,734,606)
Total net position at beginning of year	<u>14,782,572</u>
Total net position at end of year	<u><u>\$ 9,047,966</u></u>

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016**

	Governmental Activities Internal Service Funds Total
Cash flows from operating activities:	
Received from customers	\$ 24,347,444
Payments to employees	(809,788)
Payments to suppliers for goods and services	(2,495,149)
Payments for claims and insurance	(27,937,749)
Payments to other funds	(1,192)
	(6,896,434)
Net cash used by operating activities	(6,896,434)
Cash flows from investing activities:	
Interest received	93,063
	93,063
Net cash provided by investing activities	93,063
Net decrease in cash and cash equivalents	(6,803,371)
Cash and cash equivalents at beginning of year	18,970,223
Cash and cash equivalents at end of year	\$ 12,166,852
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (5,827,669)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	11,593
Accounts receivable	(60,590)
Prepaid expense	(10,391)
Inventory	18,113
Accounts payable	6,449
Employee compensated absences	11,041
Estimated liability for unsubmitted claims	(1,044,980)
	(1,044,980)
Net cash used by operating activities	\$ (6,896,434)

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Private-Purpose Trust Fund
Statement of Fiduciary Net Position
June 30, 2016**

ASSETS

Cash and investments	\$ <u>225,845</u>
Total assets	\$ <u><u>225,845</u></u>

NET POSITION

Held in trust for:	
Individuals, organizations and other governments	\$ <u>225,845</u>
Total net position	\$ <u><u>225,845</u></u>

The accompanying notes are an integral part of the basic financial statements.

**Poudre School District
Private-Purpose Trust Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016**

ADDITIONS

Contributions:	
Private donations	\$ 43,677
Interest earnings	<u>1,251</u>
Total additions	<u>44,928</u>

DEDUCTIONS

Payments in accordance with trust agreements	<u>70,119</u>
Total deductions	<u>70,119</u>
Change in net position	(25,191)
Net position at beginning of year	<u>251,036</u>
Net position at end of year	<u>\$ 225,845</u>

The accompanying notes are an integral part of the basic financial statements.

Poudre School District
Discretely Presented Component Units
Statement of Net Position
June 30, 2016

	Liberty Common School	Ridgeview Classical Schools	Mountain Sage Community School	Fort Collins Montessori School	Total Discretely Presented Component Units
ASSETS					
Cash and investments	\$ 5,329,760	\$ 2,193,532	\$ 357,444	\$ 2,379	\$ 7,883,115
Restricted cash and investments	3,689,115	196,628	—	—	3,885,743
Prepaid expense and other assets	33,123	—	16,370	4,465	53,958
Accounts receivable	—	14,189	—	166,249	180,438
Land	1,528,455	785,000	—	—	2,313,455
Construction in progress	2,487,529	101,481	—	—	2,589,010
Water rights	12,864	—	—	—	12,864
Other capital assets, net of accumulated depreciation:					
Buildings and site improvements	11,967,009	7,100,354	91,556	—	19,158,919
Vehicles	71,373	—	—	—	71,373
Equipment	393,840	105,457	—	—	499,297
Total assets	25,513,068	10,496,641	465,370	173,093	36,648,172
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	1,736,790	1,338,390	801,771	657,382	4,534,333
Deferred charges on debt refunding	158,551	—	—	—	158,551
Total deferred outflows of resources	1,895,341	1,338,390	801,771	657,382	4,692,884
LIABILITIES					
Accounts payable	936,493	—	28,072	8,411	972,976
Due to primary government	31,157	—	8,833	958	40,948
Accrued salaries and benefits	361,412	255,168	62,830	18,934	698,344
Other liabilities	12,466	—	—	—	12,466
Accrued interest	401,672	114,257	—	—	515,929
Unearned revenue	104,707	39,326	—	22,835	166,868
Noncurrent liabilities:					
Due within one year	370,000	220,171	—	—	590,171
Due in more than one year	32,141,084	16,579,325	2,441,989	1,054,743	52,217,141
Total liabilities	34,358,991	17,208,247	2,541,724	1,105,881	55,214,843
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	189,027	164,173	34,612	14,949	402,761
Deferred credit on debt refunding	—	66,190	—	—	66,190
Total deferred inflows for resources	189,027	230,363	34,612	14,949	468,951
NET POSITION					
Net investment in capital assets	(1,296,183)	1,678,512	91,556	—	473,885
Restricted for:					
Debt service	2,031,919	196,628	—	—	2,228,547
TABOR	270,000	182,819	50,000	20,000	522,819
Repair and replacement of facility	240,105	—	—	—	240,105
Unrestricted	(8,385,450)	(7,661,538)	(1,450,751)	(310,355)	(17,808,094)
Total net position	\$ (7,139,609)	\$ (5,603,579)	\$ (1,309,195)	\$ (290,355)	\$ (14,342,738)

The accompanying notes are an integral part of this financial statement.

**Poudre School District
Discretely Presented Component Units
Statement of Activities
For the Fiscal Year Ended June 30, 2016**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Charges for Services	Operating Grants and Contributions	Capital Grants/Restricted Investment Earnings	Liberty Common School	Ridgeview Classical Schools	Mountain Sage Community School	Fort Collins Montessori School	Total
Activities:								
Liberty Common School								
Instruction	\$ 6,292,982	\$ 1,500	\$ —	\$ (5,990,073)	\$ —	\$ —	\$ —	\$ (5,990,073)
Support services:								
General administration	2,123,830	135,935	—	(1,987,895)	—	—	—	(1,987,895)
Operations and maintenance of plant	386,914	—	—	(386,914)	—	—	—	(386,914)
Other support services	413,546	—	—	772,994	—	—	—	772,994
Food service operations	107,112	—	—	11,247	—	—	—	11,247
Interest on debt	866,349	—	—	(866,349)	—	—	—	(866,349)
Total - Liberty Common School	10,190,733	137,435	—	(8,446,990)	—	—	—	(8,446,990)
Ridgeview Classical Schools								
Instruction	4,550,765	—	—	—	(4,162,998)	—	—	(4,162,998)
Support services:								
Operations and maintenance of plant	421,539	—	—	—	(421,539)	—	—	(421,539)
General administration	1,930,076	—	—	—	(1,930,076)	—	—	(1,930,076)
Other support services	246,333	—	—	—	178,725	—	—	178,725
Interest on debt	253,021	—	—	—	(253,021)	—	—	(253,021)
Total - Ridgeview Classical Schools	7,401,734	—	—	—	(6,588,909)	—	—	(6,588,909)
Mountain Sage Community School								
Instruction	1,393,169	7,362	—	—	—	(1,287,899)	—	(1,287,899)
Support services:								
Total - Mountain Sage Community School	567,432	14,267	—	—	—	(553,165)	—	(553,165)
Fort Collins Montessori School								
Instruction	1,960,601	21,629	—	—	—	(1,841,064)	—	(1,841,064)
Support services:								
Total - Fort Collins Montessori School	771,772	234,692	—	—	—	(281,412)	—	(281,412)
Total - Fort Collins Montessori School	398,898	3,988	—	—	—	(394,910)	—	(394,910)
Total - Fort Collins Montessori School	1,170,670	238,680	—	—	—	(676,322)	—	(676,322)
Total component units	\$ 20,723,738	\$ 2,772,709	\$ —	\$ 397,744	\$ —	\$ —	\$ —	\$ (17,553,285)
General revenues:								
Unrestricted earnings on investments				5,299	9,972	—	—	15,271
Charter school funding				8,499,178	6,089,934	1,671,129	423,512	16,683,753
Miscellaneous				27,808	115,154	1,174	151	144,287
Total general revenues				8,532,285	6,215,060	1,672,303	423,663	16,843,311
Change in net position				85,295	(373,849)	(168,761)	(252,659)	(709,974)
Net position at beginning of year				(7,224,904)	(5,229,730)	(1,140,434)	(37,696)	(13,632,764)
Net position at end of year				(7,139,609)	(5,603,579)	(1,309,195)	(290,355)	(14,342,738)

The accompanying notes are an integral part of this financial statement.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Poudre School District's (the District) accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain provisions of GASB Statements 67 and 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB Statement No. 72 establishes standards for measuring fair value and applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement No. 73 amended GASB Statement No. 68 requirements related to note disclosures for pension related required supplementary information and payables to defined benefit pension plans. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare financial statements of state and local governments in conformity with generally accepted accounting principles.

A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. The District is the primary government financially accountable for all activities of public school instruction within the geographical area organized as Poudre School District, Larimer County, Fort Collins, Colorado. These basic financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because the State requires the District to report financial information for all charter schools authorized by the District.

The State of Colorado's Legislature in 1993 enacted the "Charter School Act" (C.R.S. 22-30.5-101). This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District's Board of Education must review all charter school applications presented to the Board of Education to seek authorization to operate from the District. As of June 30, 2016, the Poudre School District Board of Education has authorized four charter schools: Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori School.

Both Liberty Common School and Ridgeview Classical Schools have separate building corporations which were established to own and finance the buildings used by the schools through bond financing obtained through the Colorado Educational and Cultural Facilities Association. These building corporations are reported as blended component units in the charter schools' financial statements. Liberty Common School also has a blended component unit, the Core Knowledge Charter School Foundation, a non-profit organization with limited activity that was formed to perform fundraising operations for Liberty Common School.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Complete financial statements for each charter school are available at each school's administrative office.

Liberty Common School
1725 Sharp Point Dr
Fort Collins, CO 80525

Ridgeview Classical Schools
1800 S Lemay Ave
Fort Collins, CO 80525

Mountain Sage Community School
2310 East Prospect Rd, Suite A
Fort Collins, CO 80525

Fort Collins Montessori School
1900 S. Taft Hill Rd
Fort Collins, CO 80526

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-side statements focus on the District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Government-wide statements – Provide information about the primary government (the District) and its component units. These statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the District and its discretely presented component units. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each program of the District's governmental activities. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to a particular program. The District does not allocate indirect expenses to programs. Program revenues include:

- Charges to customers for goods, services or privileges provided
- Operating grants and contributions; and
- Capital grants and contributions.

Revenues that are not classified as program revenues and all taxes are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. The exception to this general rule are charges between the District and its discretely presented component units.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements – Provide information about the District's funds, including fiduciary funds. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as charges for goods and services in which each party receives and gives up essentially equal values are operating revenues. Other revenues result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets.

The District reports the following major governmental funds.

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

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of financial resources to be used for the payment of general obligation long-term debt principal, interest and related costs.

Capital Projects Fund: The Capital Projects Fund is used to account for bond proceeds expended for the purpose of improving, equipping, and furnishing District buildings and other property.

Designated Special Purpose Grants Fund: The Designated Special Purpose Grants Fund is primarily used to account for financial resources related to federal, state, and local grant awards.

Additionally, the District reports the following fund types:

Proprietary Funds: The Proprietary Funds are Internal Service Funds that account for activities related to the financing of goods or services to other departments of the District and to other governments and non-profit organizations on a cost-reimbursement basis as well as the District's self-insurance program for employee benefits.

Fiduciary Funds: The Fiduciary fund is a Private-Purpose Trust Fund used to account for assets held by the District in a trustee capacity for others and which cannot be used to support the District's own programs. This fund is used to report all trust arrangements under which principal and interest benefit individuals, organizations, or other governments and has been established primarily for the purpose of granting scholarships to the District's students.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year in 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.

Under the terms of grant agreements, the District funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The District applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are received within 60 days after year-end. The District's major revenue sources that are susceptible to accrual are property taxes, tuition, intergovernmental revenues, facilities rental and investment earnings. Expenditures are recorded with the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements and compensated absences, which are recognized as expenditures when they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt are reported as other financing sources.

D. Cash and Investments

For the statement of cash flows, cash and cash equivalents are considered to be cash on hand, cash with the county treasurer, demand deposits, investment in money market accounts, investment in investment pools set up under state statute such as ColoTrust, as well as all highly liquid debt instruments purchased with a maturity of three months or less.

All investments are reported at fair value.

Restricted cash and investments consists of money market investments held by the bond redemption fund custodian and cash held by third-party administrators for self-insurance.

E. Inventories and Prepaid Items

Inventories are recorded as assets when purchased and expenditures/expenses when consumed. Inventories are stated at cost using the weighted average method except for commodities. The United States Department of Agriculture (USDA) donates food commodities to the District which are valued at estimated fair market value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures/expenses when consumed.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Tax Calendar

The District's property taxes, levied by January 1 on assessed valuation of the preceding year, are due and payable in the current calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. Taxes are collected by the Larimer County Treasurer and are remitted to the District on the 10th of the month following collection. Final budgeted and actual property tax revenues are based on the final assessed valuation including changes recorded by the county assessor through December 10.

G. Capital Assets

Capital assets are reported at actual cost (or estimated historical if records are not available). Donated assets are reported at their estimated fair market value on the date of donation.

The District's capital asset threshold (the dollar values above which asset acquisitions are added to the capital asset accounts) is \$5,000. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows.

Buildings and site improvements	15-40 years
Vehicles	8 years
Equipment	5-10 years
Software	Determined on a case by case basis

H. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized in future periods.

I. Pensions

The District participates in the School Division Trust Fund (SCHDTF) – a cost sharing multiple employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deduction from the plan's 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.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations the District's Board of Education approved, which is the highest level of decision-making authority within the District. Only the Board of Education can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Education has authorized the superintendent or his/her designee the authority to assign resources to be used for specific purposes.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned. District policy states that the District shall strive to maintain an appropriated reserve amount in its General Fund within the range of 3% to 5% of each fiscal year's expenditures and other financing uses. In addition to this established reserve within the unassigned fund balance category, the Board also authorized a contingency reserve of 2% of General Fund expenditures and other financing uses through the annual budget resolution process.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the District will use restricted fund balance first. The District will use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

K. Investment Earnings

Investment earnings is composed of interest, dividends and net changes in fair value of applicable investments.

L. Compensated Absences

Compensated absences payable consists of vacation leave employees earned based on services already rendered and is calculated using the rates in effect at the balance sheet date. Vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employees may accumulate an unlimited number of sick leave hours. Generally sick leave benefits provide for ordinary sick pay and are cumulative and non-licensed employees forfeit them upon terminating employment. For licensed employees who meet specific criteria, a benefit is provided based on the number of unused sick leave days at the time of retirement multiplied by a standard amount. The standard amount based on years of service. Licensed are eligible for these benefits after meeting specified criteria, including years of service, continuous years of service and type of service. These benefits are recorded as a retirement severance payable and generally paid out over a one-year period.

M. Accrued Salaries and Benefits

Salaries of teachers and certain other employees are paid over a 12-month period ending July 31. However, most salaries are earned over the traditional school year of August through May. The difference between salary and related benefit amounts earned from August 1 through June 30 and corresponding amounts paid during this period is shown as a liability for accrued salaries and benefits.

N. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

Colorado Revised Statutes govern the District's deposits of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require the state regulators to certify eligible depositories for public deposits. The District's policy is to follow State law.

The District is authorized by Colorado statutes to invest in: Obligations of the United States, certain U.S. government agency securities and World Bank; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; obligations of the District; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

To facilitate the recording of cash transactions and maximize earnings on investments, the District has combined the cash and investments of most funds and maintains accountability for each fund's equity in the pooled cash and investments. All funds of the District are eligible for investment and may be combined in an investment instrument to maximize earnings except for the Bond Redemption Fund account, which is required to be maintained for the annual payment of principal and interest payments on general obligation bonds, and cash held by third party agencies for the payment of insurance claims. Investment earnings attributable to combined funds are distributed to each fund on a pro rata basis.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Position follows:

	Primary Government	Discretely Presented Component Units
Cash, deposits, and investments:		
Cash on hand	\$ 81,431	\$ —
Cash with Larimer County Treasurer	1,918,304	—
Amount of deposits	59,348,305	11,104,785
Amount of investments	90,336,689	664,065
Total	<u>\$ 151,684,729</u>	<u>\$ 11,768,858</u>

	Primary Government			Discretely Presented Component Units
	Statement of Net Position Governmental Activities	Private Purpose Trust Fund	Total Primary Government	
Deposits and cash – unrestricted	\$ 61,013,656	\$ 225,845	\$ 61,239,501	\$ 7,415,678
Investments – unrestricted	48,960,135	—	48,960,135	467,437
Restricted deposits held for future facility needs	—	—	—	1,657,115
Restricted deposits held by third party administrators	334,384	—	334,384	—
Restricted deposits and investments held by debt service custodian	41,376,554	—	41,376,554	2,228,628
Total	<u>\$ 151,684,729</u>	<u>\$ 225,845</u>	<u>\$ 151,910,574</u>	<u>\$ 11,768,858</u>

Deposits

Custodial credit risk – At June 30, 2016, the carrying amount of the District's deposits, including cash in the Private Purpose Trust Fund, was \$59,574,150, and the bank balance was \$62,756,859. The District only places deposits in an eligible public depository as defined by State regulators with collateral defined by the PDPA. The PDPA require the eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the state of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

Investments

Investments measured at fair value at June 30, 2016 were as follows:

	Primary Government	Discretely Presented Component Units
Investments measured by fair value:		
Level 1:		
U.S. Treasury Securities	\$ 17,743,065	\$ —
Level 2:		
ColoTrust Investment Pool	9,233,683	467,437
U.S. Agency Securities	16,184,893	—
Total investments measured by level	<u>43,161,641</u>	<u>467,437</u>
Investments not leveled:		
Money Market Investments	47,175,048	196,628
Total investments measured at fair value	<u>\$ 90,336,689</u>	<u>\$ 664,065</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

For investments categorized as Level 1, prices are determined using quoted prices in active markets for identical securities. For investments categorized as Level 2, prices are determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use by pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted market prices for similar assets, quoted prices for identical or similar assets in markets that are not active or other quoted prices that are not observable.

Investments in the Colorado Government Liquid Asset Trust (ColoTrust) are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

Credit risk – The District invests in accordance with state law and the District does not further limit its investment choices. At June 30, 2016, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
ColoTrust Investment Pool	AAAm	S&P	\$ 9,233,683
Money market investments	Aaa/AAAm	Moody/S&P	47,175,048
U.S. Agency Securities	Aaa/AA+	Moody/S&P	15,188,273
U.S. Agency Securities	P-1/A-a+	Moody/S&P	996,620
U.S. Treasury Securities	Aaa/AA+	Moody/S&P	17,743,065
			<u>\$ 90,336,689</u>

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District limits this type of risk by following State law and by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business using the criteria established in the investment policy.

Concentration of credit risk – The District had investments at June 30, 2016, of 5 percent or more in Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae). These investments were 6.72 percent and 5.40 percent respectively of the District's total investments.

Investment rate risk – As a means of limiting exposure to fair value losses arising from interest rates, State law limits maturities to three years or less, unless the Board of Education specifically authorizes longer maturities. The District policy is to follow State law.

At June 30, 2016, the District had the following investments in debt securities:

Investment type	Amount	Investment Maturities	
		Less than 1 year	1-3 Years
U.S. Agency Securities	\$ 16,184,893	\$ 6,410,225	\$ 9,774,668
U.S. Treasury Securities	17,743,065	9,004,200	8,738,865
	<u>\$ 33,927,958</u>	<u>\$ 15,414,425</u>	<u>\$ 18,513,533</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3: CAPITAL ASSETS

Capital asset activity, for the primary government, for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,570,177	\$ 1,960,064	\$ ---	\$ 21,530,241
Construction in progress	6,518,378	15,006,833	(12,449,192)	9,076,019
Water rights	1,629,451	144,000	---	1,773,451
Total	<u>27,718,006</u>	<u>17,110,897</u>	<u>(12,449,192)</u>	<u>32,379,711</u>
Capital assets being depreciated:				
Buildings	367,864,746	12,479,832	(69,752)	380,274,826
Site improvements	12,941,324	---	---	12,941,324
Vehicles	15,593,028	841,932	(12,545)	16,422,415
Software	829,277	---	---	829,277
Other equipment	13,076,767	987,200	(389,798)	13,674,169
Total	<u>410,305,142</u>	<u>14,308,964</u>	<u>(472,095)</u>	<u>424,142,011</u>
Less accumulated depreciation for:				
Buildings	(158,092,893)	(9,881,919)	33,116	(167,941,696)
Site improvements	(4,181,720)	(375,124)	---	(4,556,844)
Vehicles	(13,237,612)	(725,055)	12,545	(13,950,122)
Software	(143,663)	(82,928)	---	(226,591)
Other equipment	(7,208,649)	(1,066,112)	315,487	(7,959,274)
Total	<u>(182,864,537)</u>	<u>(12,131,138)</u>	<u>361,148</u>	<u>(194,634,527)</u>
Total capital assets, being depreciated, net	<u>227,440,605</u>	<u>2,177,826</u>	<u>(110,947)</u>	<u>229,507,484</u>
Governmental activities capital assets, net	<u>\$ 255,158,611</u>	<u>\$ 19,288,723</u>	<u>\$ (12,560,139)</u>	<u>\$ 261,887,195</u>

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

Governmental activities:	
Instruction	\$ 9,881,919
Food service operations	62,632
Unallocated	<u>2,186,587</u>
Total depreciation expense – governmental activities	<u>\$ 12,131,138</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3: CAPITAL ASSETS (Continued)

Discretely Presented Component Units:

Capital asset activity of the discretely presented component units for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 2,313,455	\$ ---	\$ ---	\$ 2,313,455
Construction in progress	14,256	2,589,010	(14,256)	2,589,010
Water rights	12,864	---	---	12,864
Total	<u>2,340,575</u>	<u>2,589,010</u>	<u>(14,256)</u>	<u>4,915,329</u>
Capital assets being depreciated:				
Buildings and site improvements	25,021,549	415,355	---	25,436,904
Vehicles	44,000	47,000	---	91,000
Other equipment	1,639,979	25,498	(214,565)	1,450,912
Total	<u>26,705,528</u>	<u>487,853</u>	<u>(214,565)</u>	<u>26,978,816</u>
Less accumulated depreciation for:				
Buildings and site improvements	(5,541,526)	(736,459)	---	(6,277,985)
Vehicles	(10,267)	(9,360)	---	(19,627)
Other equipment	(1,062,364)	(93,389)	204,138	(951,615)
Total	<u>(6,614,157)</u>	<u>(839,208)</u>	<u>204,138</u>	<u>(7,249,227)</u>
Total capital assets, being depreciated, net	<u>20,091,371</u>	<u>(351,355)</u>	<u>(10,427)</u>	<u>19,729,589</u>
Component unit capital assets, net	<u>\$ 22,431,946</u>	<u>\$ 2,237,655</u>	<u>\$ (24,683)</u>	<u>\$ 24,644,918</u>

Depreciation expense was charged to programs of the discretely presented component units as follows:

Governmental activities:	
Instructional	\$ 200,322
General administration	<u>638,886</u>
Total depreciation expense – component units	<u>\$ 839,208</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: LONG-TERM LIABILITIES

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2016:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due within 1 year</u>
Governmental activities:					
General obligation bonds payable	\$ 192,892,540	\$ 30,000,000	\$ 18,937,540	\$ 203,955,000	\$ 28,110,000
Premiums	11,433,683	4,416,108	2,713,796	13,135,995	---
Total bonds payable	<u>204,326,223</u>	<u>34,416,108</u>	<u>21,651,336</u>	<u>217,090,995</u>	<u>28,110,000</u>
Net pension liability	474,471,702	109,617,869	34,881,356	549,208,215	---
Compensated absences payable	1,160,982	1,481,499	1,419,763	1,222,718	150,000
Total	<u>\$ 679,958,907</u>	<u>\$ 145,515,476</u>	<u>\$ 57,952,455</u>	<u>\$ 767,521,928</u>	<u>\$ 28,260,000</u>

Bonds

The District's bonded debt consists of various general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. During the year, the District issued general obligation bonds totaling \$30,000,000 to provide for various District-wide improvements.

The following bonds were outstanding at June 30, 2016:

General Obligation Bonds:	<u>Original amount issued</u>	<u>Maturity ranges</u>	<u>Interest rates</u>	<u>Outstanding principal</u>
Improvement	\$ 47,245,000	1998-2016	4.50-7.00%	\$ 5,000,000
Refunding	103,740,000	2004-2017	4.00-5.00%	21,530,000
Refunding	41,770,000	2008-2016	3.00-5.00%	4,180,000
Improvement	60,000,000	2010-2030	3.609-6.035%	60,000,000
Improvement/Refunding	45,975,000	2012-2030	2.00-4.00%	45,700,000
Refunding	37,655,000	2014-2023	2.00-5.00%	37,545,000
Improvement	30,000,000	2016-2030	2.00-5.00%	30,000,000
				<u>\$ 203,955,000</u>

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2016:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 28,110,000	\$ 8,781,292	\$ 36,891,292
2018	17,610,000	7,797,430	25,407,430
2019	18,345,000	7,098,499	25,443,499
2020	19,005,000	6,330,224	25,335,224
2021	11,105,000	5,661,393	16,766,393
2022-26	58,440,000	20,116,768	78,556,768
2027-31	51,340,000	7,007,508	58,347,508
Total	<u>\$ 203,955,000</u>	<u>\$ 62,793,114</u>	<u>\$ 266,748,114</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (Continued)

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2016 defeased bonds aggregating \$42,525,000 remain outstanding.

Compensated Absences

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs; approximately 94 percent are expected to be liquidated from the General Fund.

Discretely Presented Component Units

Discretely presented component unit long-term debt activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within 1 year
General obligation bonds payable	\$ 23,114,210	\$ 3,125,000	\$ (516,621)	\$ 25,722,589	\$ 590,171
Discounts	(154,674)	(53,095)	7,103	(200,666)	---
Total	<u>\$ 22,959,536</u>	<u>\$ 3,071,905</u>	<u>\$ (509,518)</u>	<u>\$ 25,521,923</u>	<u>\$ 590,171</u>

The bonded debt of discretely presented component units consists of various revenue bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring, constructing or renovating capital facilities. Bonds have also been issued to advance-refund previously issued revenue bonds. The bonds are subject to mandatory sinking fund requirements.

The following discretely presented component unit bonds were outstanding at June 30, 2016:

	Interest rates	Outstanding principal
Revenue/Refunding	3.00%-5.00%	\$ 14,610,000
Revenue	5.625%	1,640,000
Refunding	4.00%	4,919,647
Refunding	4.00%	1,427,942
Revenue	4.00%	3,125,000
Total		<u>\$ 25,722,589</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4: LONG-TERM LIABILITIES (Continued)

The following schedule details debt service requirements to maturity for discretely presented component unit bonds payable at June 30, 2016:

Year ending June 30,	Principal	Interest	Total
2017	\$ 590,171	\$ 1,131,543	\$ 1,721,714
2018	619,066	1,104,779	1,723,855
2019	638,320	1,083,869	1,722,189
2020	667,948	1,059,234	1,727,182
2021	682,964	1,036,529	1,719,493
2022-26	3,819,832	4,795,746	8,615,578
2027-31	4,718,432	3,903,390	8,621,822
2032-36	5,605,856	2,783,549	8,389,405
2037-41	4,670,000	1,608,938	6,278,938
2042-45	3,710,000	397,969	4,107,969
Total	\$ <u>25,722,589</u>	\$ <u>18,905,546</u>	\$ <u>44,628,145</u>

NOTE 5: DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of (1) the highest average salary multiplied by 2.5 percent and then multiplied by years of service credit or (2) 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.

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.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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 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.

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

Contributions. Eligible employees of the District and its component units 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, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate ¹	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	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF ¹	17.33%	18.13%

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

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District and its component units are statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$28,479,916 for the year ended June 30, 2016. Employer contributions recognized by the SCHDTF from discretely presented component units were \$1,389,506 for the year ended June 30, 2016.

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

At June 30, 2016, the District reported a liability of \$549,208,215 for its proportionate share of the net pension liability and discretely presented component units reported a liability of \$27,285,387. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's and its discretely presented component units' proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was 3.59 percent, which was an increase of .09 percent from its proportion measured as of December 31, 2014. At December 31, 2015, the discretely presented component units' proportion was 0.17 percent, which was an increase of .004 percent from the proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$58,900,361. At June 30, 2016, the District 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	\$ 7,252,361	\$ 22,874
Changes of assumption	---	7,761,268
Net difference between projected and actual earnings on pension plan investments	46,698,104	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	12,086,018	---
Contributions subsequent to the measurement date	14,647,094	---
Total	<u>\$ 80,683,577</u>	<u>\$ 7,784,142</u>

\$14,647,094 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 2017.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5 : DEFINED BENEFIT PENSION PLAN (Continued)

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 ending June 30,		
2017	\$	17,463,350
2018		16,862,845
2019		14,350,127
2020		<u>9,576,019</u>
Total	\$	<u>58,252,341</u>

For the year ended June 30, 2016 discretely presented component units recognized pension expense of \$1,894,525. At June 30, 2016, discretely presented component units 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	\$ 360,307	\$ 17,171
Changes of assumption	---	49,415
Net difference between projected and actual earnings on pension plan investments	2,325,072	---
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,007,251	336,175
Contributions subsequent to the measurement date	<u>841,703</u>	<u>---</u>
Total	<u>\$ 4,534,333</u>	<u>\$ 402,761</u>

\$841,703 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 2017.

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 ending June 30,		
2017	\$	1,024,343
2018		1,021,216
2019		682,445
2020		<u>561,865</u>
Total	\$	<u>3,289,869</u>

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future 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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible employees.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

As of November 15, 2013 adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non-U.S. Equity – Developed	22.06%	5.29%
Non-U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
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 7.50 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.50 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 3.90%.
- 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, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED, will 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 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 factoring 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.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, at the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's and its component units' proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

District:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 711,934,360	\$ 549,208,215	\$ 413,850,419

Component Units:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 35,369,834	\$ 27,285,387	\$ 20,560,622

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.

At June 30, 2016 accounts payable reported in the General Fund included \$3,605,047 payable to the SCHDTF. The payable represents the June 2016 District and employee contributions remitted to PERA in July 2016.

NOTE 6: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. The District does not make any contributions. For the year June 30, 2016, program members contributed \$2,279,381 for the Voluntary Investment Program.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Plan Description – The District and its component units contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District and its component units are required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for Poudre School District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending 2016, 2015 and 2014, the District contributions to the HCTF were \$1,638,215, \$1,551,394, and \$1,443,374, respectively, equal to their required contributions for each year. For the years ending 2016, 2015 and 2014, the component unit contributions to the HCTF were \$82,058, \$74,169, and \$41,206, respectively, equal to their required contributions for each year.

NOTE 8: RISK MANAGEMENT

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

The District participates in the Colorado School Districts Self Insurance Pool (CSDSIP) and pays an annual premium for risks of loss related to property, school entity liability and automobile liability. CSDSIP is a public entity risk pool currently operating as a common risk management and insurance program with 178 member school districts, Boards of Cooperative Educational Services and charter schools. The CSDSIP Board of Directors includes representatives from member entities. The District's Risk Manager serves on the Board. The District is subject to a \$100,000 deductible for property and school entity liability and a \$10,000 deductible for business vehicles. Total costs for property and liability, including premiums of \$682,247, for the fiscal year ended June 30, 2016 were \$871,684.

The Employee Self Insurance Fund (an internal service fund) accounts for the financing of the risk of loss for certain health benefits (medical, dental, vision, life, disability) to eligible employees and their dependents. Under this program the fund provides coverage for up to a maximum of \$300,000 for each medical claim. Self-insurance for workers' compensation is accounted for in the District's General Fund. Under this program the fund provides coverage for up to a loss per claim limit of \$500,000. The funds purchase commercial insurance for claims in excess of these maximum amounts. Settled claims did not exceed this commercial coverage in any of the past three fiscal years.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8: RISK MANAGEMENT (Continued)

The funds' claims payable liabilities at June 30, 2016, is the estimated ultimate cost of setting claims that have been incurred but not reported. The estimates are based on actuarial estimates. Changes in the funds' claims payable for the years ended June 30, 2015 and 2016, were as follows:

	<u>2015</u>	<u>2016</u>
Employee Self Insurance Fund:		
Claims payable, beginning of the year	\$ 4,424,033	\$ 3,675,900
Current-year claims and changes in estimates	21,526,602	23,959,214
Claim payments	<u>22,274,735</u>	<u>25,004,194</u>
Claims payable, end of year	<u>\$ 3,675,900</u>	<u>\$ 2,630,920</u>
General Fund:		
Claims payable, beginning of the year	\$ 1,100,000	\$ 1,360,000
Current-year claims and changes in estimates	1,014,235	321,952
Claim payments	754,235	629,952
Claims payable, end of year	<u>\$ 1,360,000</u>	<u>\$ 1,052,000</u>

The District continues to carry commercial insurance for other risks of loss including a fidelity bond, cyber liability, fiduciary liability, foreign liability, flood insurance and preschool accident insurance. The District had no significant reductions in insurance coverage from coverage in the prior year and had no settlements that exceeded insurance coverage for each of the past three fiscal years.

NOTE 9: INTERFUND BALANCES AND ACTIVITY

Interfund balances are expected to be repaid within one year and at June 30, 2016 were as follows.

	<u>Payable to</u>	
	<u>General Fund</u>	<u>Total</u>
<u>Payable from</u>		
Designated Special Purpose Grant Fund	\$ 2,783,070	\$ 2,783,070
Nonmajor Special Revenue Funds	829,932	829,932
Total	<u>\$ 3,613,002</u>	<u>\$ 3,613,002</u>

Interfund transfers for the year ended June 30, 2016 were as follows:

	<u>Transfer to</u>		
	<u>General Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total</u>
<u>Transfer from</u>			
General Fund	\$ ---	\$ 3,340,712	\$ 3,340,712
Nonmajor Special Revenue Funds	2,277,812	---	2,277,812
Total	<u>\$ 2,277,812</u>	<u>\$ 3,340,712</u>	<u>\$ 5,618,524</u>

Interfund transfers between funds are used to (1) move resources for all-day kindergarten, primarily accounted for in the Public School Activities Fund, a nonmajor special revenue fund, to the General Fund for operating supplies (2) move tuition scholarship resources for all-day kindergarten from the General Fund to the Public School Activities Fund, a nonmajor governmental special revenue fund, (3) to cover the outstanding meal charges in the Food Service Fund, a nonmajor special revenue fund with General Fund resources and (4) move resources from the General Fund to subsidize school activities primarily accounted for in the Public School Activities fund, a nonmajor special revenue fund.

Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 10: COMMITMENTS AND CONTINGENCIES

Encumbrances – The General Fund and Capital Projects Fund have outstanding encumbrances totaling \$4,729,087 and \$6,714,514 respectively. Bond proceeds, received in September 2015, related to the 2010 bond election, will primarily be used to fund the encumbrances in the Capital Projects Fund.

Construction Commitments – At year end, the District had construction commitments related to various capital projects for site renovations and repairs. As of June 30, 2016, the District had spent \$8,050,545 on the projects and had estimated remaining contractual commitments of \$6,669,275. These projects are primarily being funded with bond proceeds.

Arbitrage – The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer’s tax-exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2016, the District had no liability for arbitrage.

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Lawsuits – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s management, based upon consultation with the District’s attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Revenue Limitations and Restriction of Fund Balance – The State of Colorado enacted a constitutional amendment effective December 31, 1992, to limit increases in government revenues. The limitation generally restricts growth in revenue of a governmental entity (excluding enterprise operations) to a base amount plus increases for growth and inflation. In addition, the amendment requires government entities to create an emergency “reserve” of 3% of annual spending excluding bonded debt service. On November 3, 1998, voter approval was given to the District to remove the restriction on growth in revenue effective beginning the fiscal year ending June 30, 1998. At June 30, 2016, the District has complied with the requirements to include emergency reserves in its budgetary basis fund balance.

NOTE 11: RELATED PARTY TRANSACTIONS

The District provided administrative and other services for the fiscal year ended June 30, 2016 to the discretely presented component unit charter schools as follows:

Charter School	Amount
Liberty Common School	\$ 271,930
Fort Collins Montessori School	14,748
Mountain Sage Community School	93,407
Ridgeview Classical Schools	222,102
Total	\$ <u>602,187</u>

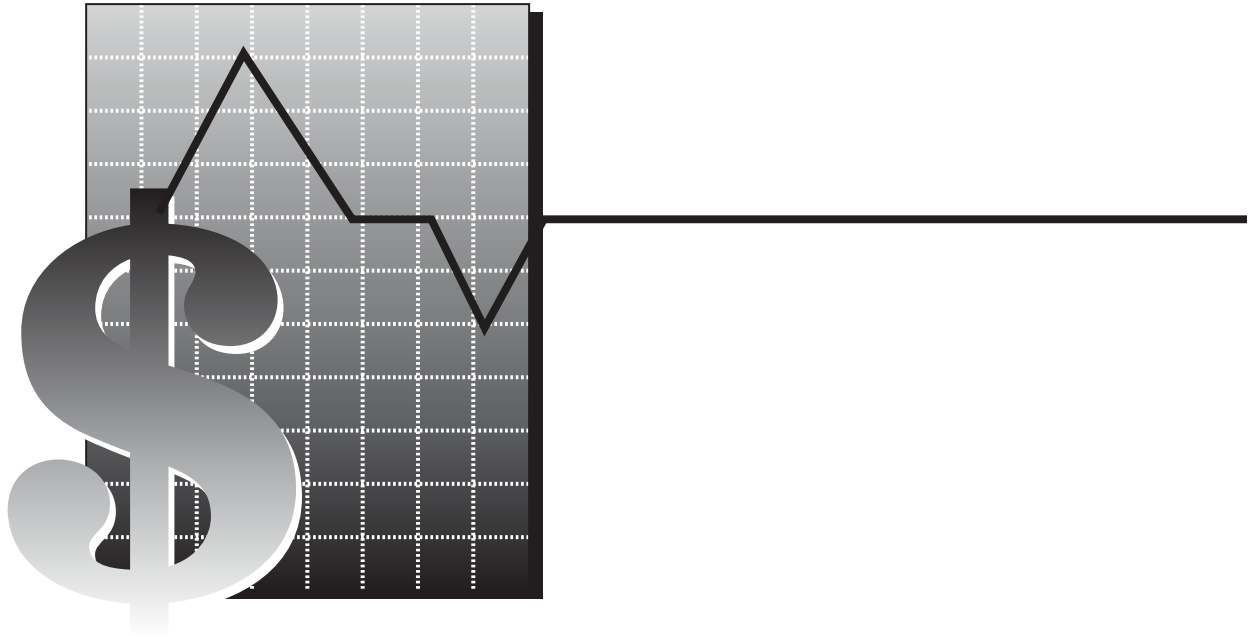
Poudre School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 12: SUBSEQUENT EVENT

On November 2016, the electors voted to approve the District's issuance of general obligation bonds in the amount of \$375 million and an annual mill levy override of \$8 million. The bonds were approved to finance the construction of new schools, a new transportation facility and a new athletic complex, as well as improvements to existing schools. The mill levy override was approved to pay for District operating costs, including operating costs related to new buildings; school staff; and materials, equipment and technology.

In order for the District to issue the bonds approved by the voters on November 8, the investors who will buy them must be satisfied that there is no pending or threatened litigation in which an unfavorable result would adversely affect the validity of the bonds or the documents required for the bond issuance. A citizen within the District has raised this uncertainty with a threatened lawsuit involving Colorado statutes that provide for the development of land and improvement of facilities with property tax money allocated by the county to governmental entities called "urban renewal authorities" and "downtown development authorities." This process is governed by state laws that were enacted by the Colorado legislature.

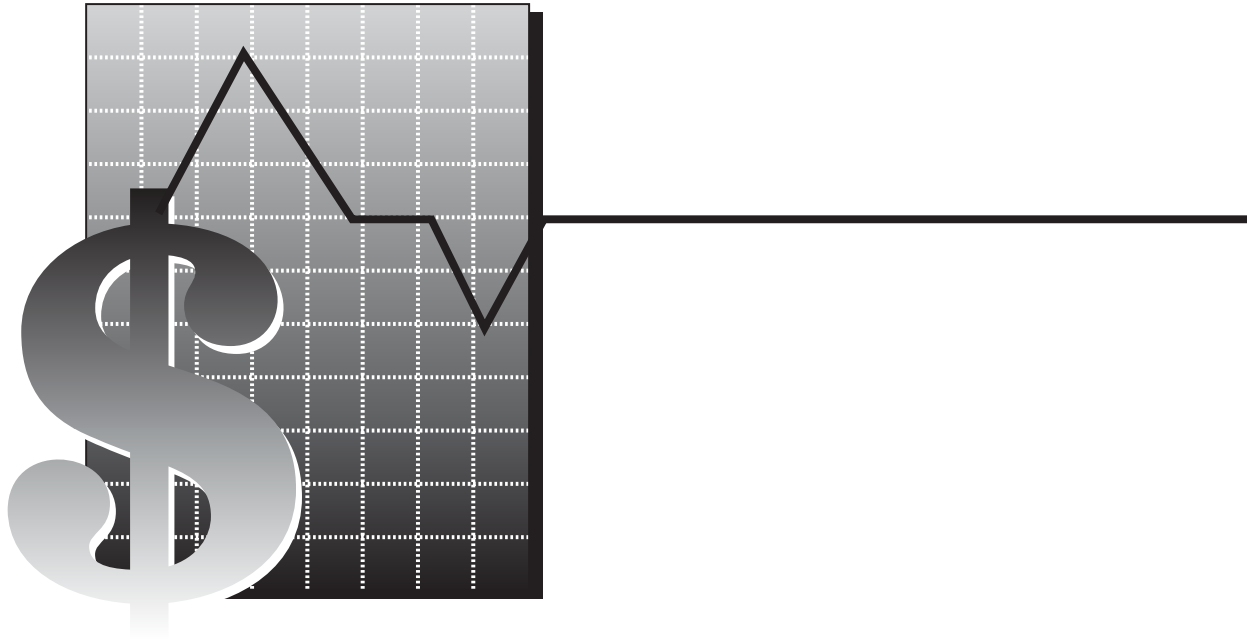
To resolve the legal questions raised by the threatened lawsuit as soon as possible, attorneys for the District have initiated two procedures: (1) a petition filed in district court for a judicial determination regarding the validity of the bonds to be issued; and (2) an action for declaratory judgment filed in district court to resolve the legal questions raised by the citizen regarding the voter-approved bond issue and mill levy override.





Required Supplementary Information

Budget-to-actual information found in this section of the document for the District's general fund and major special revenue fund are required to be included as required supplementary information if it is not already presented as part of the basic financial statements.



**Poudre School District
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual (Non-GAAP Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local:				
Property taxes	\$ 110,553,065	\$ 111,243,569	\$ 110,393,891	\$ (849,678)
Specific ownership taxes	11,325,587	11,325,587	11,942,335	616,748
Delinquent taxes and penalties and interest on taxes	900,000	400,000	930,341	530,341
Interest on investments	250,000	250,000	192,303	(57,697)
Building and other rental	330,000	400,000	419,357	19,357
Athletic support	160,000	160,000	162,531	2,531
Student fees	440,000	440,000	485,388	45,388
Services to charter schools	573,435	584,208	602,186	17,978
Indirect and overhead costs	790,000	1,010,000	1,281,823	271,823
E-rate	280,000	280,000	280,410	410
Cash in lieu of land	1,800,000	1,800,000	1,593,732	(206,268)
Other	300,000	925,000	1,451,562	526,562
Total local sources	127,702,087	128,818,364	129,735,859	917,495
State:				
Equalization	111,262,729	111,047,955	110,657,525	(390,430)
Vocational education	845,331	853,284	853,284	—
Special education	4,349,288	4,269,332	4,268,796	(536)
At-Risk funding	—	—	118,888	118,888
Transportation	1,728,828	1,681,365	1,749,927	68,562
ELPA	772,720	791,707	780,458	(11,249)
Gifted and talented	269,654	266,829	266,829	—
READ Act funding	803,460	880,511	880,511	—
Charter school capital construction	355,850	529,728	544,745	15,017
Small attendance center	79,916	79,916	88,812	8,896
Other	75,000	75,000	5,011	(69,989)
Total state sources	120,542,776	120,475,627	120,214,786	(260,841)
Federal:				
National Forest Reserve Act	135,000	135,000	218,598	83,598
Total federal sources	135,000	135,000	218,598	83,598
Total revenues	248,379,863	249,428,991	250,169,243	740,252

Continued

**Poudre School District
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016
(Continued)**

	Budgeted Amounts		Actual (Non-GAAP Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current—				
Instruction	\$ 135,378,254	\$ 138,036,600	\$ 136,032,614	\$ 2,003,986
Support services:				
Students	14,700,756	14,989,426	14,773,819	215,607
Instructional staff	17,514,298	17,858,216	17,688,286	169,930
General administration	2,907,327	2,964,416	2,940,490	23,926
School administration	18,053,560	18,408,068	18,716,926	(308,858)
Business	3,094,896	3,155,669	3,138,976	16,693
Operation and maintenance of plant	21,453,256	21,874,522	21,755,747	118,775
Student transportation	7,268,316	7,411,040	7,359,423	51,617
Central	9,425,365	9,610,446	9,561,692	48,754
Other	211,016	215,159	208,064	7,095
Food services operations	—	—	1,930	(1,930)
Community services	187,569	191,253	184,100	7,153
Education for adults	93,785	95,626	95,647	(21)
Facilities acquisition and construction	140,677	143,439	148,770	(5,331)
Total current expenditures	<u>230,429,075</u>	<u>234,953,880</u>	<u>232,606,484</u>	<u>2,347,396</u>
Capital outlay—				
Instruction	23,446	23,907	35,274	(11,367)
Support services:				
School administration	—	—	2,000	(2,000)
Operation and maintenance of plant	140,677	143,439	147,186	(3,747)
Student transportation	797,170	812,824	813,932	(1,108)
Central	23,446	23,907	29,409	(5,502)
Facilities acquisition and construction	3,048,004	3,107,856	3,079,899	27,957
Total capital outlay	<u>4,032,743</u>	<u>4,111,933</u>	<u>4,107,700</u>	<u>4,233</u>
Payments to charter schools	<u>16,406,453</u>	<u>16,627,593</u>	<u>16,683,753</u>	<u>(56,160)</u>
Operating contingencies	<u>61,912,352</u>	<u>56,756,472</u>	<u>—</u>	<u>56,756,472</u>
Total expenditures	<u>312,780,623</u>	<u>312,449,878</u>	<u>253,397,937</u>	<u>59,051,941</u>
Excess of revenues over (under) expenditures	<u>(64,400,760)</u>	<u>(63,020,887)</u>	<u>(3,228,694)</u>	<u>59,792,193</u>
Other financing sources (uses):				
Transfers in	400,000	400,000	2,277,812	1,877,812
Transfers (out)	—	—	(3,340,712)	(3,340,712)
Total other financing (uses)	<u>400,000</u>	<u>400,000</u>	<u>(1,062,900)</u>	<u>(1,462,900)</u>
Net change in fund balance	(64,000,760)	(62,620,887)	(4,291,594)	58,329,293
Fund balances at beginning of year	<u>64,000,760</u>	<u>62,620,887</u>	<u>62,620,887</u>	<u>—</u>
Fund balances at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 58,329,293</u>	<u>\$ 58,329,293</u>

**Poudre School District
General Fund
Reconciling Schedule of Actual Revenues, Expenditures and Changes in
Fund Balances—GAAP Basis to Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2016**

	<u>Actual (GAAP Basis)</u>	<u>Adjustments from GAAP to Non-GAAP Budgetary Basis</u>	<u>Actual (Non-GAAP Budgetary Basis)</u>
Revenues:			
Local:			
Property taxes	\$ 110,393,891	\$ —	\$ 110,393,891
Specific ownership taxes	11,942,335	—	11,942,335
Delinquent taxes and penalties and interest on taxes	930,341	—	930,341
Interest on investments	192,303	—	192,303
Building and other rental	419,357	—	419,357
Athletic support	162,531	—	162,531
Student fees	485,388	—	485,388
Services to charter schools	602,186	—	602,186
Indirect and overhead costs	1,281,823	—	1,281,823
E-rate	280,410	—	280,410
Cash in lieu of land	1,593,732	—	1,593,732
Other	1,451,562	—	1,451,562
	<u>129,735,859</u>	<u>—</u>	<u>129,735,859</u>
Total local sources			
State:			
Equalization	110,657,525	—	110,657,525
Vocational education	853,284	—	853,284
Special education	4,268,796	—	4,268,796
At-risk funding	118,888	—	118,888
Transportation	1,749,927	—	1,749,927
ELPA	780,458	—	780,458
Gifted and talented	266,829	—	266,829
READ Act funding	880,511	—	880,511
Charter school capital construction	544,745	—	544,745
Small attendance center	88,812	—	88,812
Other	5,011	—	5,011
	<u>120,214,786</u>	<u>—</u>	<u>120,214,786</u>
Total state sources			
Federal:			
National Forest Reserve Act	218,598	—	218,598
	<u>218,598</u>	<u>—</u>	<u>218,598</u>
Total federal sources			
	<u>218,598</u>	<u>—</u>	<u>218,598</u>
Total revenues	<u>250,169,243</u>	<u>—</u>	<u>250,169,243</u>

Continued

**Poudre School District
General Fund
Reconciling Schedule of Actual Revenues, Expenditures and Changes in
Fund Balances—GAAP Basis to Non-GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2016
(Continued)**

	Actual (GAAP Basis)	Adjustments from GAAP to Non-GAAP Budgetary Basis	Actual (Non-GAAP Budgetary Basis)
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current—			
Instruction	\$ 136,767,264	\$ (734,650)	\$ 136,032,614
Support services:			
Students	14,901,872	(128,053)	14,773,819
Instructional staff	17,743,929	(55,643)	17,688,286
General administration	2,941,320	(830)	2,940,490
School administration	18,757,962	(41,036)	18,716,926
Business	3,140,152	(1,176)	3,138,976
Operation and maintenance of plant	21,758,249	(2,502)	21,755,747
Student transportation	7,370,214	(10,791)	7,359,423
Central	9,546,823	14,869	9,561,692
Other	208,744	(680)	208,064
Food services operations	1,930	—	1,930
Community services	184,100	—	184,100
Education for adults	95,647	—	95,647
Facilities acquisition and construction	148,770	—	148,770
	<u>233,566,976</u>	<u>(960,492)</u>	<u>232,606,484</u>
Total current expenditures			
Capital outlay—			
Instruction	35,274	—	35,274
Support services:			
School Administration	2,000	—	2,000
Operation and maintenance of plant	147,186	—	147,186
Student transportation	813,932	—	813,932
Central	29,409	—	29,409
Facilities acquisition and construction	3,079,899	—	3,079,899
	<u>4,107,700</u>	<u>—</u>	<u>4,107,700</u>
Total capital outlay			
Charter school funding	<u>16,683,753</u>	<u>—</u>	<u>16,683,753</u>
Total expenditures	<u>254,358,429</u>	<u>(960,492)</u>	<u>253,397,937</u>
Excess of revenues over expenditures	<u>(4,189,186)</u>	<u>960,492</u>	<u>(3,228,694)</u>
Other financing sources (uses):			
Transfers in	2,277,812	—	2,277,812
Transfers (out)	<u>(3,340,712)</u>	<u>—</u>	<u>(3,340,712)</u>
Total other financing (uses)	<u>(1,062,900)</u>	<u>—</u>	<u>(1,062,900)</u>
Net change in fund balance	(5,252,086)	960,492	(4,291,594)
Fund balances at beginning of year	<u>49,940,598</u>	<u>12,680,289</u>	<u>62,620,887</u>
Fund balances at end of year	<u>\$ 44,688,512</u>	<u>\$ 13,640,781</u>	<u>\$ 58,329,293</u>

**Poudre School District
Designated Special Purpose Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Local sources	\$ 500,000	\$ 181,955	\$ (318,045)
State sources	500,000	523,055	23,055
Federal sources	<u>15,000,000</u>	<u>12,451,896</u>	<u>(2,548,104)</u>
Total revenues	<u>16,000,000</u>	<u>13,156,906</u>	<u>(2,843,094)</u>
Expenditures:			
Current—			
Instruction	9,422,220	8,086,560	1,335,660
Support services:			
Students	2,947,322	2,265,501	681,821
Instructional staff	2,813,134	2,086,009	727,125
School administration	22,036	26,005	(3,969)
Business	419,133	454,401	(35,268)
Operation and maintenance of plant	66,532	—	66,532
Student transportation	14,742	—	14,742
Central	6,980	885	6,095
Food services operations	11,308	—	11,308
Community services	<u>233,888</u>	<u>188,171</u>	<u>45,717</u>
Total current expenditures	<u>15,957,295</u>	<u>13,107,532</u>	<u>2,849,763</u>
Capital outlay—			
Support services:			
Operation and maintenance of plant	<u>42,705</u>	<u>45,374</u>	<u>(2,669)</u>
Total capital outlay	<u>42,705</u>	<u>45,374</u>	<u>(2,669)</u>
Total expenditures	<u>16,000,000</u>	<u>13,152,906</u>	<u>2,847,094</u>
Net change in fund balance	—	4,000	4,000
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	<u>\$ —</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>

Poudre School District
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULE
June 30, 2016

Note 1: Budgets and Budgetary Control

Annual budgets are established for all funds of the District as required by Colorado statutes. Budget appropriations lapse at the end of each fiscal year.

The Board of Education is required to adopt an annual budget on or before June 30. If, after adoption of the budget, the District receives unanticipated revenues or revenues not assured at the time of the adoption of the budget from any source other than the local government's property tax mill levy, the Board of Education may authorize the expenditure of such funds by enacting a supplemental budget and appropriation.

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education on January 26, 2016. Original budgets for all funds were adopted by the Board of Education on June 9, 2015.

The following is a summary of the significant dates and procedures used in establishing budgeted data reflected in the financial statements:

- On or before May 31, the Executive Director of Finance (not an elected official) submits to the Board of Education a proposed budget for the succeeding fiscal year.
- Within ten days after submission of the proposed budget, public notice is published stating the time and place of public hearing(s) to be conducted to obtain taxpayer comments on the budget prior to adoption.
- On or before June 30, the budget is adopted by formal resolution.
- November 10, pupil count information is provided by school districts to the Colorado Department of Education, for use in determining the state funding level for the current fiscal year.
- December 15, school districts certify to county commissioners, copied to CDE, the mill levies for the various property tax-supported funds of the District.

Note 2: Budgetary Basis of Accounting

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, except for the following items:

- Salaries and benefits are budgeted on a cash basis. State statute allow cash basis budgeting for salaries and benefits, eliminating the need to fund accrued salaries, benefits and related liabilities in the current year.
- Prepaid items are budgeted in the year prepaid.
- Net changes in fair value of investments are not budgeted.

Poudre School District
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Defined Benefit Pension Plan
Last Ten Fiscal Years *

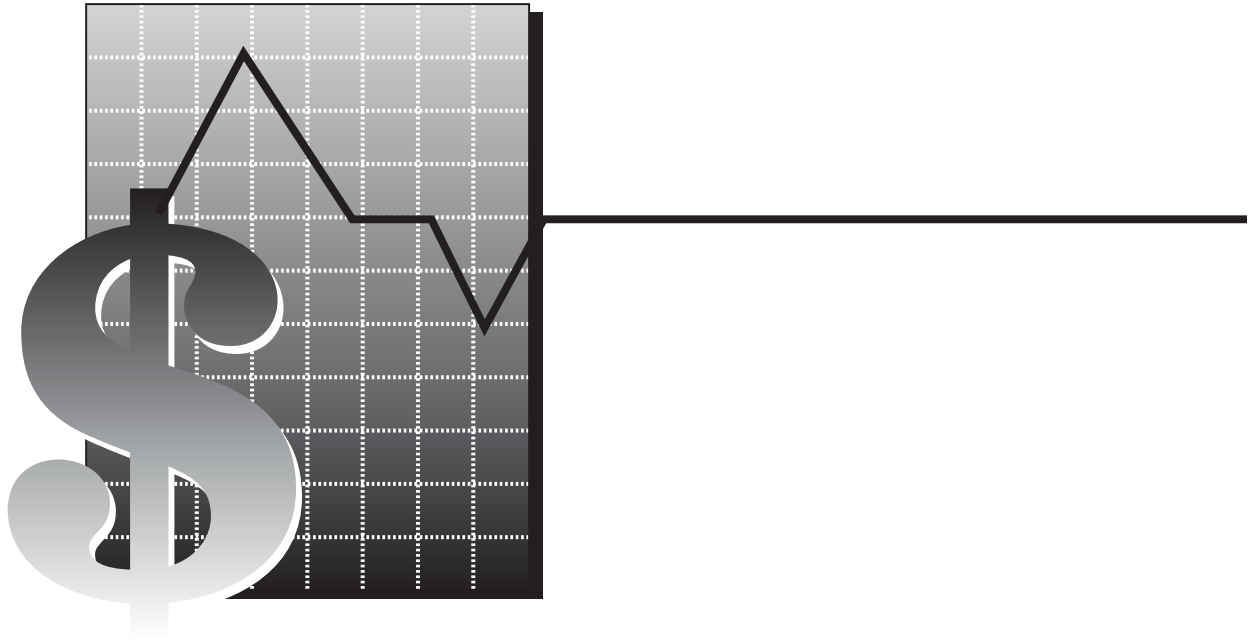
	Reporting Fiscal Year (measurement date)	
	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	3.59%	3.50%
District's proportionate share of the net pension liability	\$ 549,208,215	\$ 474,471,702
District's covered payroll	\$ 160,609,358	\$ 152,097,457
District's proportionate share of the net pension liability as a percentage of its covered payroll	341.95%	311.95%
Plan fiduciary net position as a percentage of the total pension liability	59.20%	62.80%

* For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Information is only presented from the implementation year forward.

**Poudre School District
Schedules of Required Supplementary Information
Schedule of District Contributions
Defined Benefit Pension Plan
Last Ten Fiscal Years ***

	Reporting Fiscal Year		
	2016	2015	2014
Contractually required contribution	\$ 28,479,916	\$ 25,679,649	\$ 22,618,176
Contributions in relation to the contractually required contribution	<u>(28,479,916)</u>	<u>(25,679,649)</u>	<u>(22,618,176)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 160,609,358	\$ 152,097,457	\$ 141,513,227
Contributions as a percentage of covered payroll	17.73%	16.88%	15.98%

* For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Information is only presented for years which the information is available.





Supplementary Information

Information included in this Supplementary Information Section of the document is designed to further explain and support the financial statements, including combining schedules. Also included in this section is budget-to-actual information for all funds of the District, as required by state law (except for the District's general fund and major special revenue funds which are included in the Required Supplementary Information Section).

Fund Information

NONMAJOR SPECIAL REVENUE FUNDS:

Food Service Fund

This fund is used to account for the District's food service program. The District provides meals to students. User charges (lunch sales) and Federal revenues under the National School Lunch Program are the primary source of revenue in this fund.

Public School Activities Fund

This fund is used primarily to record the financial transactions related to school-sponsored activities. The activities are generally supported by donations/contributions and fundraising activities.

INTERNAL SERVICE FUNDS:

Employee Self-Insurance Fund

This fund is used to account for the funding and administration of employee health and dental benefits and life insurance. The District contributes, on behalf of its employees, sufficient amounts to offset claim and administrative costs of the benefit plan. Employees also may elect to include eligible dependents under the plan at their own expense.

Warehouse Fund

This fund is used to account for revenues and costs associated with providing warehouse services for general supplies to schools, other District sites, and other governmental and non-profit entities.

PRIVATE-PURPOSE TRUST FUND:

Money held in trust by the District from donations by individuals and organizations is accounted for in this fiduciary fund. The primary purpose of the trusts accounted for in this fund is to provide scholarships.

**Poudre School District
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources—				
Property taxes	\$ 37,236,887	\$ 37,265,730	\$ 36,499,266	\$ (766,464)
Delinquent taxes and penalties and interest on taxes	—	—	262,062	262,062
Other revenue	—	—	—	—
Federal sources—				
Build America Bonds Subsidy	<u>1,041,230</u>	<u>1,041,230</u>	<u>1,046,847</u>	<u>5,617</u>
Total revenues	<u>38,278,117</u>	<u>38,306,960</u>	<u>37,808,175</u>	<u>(498,785)</u>
Expenditures:				
Debt service—				
Purchased services	4,000	4,000	4,000	—
Interest on debt	12,002,709	12,002,709	10,735,033	1,267,676
Retirement of bonds	<u>25,505,758</u>	<u>25,505,758</u>	<u>18,937,540</u>	<u>6,568,218</u>
Total debt service	<u>37,512,467</u>	<u>37,512,467</u>	<u>29,676,573</u>	<u>7,835,894</u>
Contingency	<u>34,522,074</u>	<u>34,919,413</u>	<u>—</u>	<u>34,919,413</u>
Total expenditures	<u>72,034,541</u>	<u>72,431,880</u>	<u>29,676,573</u>	<u>42,755,307</u>
Net change in fund balance	(33,756,424)	(34,124,920)	8,131,602	42,256,522
Fund balance at beginning of year	<u>33,756,424</u>	<u>34,124,920</u>	<u>34,124,920</u>	<u>—</u>
Fund balance at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 42,256,522</u>	<u>\$ 42,256,522</u>

**Poudre School District
Capital Projects Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources—				
Interest on investments	\$ 100,000	\$ 100,000	\$ 154,948	\$ 54,948
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>154,948</u>	<u>54,948</u>
Expenditures:				
Current—				
Support services:				
Operation and maintenance of plant	1,420,034	1,975,700	1,133,816	841,884
Central	523,350	728,140	100,606	627,534
Food services operations	47,937	66,695	513	66,182
Facilities acquisition and construction	<u>1,043,117</u>	<u>1,451,293</u>	<u>236,863</u>	<u>1,214,430</u>
Total current expenditures	<u>3,034,438</u>	<u>4,221,828</u>	<u>1,471,798</u>	<u>2,750,030</u>
Capital outlay—				
Support services:				
Operation and maintenance of plant	151,098	210,224	339,397	(129,173)
Central	—	—	—	—
Food services operations	65,667	91,362	58,211	33,151
Facilities acquisition and construction	<u>8,248,797</u>	<u>11,476,586</u>	<u>14,278,285</u>	<u>(2,801,699)</u>
Total capital outlay	<u>8,465,562</u>	<u>11,778,172</u>	<u>14,675,893</u>	<u>(2,897,721)</u>
Debt Service—				
Purchased Services	<u>235,000</u>	<u>243,000</u>	<u>242,783</u>	<u>217</u>
Contingency	<u>27,511,640</u>	<u>24,452,064</u>	<u>—</u>	<u>24,452,064</u>
Total expenditures	<u>39,011,640</u>	<u>40,452,064</u>	<u>16,390,474</u>	<u>24,304,373</u>
(Deficiency) of revenues (under) expenditures	<u>(38,911,640)</u>	<u>(40,352,064)</u>	<u>(16,235,526)</u>	<u>24,359,321</u>
Other financing sources:				
Premium on bonds issued	—	4,416,108	4,416,108	—
Proceeds from issuing bonds	30,000,000	30,000,000	30,000,000	—
Proceeds from sale of assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total financing sources	<u>30,000,000</u>	<u>34,416,108</u>	<u>34,416,108</u>	<u>—</u>
Net change in fund balance	(8,911,640)	(5,935,956)	18,180,582	24,359,321
Fund balance at beginning of year	<u>9,146,640</u>	<u>6,178,956</u>	<u>6,178,956</u>	<u>—</u>
Fund balances at end of year	<u>\$ 235,000</u>	<u>\$ 243,000</u>	<u>\$ 24,359,538</u>	<u>\$ 24,359,321</u>

**Poudre School District
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2016**

	<u>Food Service</u>	<u>Public School Activities</u>	<u>Nonmajor Special Revenue Funds Total</u>
ASSETS			
Cash and investments (including restricted amounts)	\$ 2,425,396	\$ 4,706,987	\$ 7,132,383
Receivable from grantor agencies	7,431	—	7,431
Accounts receivable	438	343,681	344,119
Inventory	<u>397,773</u>	<u>—</u>	<u>397,773</u>
Total assets	<u>\$ 2,831,038</u>	<u>\$ 5,050,668</u>	<u>\$ 7,881,706</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 255,613	\$ 109,932	\$ 365,545
Accrued salaries and benefits	183,714	407,033	590,747
Due to Other Funds	<u>829,932</u>	<u>—</u>	<u>829,932</u>
Total liabilities	<u>1,269,259</u>	<u>516,965</u>	<u>1,786,224</u>
Fund balances:			
Nonspendable	397,773	—	397,773
Restricted	<u>1,164,006</u>	<u>4,533,703</u>	<u>5,697,709</u>
Total fund balances	<u>1,561,779</u>	<u>4,533,703</u>	<u>6,095,482</u>
Total liabilities and fund balances	<u>\$ 2,831,038</u>	<u>\$ 5,050,668</u>	<u>\$ 7,881,706</u>

**Poudre School District
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016**

	Food Service	Public School Activities	Nonmajor Special Revenue Funds Total
Revenues:			
Local sources	\$ 3,752,541	\$ 10,518,509	\$ 14,271,050
State sources	136,514	135	136,649
Federal sources	4,897,571	—	4,897,571
	<u>8,786,626</u>	<u>10,518,644</u>	<u>19,305,270</u>
Total revenues			
Expenditures:			
Current—			
Instruction	—	10,668,730	10,668,730
Support services:			
Students	—	259,111	259,111
Instructional staff	—	121,790	121,790
General administration	—	62,000	62,000
School administration	—	278,762	278,762
Operation and maintenance of plant	—	42,927	42,927
Student transportation	—	1,425	1,425
Central	—	10,863	10,863
Food services operations	9,284,960	38	9,284,998
Community services	—	1,800	1,800
Capital outlay	47,401	94,301	141,702
	<u>9,332,361</u>	<u>11,541,747</u>	<u>20,874,108</u>
Total expenditures			
(Deficiency) of revenues (under) expenditures	<u>(545,735)</u>	<u>(1,023,103)</u>	<u>(1,568,838)</u>
Other financing sources (uses):			
Transfers in	64,668	3,276,044	3,340,712
Transfers (out)	—	(2,277,812)	(2,277,812)
	<u>64,668</u>	<u>998,232</u>	<u>1,062,900</u>
Total other financing sources			
Net change in fund balances	(481,067)	(24,871)	(505,938)
Fund balances at beginning of year	<u>2,042,846</u>	<u>4,558,574</u>	<u>6,601,420</u>
Fund balances at end of year	<u>\$ 1,561,779</u>	<u>\$ 4,533,703</u>	<u>\$ 6,095,482</u>

**Poudre School District
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources—				
Interest on investments	\$ 2,000	\$ 2,000	\$ 7,189	\$ (5,189)
Food sales	3,500,000	3,500,000	3,745,352	(245,352)
State sources	130,000	130,000	136,514	(6,514)
Federal sources—				
Federal Reimbursement	4,600,000	4,600,000	4,274,712	325,288
Commodities	440,000	440,000	622,859	(182,859)
	<u>8,672,000</u>	<u>8,672,000</u>	<u>8,786,626</u>	<u>(114,626)</u>
Expenditures:				
Current—				
Food services operations				
Salaries and benefits	3,400,000	3,400,000	3,390,588	9,412
Food	4,400,000	4,400,000	4,430,427	(30,427)
Non-food	865,000	1,100,000	1,463,945	(363,945)
	<u>8,665,000</u>	<u>8,900,000</u>	<u>9,284,960</u>	<u>(384,960)</u>
Capital outlay	—	—	47,401	(47,401)
Contingency	2,765,099	1,814,846	—	1,814,846
	<u>11,430,099</u>	<u>10,714,846</u>	<u>9,332,361</u>	<u>1,382,485</u>
(Deficiency) of revenues (under) expenditures	<u>(2,758,099)</u>	<u>(2,042,846)</u>	<u>(545,735)</u>	<u>(1,497,111)</u>
Other financing sources (uses):				
Transfers in	—	—	64,668	(64,668)
Transfers (out)	—	—	—	—
	<u>—</u>	<u>—</u>	<u>64,668</u>	<u>(64,668)</u>
Net change in fund balances	(2,758,099)	(2,042,846)	(481,067)	(1,561,779)
Fund balances at beginning of year	<u>2,758,099</u>	<u>2,042,846</u>	<u>2,042,846</u>	<u>—</u>
Fund balances at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,561,779</u>	<u>\$ (1,561,779)</u>

**Poudre School District
Public School Activities Special Revenue Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Local sources—			
Gifts and Donations	\$ 1,500,000	\$ 1,797,219	\$ 297,219
Activity Revenue	5,000,000	6,476,724	1,476,724
Tuition and Fees	2,800,000	1,998,150	(801,850)
Other local sources	500,000	246,416	(253,584)
State sources—			
Other state sources	—	135	135
Total revenues	<u>9,800,000</u>	<u>10,518,644</u>	<u>718,644</u>
Expenditures:			
Current—			
Instruction	10,790,400	10,668,730	121,670
Support services:			
Students	249,600	259,111	(9,511)
Instructional staff	278,400	121,790	156,610
General administration	63,600	62,000	1,600
School administration	408,000	278,762	129,238
Operation and maintenance of plant	66,000	42,927	23,073
Student transportation	1,200	1,425	(225)
Central	85,200	10,863	74,337
Food services operations	2,400	38	2,362
Community services	1,200	1,800	(600)
Total current expenditures	<u>11,946,000</u>	<u>11,447,446</u>	<u>498,554</u>
Capital outlay	54,000	94,301	(40,301)
Contingency	3,411,833	—	3,411,833
Total expenditures	<u>15,411,833</u>	<u>11,541,747</u>	<u>3,870,086</u>
(Deficiency) of revenues over (under) expenditures	<u>(5,611,833)</u>	<u>(1,023,103)</u>	<u>4,588,730</u>
Other financing sources (uses):			
Transfers in	1,500,000	3,276,044	1,776,044
Transfers (out)	—	<u>(2,277,812)</u>	<u>(2,277,812)</u>
Total other financing sources	<u>1,500,000</u>	<u>998,232</u>	<u>(501,768)</u>
Net change in fund balance	(4,111,833)	(24,871)	4,086,962
Fund balances at beginning of year	<u>4,111,833</u>	<u>4,558,574</u>	<u>446,741</u>
Fund balances at end of year	<u>\$ —</u>	<u>\$ 4,533,703</u>	<u>\$ 4,533,703</u>

**Poudre School District
Internal Service Funds
Combining Statement of Net Position
June 30, 2016**

	<u>Employee Self-Insurance</u>	<u>Warehouse</u>	<u>Internal Service Funds Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 11,767,293	\$ 110,175	\$ 11,877,468
Cash - restricted	289,384	—	289,384
Accounts receivable	160,528	—	160,528
Prepaid items	256,143	100	256,243
Inventory	<u>—</u>	<u>255,009</u>	<u>255,009</u>
Total current assets	<u>12,473,348</u>	<u>365,284</u>	<u>12,838,632</u>
Noncurrent assets:			
Capital assets:			
Vehicles	—	121,249	121,249
Less accumulated depreciation	<u>—</u>	<u>(44,924)</u>	<u>(44,924)</u>
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>76,325</u>	<u>76,325</u>
Total assets	<u>12,473,348</u>	<u>441,609</u>	<u>12,914,957</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,198,638	7,453	1,206,091
Estimated liability for unsubmitted claims	<u>2,630,920</u>	<u>—</u>	<u>2,630,920</u>
Total current liabilities	<u>3,829,558</u>	<u>7,453</u>	<u>3,837,011</u>
Noncurrent liabilities:			
Employee compensated absences	<u>24,955</u>	<u>5,025</u>	<u>29,980</u>
Total noncurrent liabilities	<u>24,955</u>	<u>5,025</u>	<u>29,980</u>
Total liabilities	<u>3,854,513</u>	<u>12,478</u>	<u>3,866,991</u>
NET POSITION			
Net investment in capital assets	—	76,325	76,325
Restricted for payment of claims	170,276	—	170,276
Unrestricted	<u>8,448,559</u>	<u>352,806</u>	<u>8,801,365</u>
Total net position	<u>\$ 8,618,835</u>	<u>\$ 429,131</u>	<u>\$ 9,047,966</u>

**Poudre School District
Internal Service Funds
Combining Statement of Revenues, Expenses
and Changes in Net Position
For the Fiscal Year Ended June 30, 2016**

	<u>Employee Self-Insurance</u>	<u>Warehouse</u>	<u>Internal Service Funds Total</u>
Operating revenues:			
District Contributions	\$ 15,405,251	\$ —	\$ 15,405,251
Employee Contributions	7,978,654	—	7,978,654
Sales	<u>—</u>	<u>1,024,129</u>	<u>1,024,129</u>
 Total operating revenues	 <u>23,383,905</u>	 <u>1,024,129</u>	 <u>24,408,034</u>
Operating expenses:			
Administration:			
Salaries	543,402	104,306	647,708
Employee benefits	139,050	34,071	173,121
Purchased services	1,550,534	3,530	1,554,064
Operating supplies	41,033	894,711	935,744
Internal charges	945	247	1,192
Depreciation expense	—	11,593	11,593
Claims	25,004,194	—	25,004,194
Premiums	1,888,575	—	1,888,575
Other	<u>19,512</u>	<u>—</u>	<u>19,512</u>
 Total operating expenses	 <u>29,187,245</u>	 <u>1,048,458</u>	 <u>30,235,703</u>
 Operating loss	 <u>(5,803,340)</u>	 <u>(24,329)</u>	 <u>(5,827,669)</u>
Non-operating revenues:			
Investment earnings	<u>92,609</u>	<u>454</u>	<u>93,063</u>
 Total non-operating revenues	 <u>92,609</u>	 <u>454</u>	 <u>93,063</u>
 Change in net position	 (5,710,731)	 (23,875)	 (5,734,606)
Total net position at beginning of year	<u>14,329,566</u>	<u>453,006</u>	<u>14,782,572</u>
Total net position at end of year	<u>\$ 8,618,835</u>	<u>\$ 429,131</u>	<u>\$ 9,047,966</u>

Poudre School District
Employee Self-Insurance Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Fund Net Position—Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
District contributions	\$ 18,900,000	\$ 15,405,251	\$ (3,494,749)
Employee contributions	<u>8,000,000</u>	<u>7,978,654</u>	<u>(21,346)</u>
Total operating revenues	<u>26,900,000</u>	<u>23,383,905</u>	<u>(3,516,095)</u>
Operating expenses:			
Administration:			
Salaries	824,000	543,402	280,598
Employee benefits	210,000	139,050	70,950
Purchased services	2,350,000	1,550,534	799,466
Operating supplies	62,000	41,033	20,967
Internal charges	1,000	945	55
Claims	20,625,000	25,004,194	(4,379,194)
Premiums	2,863,000	1,888,575	974,425
Other	30,000	19,512	10,488
Contingency	<u>13,968,497</u>	<u>—</u>	<u>13,968,497</u>
Total operating expenses	<u>40,933,497</u>	<u>29,187,245</u>	<u>11,746,252</u>
Operating loss	<u>(14,033,497)</u>	<u>(5,803,340)</u>	<u>8,230,157</u>
Non-operating revenues:			
Investment earnings	<u>65,000</u>	<u>92,609</u>	<u>27,609</u>
Total non-operating revenues	<u>65,000</u>	<u>92,609</u>	<u>27,609</u>
Change in net position	(13,968,497)	(5,710,731)	8,257,766
Total net position at beginning of year	<u>13,968,497</u>	<u>14,329,566</u>	<u>361,069</u>
Total net position at end of year	<u>\$ —</u>	<u>\$ 8,618,835</u>	<u>\$ 8,618,835</u>

**Poudre School District
Warehouse Internal Service Fund
Schedule of Revenues, Expenses
and Changes in Fund Net Position—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

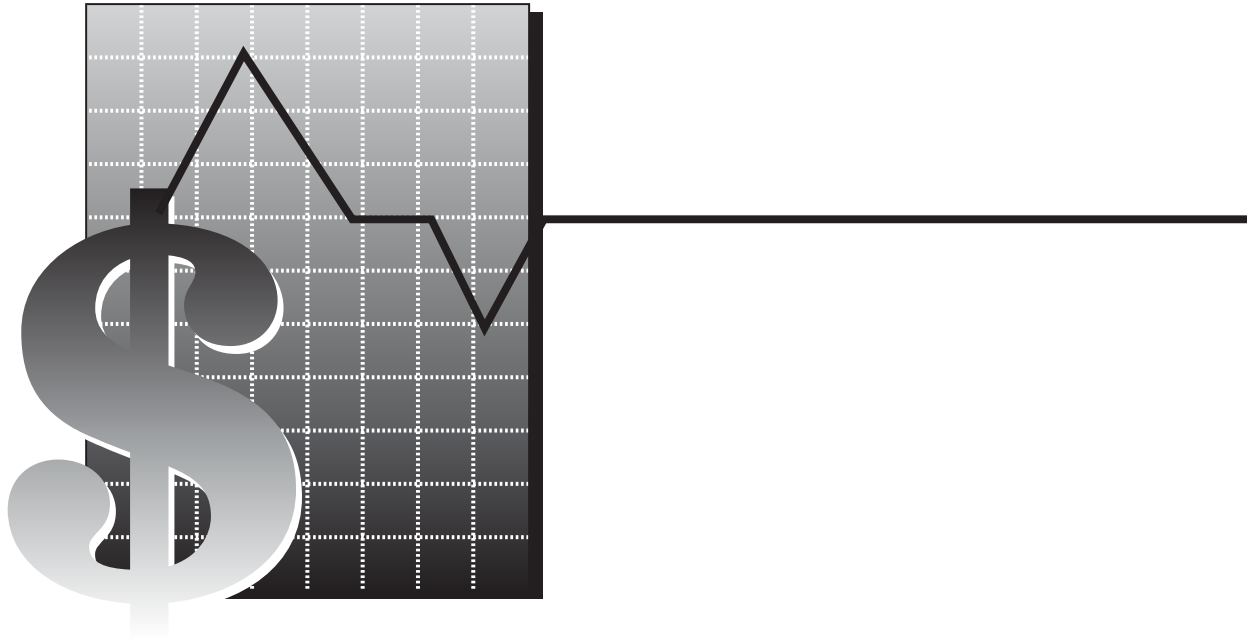
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Sales	\$ 1,030,000	\$ 1,024,129	\$ (5,871)
Total operating revenues	<u>1,030,000</u>	<u>1,024,129</u>	<u>(5,871)</u>
Operating expenses:			
Administration:			
Salaries	113,000	104,306	8,694
Employee benefits	37,000	34,071	2,929
Purchased services	4,000	3,530	470
Operating supplies	968,000	894,711	73,289
Other	13,000	11,840	1,160
Contingency	<u>252,224</u>	<u>—</u>	<u>252,224</u>
Total operating expenses	<u>1,387,224</u>	<u>1,048,458</u>	<u>338,766</u>
Operating (loss)	<u>(357,224)</u>	<u>(24,329)</u>	<u>332,895</u>
Non-operating revenues:			
Investment earnings	<u>250</u>	<u>454</u>	<u>204</u>
Total non-operating revenues	<u>250</u>	<u>454</u>	<u>204</u>
Change in net position	(356,974)	(23,875)	333,099
Total net position at beginning of year	<u>356,974</u>	<u>453,006</u>	<u>96,032</u>
Total net position at end of year	<u>\$ —</u>	<u>\$ 429,131</u>	<u>\$ 429,131</u>

**Poudre School District
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016**

	<u>Employee Self- Insurance</u>	<u>Warehouse</u>	<u>Total</u>
Cash flows from operating activities:			
Received from customers	\$ 23,323,315	\$ 1,024,129	\$ 24,347,444
Payments to employees	(672,592)	(137,196)	(809,788)
Payments to suppliers for goods and services	(1,604,255)	(890,894)	(2,495,149)
Payments for claims and insurance	(27,937,749)	—	(27,937,749)
Payments to other funds	<u>(945)</u>	<u>(247)</u>	<u>(1,192)</u>
Net cash used by operating activities	<u>(6,892,226)</u>	<u>(4,208)</u>	<u>(6,896,434)</u>
Cash flows from investing activities:			
Interest received	<u>92,609</u>	<u>454</u>	<u>93,063</u>
Net cash provided by investing activities	<u>92,609</u>	<u>454</u>	<u>93,063</u>
Net decrease in cash and cash equivalents	(6,799,617)	(3,754)	(6,803,371)
Cash and cash equivalents at beginning of year	<u>18,856,294</u>	<u>113,929</u>	<u>18,970,223</u>
Cash and cash equivalents at end of year	<u>\$ 12,056,677</u>	<u>\$ 110,175</u>	<u>\$ 12,166,852</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (5,803,340)	\$ (24,329)	\$ (5,827,669)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense	—	11,593	11,593
Accounts receivable	(60,590)	—	(60,590)
Prepaid expense	(10,391)	—	(10,391)
Inventory	—	18,113	18,113
Accounts payable	17,215	(10,766)	6,449
Employee compensated absences	9,860	1,181	11,041
Estimated liability for unsubmitted claims	<u>(1,044,980)</u>	<u>—</u>	<u>(1,044,980)</u>
Net cash used by operating activities	<u>\$ (6,892,226)</u>	<u>\$ (4,208)</u>	<u>\$ (6,896,434)</u>

**Poudre School District
Private-Purpose Trust Fund
Schedule of Changes in Fiduciary Net Position—Budget and Actual
For the Fiscal Year Ended June 30, 2016**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
ADDITIONS			
Contributions:			
Private donations	\$ 100,000	\$ 43,677	\$ (56,323)
Interest earnings	<u>500</u>	<u>1,251</u>	<u>751</u>
Total additions	<u>100,500</u>	<u>44,928</u>	<u>(55,572)</u>
DEDUCTIONS			
Payments in accordance with trust agreements	110,000	70,119	39,881
Contingency	<u>295,102</u>	<u>—</u>	<u>295,102</u>
Total deductions	<u>405,102</u>	<u>70,119</u>	<u>334,983</u>
Change in net position	(304,602)	(25,191)	279,411
Net position at beginning of year	<u>304,602</u>	<u>251,036</u>	<u>(53,566)</u>
Net position at end of year	<u>\$ —</u>	<u>\$ 225,845</u>	<u>\$ 225,845</u>





Statistical Section

The statistical section is provided to reflect social and economic data, financial trends and the fiscal capacity of the District.

Poudre School District Statistical Section

This part of the District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Tables
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	I-IV
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	V-IX
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	X-XII
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	XIII-XIV
Operating Information These schedules contain service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	XV-XVIII

Table I
Poudre School District
Net Position by Component
(Accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Governmental activities				
Net investment in capital assets	\$ 69,088,476	\$ 57,185,046	\$ 50,986,099	\$ 45,419,623
Restricted	62,861,134	55,324,165	50,899,116	50,722,325
Unrestricted ⁽¹⁾	<u>(435,864,904)</u>	<u>(395,589,297)</u>	57,355,476	61,012,485
Total governmental activities net position	<u>\$ (303,915,294)</u>	<u>\$ (283,080,086)</u>	<u>\$ 159,240,691</u>	<u>\$ 157,154,433</u>
Business-type activities ⁽²⁾				
Net investment in capital assets	\$ -	\$ -	\$ 431,892	\$ 428,894
Unrestricted	-	-	<u>1,703,582</u>	<u>2,002,993</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,135,474</u>	<u>\$ 2,431,887</u>
Primary government				
Net investment in capital assets	\$ 69,088,476	\$ 57,185,046	\$ 51,417,991	\$ 45,848,517
Restricted	62,861,134	55,324,165	50,899,116	50,722,325
Unrestricted	<u>(435,864,904)</u>	<u>(395,589,297)</u>	59,059,058	63,015,478
Total primary government net position	<u>\$ (303,915,294)</u>	<u>\$ (283,080,086)</u>	<u>\$ 161,376,165</u>	<u>\$ 159,586,320</u>

⁽¹⁾ For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.*

⁽²⁾ Beginning in fiscal year 2015, the Food Service Fund was reclassified and reported with governmental activities rather than than business-type activities.

Continued on next page

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	43,614,298	\$ 37,691,167	\$ 30,979,145	\$ 25,247,992	\$ 21,305,501	\$ 19,534,278
	47,722,851	56,620,442	43,060,438	41,649,764	37,248,749	32,112,371
	61,034,007	55,507,549	57,289,627	45,603,416	48,020,911	46,686,039
\$	<u>152,371,156</u>	<u>\$ 149,819,158</u>	<u>\$ 131,329,210</u>	<u>\$ 112,501,172</u>	<u>\$ 106,575,161</u>	<u>\$ 98,332,688</u>
\$	274,726	\$ 50,672	\$ 65,632	\$ 85,910	\$ 82,356	\$ 104,311
	2,312,761	2,362,068	1,584,083	1,394,506	1,672,513	1,588,987
\$	<u>2,587,487</u>	<u>\$ 2,412,740</u>	<u>\$ 1,649,715</u>	<u>\$ 1,480,416</u>	<u>\$ 1,754,869</u>	<u>\$ 1,693,298</u>
\$	43,889,024	\$ 37,741,839	\$ 31,044,777	\$ 25,333,902	\$ 21,387,857	\$ 19,638,589
	47,722,851	56,620,442	43,060,438	41,649,764	37,248,749	32,112,371
	63,346,768	57,869,617	58,873,710	46,997,922	49,693,424	48,275,026
\$	<u>154,958,643</u>	<u>\$ 152,231,898</u>	<u>\$ 132,978,925</u>	<u>\$ 113,981,588</u>	<u>\$ 108,330,030</u>	<u>\$ 100,025,986</u>

Table II
Poudre School District
Changes in Net Position
(Accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Expenses				
Governmental activities:				
Instruction	\$ 187,152,364	\$ 170,920,008	\$ 146,846,816	\$ 146,165,952
Support services				
Students	20,060,394	17,679,219	15,772,945	14,975,448
Instructional staff	22,789,005	21,661,354	17,782,490	16,134,084
General administration	3,312,293	3,258,028	2,798,230	2,645,082
School administration	21,833,308	20,028,914	16,296,488	15,621,363
Business	4,807,707	3,098,427	2,361,805	2,126,703
Operations and maintenance of plant	24,089,053	25,185,436	22,613,583	21,916,989
Student transportation	8,282,372	7,854,413	7,257,434	6,854,130
Central	19,688,095	18,057,591	17,686,921	13,774,881
Other	208,744	243,262	175,346	198,910
Food service operations ⁽²⁾	9,904,744	8,666,611	56,328	139,829
Other	3,085,632	3,191,063	3,144,226	3,427,451
Debt service	7,654,857	9,493,756	11,182,085	11,899,236
Charter school funding	16,683,753	15,412,916	13,694,681	11,783,210
Total governmental activities expenses	<u>349,552,321</u>	<u>324,750,998</u>	<u>277,669,378</u>	<u>267,663,268</u>
Business-type activities:				
Food service operations ⁽²⁾	—	—	8,091,533	7,673,977
Total primary government expenses	<u>\$ 349,552,321</u>	<u>\$ 324,750,998</u>	<u>\$ 285,760,911</u>	<u>\$ 275,337,245</u>
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	\$ 9,995,214	\$ 4,892,838	\$ 3,609,196	\$ 3,173,314
Support services	8,983,384	7,833,533	7,243,889	6,694,130
Food service operations	1,137,848	3,479,640	—	—
Community services	209,678	187,483	164,724	158,716
Education for adults	—	—	—	—
Operating grants and contributions				
Instruction	16,425,968	20,864,365	20,270,693	18,565,565
Support services	7,900,997	8,623,679	8,149,080	7,672,971
Food service operations ⁽²⁾	7,687,477	4,991,334	493	574
Community services	188,170	205,959	247,156	337,311
Education for adults	—	—	—	—
Other uses	1,046,847	1,041,230	1,042,354	1,074,366
Capital grants/restricted investment earnings				
Support services	—	—	—	—
Facilities acquisition and construction	2,138,477	1,902,881	1,956,610	1,597,564
Total governmental activities program revenues	<u>55,714,060</u>	<u>54,022,942</u>	<u>42,684,195</u>	<u>39,274,511</u>

Continued on next page

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	136,611,274	\$ 132,152,533	\$ 130,604,347	\$ 130,790,934	\$ 124,592,394	\$ 118,734,278
	14,441,020	14,161,384	14,364,960	13,300,548	11,543,592	10,693,205
	15,959,911	15,648,388	15,347,485	13,998,883	12,319,608	12,394,520
	2,585,270	2,679,711	3,019,637	2,858,297	2,959,541	2,650,551
	14,037,045	13,588,419	14,137,445	13,471,551	13,149,356	12,159,210
	2,360,098	2,333,169	2,474,295	2,489,433	2,355,738	2,025,598
	21,667,219	20,111,197	21,284,032	23,634,584	23,223,047	23,017,770
	6,770,350	6,428,610	6,972,476	7,206,812	7,793,333	7,061,266
	17,306,811	15,565,647	12,585,177	14,380,076	13,119,658	11,968,481
	232,080	299,665	356,253	596,064	466,945	409,933
	183,739	39,160	39,173	42,612	135,173	232,214
	5,396,697	2,373,119	2,465,839	2,573,668	2,972,764	2,928,892
	12,261,003	11,209,028	9,858,073	8,331,059	12,626,141	13,218,320
	11,506,662	10,876,836	9,182,166	8,563,579	8,184,578	9,375,082
	<u>261,319,179</u>	<u>247,466,866</u>	<u>242,691,358</u>	<u>242,238,100</u>	<u>235,441,868</u>	<u>226,869,320</u>
	<u>7,407,160</u>	<u>6,564,602</u>	<u>6,474,067</u>	<u>6,440,740</u>	<u>5,854,745</u>	<u>5,303,454</u>
\$	<u><u>268,726,339</u></u>	<u><u>254,031,468</u></u>	<u><u>249,165,425</u></u>	<u><u>248,678,840</u></u>	<u><u>241,296,613</u></u>	<u><u>232,172,774</u></u>
\$	3,097,556	\$ 2,957,620	\$ 2,891,531	\$ 2,522,029	\$ 2,062,787	\$ 2,101,174
	6,737,420	6,728,928	6,072,773	7,275,920	7,417,938	7,047,381
	—	—	—	—	—	—
	131,520	117,193	144,743	109,018	194,703	119,141
	—	—	21,149	33,630	47,086	55,243
	18,316,957	26,613,109	19,398,546	19,052,381	18,977,364	18,055,846
	7,538,844	9,477,298	9,116,593	6,435,027	5,845,234	6,026,142
	453	159	63,224	30,602	20,176	5,593
	287,368	302,250	305,657	210,300	310,164	345,798
	12	12	—	7,145	11,593	9,283
	1,123,226	546,018	—	—	130,239	118,915
	—	—	420,285	456,818	980	1,991
	867,123	426,771	10,549	211,135	1,977,924	2,809,749
	<u>38,100,479</u>	<u>47,169,358</u>	<u>38,445,050</u>	<u>36,344,005</u>	<u>36,996,188</u>	<u>36,696,256</u>

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Table II
Poudre School District
Changes in Net Position
(Accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Business-type activities: ⁽²⁾				
Charges for services - food services	—	—	3,276,336	3,019,987
Operating grants and contributions - food services	—	—	4,515,813	4,471,983
Total business-type activities program revenues	—	—	7,792,149	7,491,970
Total primary government program revenues	\$ 55,714,060	\$ 54,022,942	\$ 50,476,344	\$ 46,766,481
Net (Expense)/Revenue				
Governmental activities	\$ (293,838,261)	\$ (270,728,056)	\$ (234,985,183)	\$ (228,388,757)
Business-type activities ⁽²⁾	—	—	(299,384)	(182,007)
Total primary government net expense	\$ (293,838,261)	\$ (270,728,056)	\$ (235,284,567)	\$ (228,570,764)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general and debt purposes	\$ 149,368,884	\$ 129,411,406	\$ 127,400,081	\$ 128,253,445
Specific ownership taxes	11,942,335	11,426,061	10,272,642	8,962,377
Unrestricted earnings on investments	447,503	324,064	476,355	76,203
Miscellaneous	586,806	1,104,632	1,448,621	1,385,386
Gain/loss on asset disposal	—	(65,977)	31,125	277,465
Equalization	110,657,525	110,698,549	99,266,299	94,217,158
Extraordinary item ⁽¹⁾	—	—	(187,644)	—
Total governmental activities	273,003,053	252,898,735	238,707,479	233,172,034
Business-type activities: ⁽²⁾				
Unrestricted earnings on investments	—	—	2,971	4,464
Gain/loss on asset disposal	—	—	—	21,943
Miscellaneous	—	—	—	—
Total business-type activities	—	—	2,971	26,407
Total primary government	\$ 273,003,053	\$ 252,898,735	\$ 238,710,450	\$ 233,198,441
Change in Net Position				
Governmental activities	(20,835,208)	(17,829,321)	3,722,296	4,783,277
Business-type activities ⁽²⁾	—	—	(296,413)	(155,600)
Total primary government	\$ (20,835,208)	\$ (17,829,321)	\$ 3,425,883	\$ 4,627,677

⁽¹⁾ Fiscal Year 2009 - loss on investment. Fiscal Year 2014 - Loss due to expenditures incurred related to flood net of insurance recoveries.

⁽²⁾ Beginning in fiscal year 2015, the Food Service Fund was reclassified and reported with governmental activities rather than business-type activities.

⁽³⁾ For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
	3,287,904	3,405,656	3,238,065	3,039,859	3,087,344	2,903,659
	<u>4,292,028</u>	<u>3,920,295</u>	<u>3,403,758</u>	<u>3,110,052</u>	<u>2,771,227</u>	<u>2,561,735</u>
	<u>7,579,932</u>	<u>7,325,951</u>	<u>6,641,823</u>	<u>6,149,911</u>	<u>5,858,571</u>	<u>5,465,394</u>
\$	<u><u>45,680,411</u></u>	<u><u>54,495,309</u></u>	<u><u>45,086,873</u></u>	<u><u>42,493,916</u></u>	<u><u>42,854,759</u></u>	<u><u>42,161,650</u></u>
\$	(223,218,700)	(200,297,508)	(204,246,308)	(205,894,095)	(198,445,680)	(190,173,064)
	<u>172,772</u>	<u>761,349</u>	<u>167,756</u>	<u>(290,829)</u>	<u>3,826</u>	<u>161,940</u>
\$	<u><u>(223,045,928)</u></u>	<u><u>(199,536,159)</u></u>	<u><u>(204,078,552)</u></u>	<u><u>(206,184,924)</u></u>	<u><u>(198,441,854)</u></u>	<u><u>(190,011,124)</u></u>
\$	124,105,741	118,774,939	115,327,587	110,076,553	108,381,515	104,148,520
	8,253,845	7,874,996	8,120,314	8,713,638	9,486,221	10,102,117
	139,554	154,395	89,958	896,197	2,727,634	3,063,695
	1,177,008	1,667,291	1,456,046	1,033,966	966,163	1,301,457
	13,041	657,386	—	—	10,774	15,198
	92,081,509	89,658,449	98,080,441	92,373,829	85,115,846	80,427,619
	—	—	—	(1,274,077)	—	—
	<u>225,770,698</u>	<u>218,787,456</u>	<u>223,074,346</u>	<u>211,820,106</u>	<u>206,688,153</u>	<u>199,058,606</u>
	1,975	1,676	1,143	16,376	57,745	62,112
	—	—	—	—	—	—
	—	—	400	—	—	—
	<u>1,975</u>	<u>1,676</u>	<u>1,543</u>	<u>16,376</u>	<u>57,745</u>	<u>62,112</u>
\$	<u><u>225,772,673</u></u>	<u><u>218,789,132</u></u>	<u><u>223,075,889</u></u>	<u><u>211,836,482</u></u>	<u><u>206,745,898</u></u>	<u><u>199,120,718</u></u>
	2,551,998	18,489,948	18,828,038	5,926,011	8,242,473	8,885,542
	<u>174,747</u>	<u>763,025</u>	<u>169,299</u>	<u>(274,453)</u>	<u>61,571</u>	<u>224,052</u>
\$	<u><u>2,726,745</u></u>	<u><u>19,252,973</u></u>	<u><u>18,997,337</u></u>	<u><u>5,651,558</u></u>	<u><u>8,304,044</u></u>	<u><u>9,109,594</u></u>

Table III
Poudre School District
Fund Balance, Governmental Funds
(Modified accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
General Fund				
Nonspendable	\$ 580,951	\$ 347,759	\$ 150,352	\$ 463,730
Restricted	14,626,076	14,932,256	12,429,706	10,273,096
Assigned	21,395,280	22,453,840	26,280,103	26,097,242
Unassigned	8,086,205	12,206,743	15,714,968	15,931,917
Total General Fund	<u>\$ 44,688,512</u>	<u>\$ 49,940,598</u>	<u>\$ 54,575,129</u>	<u>\$ 52,765,985</u>
All Other Governmental Funds				
Nonspendable	\$ 401,773	\$ —	\$ —	\$ —
Restricted ⁽¹⁾	71,441,936	46,186,810	59,270,732	77,423,345
Assigned	871,833	718,486	603,599	440,807
Unassigned	—	—	—	—
Total all other governmental funds	<u>\$ 72,715,542</u>	<u>\$ 46,905,296</u>	<u>\$ 59,874,331</u>	<u>\$ 77,864,152</u>

⁽¹⁾ Effective July 1, 2015, the Food Service Fund, in accordance with the State Board of Education Financial Policies and Procedures Handbook, was reclassified and reported as a Special Revenue Fund rather than an Enterprise Fund. As such, the fund balance is included with restricted fund balance beginning in fiscal year 2015. Prior fiscal years have not been restated in this table.

	2012	2011	2010	2009	2008	2007
\$	130,423	\$ 446,248	\$ 149,557	\$ 91,817	\$ —	\$ —
	8,075,746	6,600,000	6,550,000	6,350,000	6,000,000	5,650,000
	24,292,674	26,497,194	18,679,227	18,083,697	15,882,317	11,715,831
	20,934,082	15,062,957	11,382,004	5,993,344	9,576,710	10,172,206
\$	<u>53,432,925</u>	<u>\$ 48,606,399</u>	<u>\$ 36,760,788</u>	<u>\$ 30,518,858</u>	<u>\$ 31,459,027</u>	<u>\$ 27,538,037</u>
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
	68,964,950	103,562,038	49,952,786	50,913,483	59,179,348	72,220,721
	316,075	671,148	—	—	—	—
	—	—	—	—	—	—
\$	<u>69,281,025</u>	<u>\$ 104,233,186</u>	<u>\$ 49,952,786</u>	<u>\$ 50,913,483</u>	<u>\$ 59,179,348</u>	<u>\$ 72,220,721</u>

Table IV
Poudre School District
Changes in Fund Balance, Governmental Funds
(Modified accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Revenues:				
Local sources	\$ 181,105,140	\$ 160,547,794	\$ 154,301,143	\$ 151,084,387
State sources	120,874,490	120,549,250	107,650,226	101,245,687
Federal sources	18,614,912	19,132,467	13,847,421	13,592,823
Total revenues ⁽¹⁾⁽²⁾	<u>320,594,542</u>	<u>300,229,511</u>	<u>275,798,790</u>	<u>265,922,897</u>
Expenditures:				
Instruction	155,522,554	149,556,293	136,724,962	138,325,096
Support services:				
Students	17,426,484	16,374,787	15,693,239	15,115,703
Instructional staff	19,951,728	20,171,679	17,744,833	16,408,486
General administration	3,003,320	3,100,104	2,781,822	2,650,426
School administration	19,062,729	18,525,691	16,218,202	15,747,993
Business	3,594,553	2,943,192	2,707,557	2,455,558
Operation and maintenance of plant	22,934,992	24,131,913	22,501,291	22,041,500
Student transportation	7,371,639	7,333,824	7,205,599	6,939,291
Central	9,659,177	10,352,572	10,618,405	8,374,688
Other	208,744	226,472	174,862	200,342
Food service operations ⁽²⁾	9,287,441	8,306,827	56,328	139,829
Community services	374,071	379,352	418,353	519,052
Education for adults	95,647	50,954	41,784	—
Facilities acquisition and construction	385,633	1,388,698	1,428,185	1,645,370
Other uses	—	—	—	—
Capital outlay	18,970,669	13,019,892	14,023,941	20,201,012
Debt service:				
Purchased services	246,783	292,536	3,850	362,850
Interest on debt	10,735,033	10,314,608	11,979,215	12,388,051
Retirement of debt	18,937,540	17,964,526	17,805,839	17,079,687
Payment to escrow agent	—	—	—	58,764
Charter school funding	16,683,753	15,412,916	13,694,681	11,783,210
Total expenditures	<u>\$ 334,452,490</u>	<u>\$ 319,846,836</u>	<u>\$ 291,822,948</u>	<u>\$ 292,436,908</u>
Deficiency of revenues under expenditures	<u>\$ (13,857,948)</u>	<u>\$ (19,617,325)</u>	<u>\$ (16,024,158)</u>	<u>\$ (26,514,011)</u>

(1) See Revenues by Source (Table IX) for greater detail.

(2) Effective July 1, 2015, the Food Service Fund, in accordance with the State Board of Education Financial Policies and Procedures Handbook, was reclassified and reported as a Special Revenue Fund rather than an Enterprise Fund. Prior fiscal years have not been restated in this table.

Continued on next page

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	151,525,792	\$ 141,239,188	\$ 135,547,025	\$ 130,758,660	\$ 133,202,475	\$ 129,537,582
	99,353,409	96,692,010	105,355,912	99,711,428	91,948,486	87,650,453
	<u>13,683,806</u>	<u>23,790,808</u>	<u>15,466,426</u>	<u>12,942,044</u>	<u>12,435,853</u>	<u>12,559,326</u>
	<u>264,563,007</u>	<u>261,722,006</u>	<u>256,369,363</u>	<u>243,412,132</u>	<u>237,586,814</u>	<u>229,747,361</u>
	128,565,305	124,625,333	122,795,409	122,316,339	117,403,653	111,968,240
	14,463,459	14,246,425	14,413,254	13,131,796	11,594,281	10,693,083
	15,969,255	15,710,896	15,391,931	13,936,890	12,381,341	12,394,795
	2,614,291	2,672,459	3,020,213	2,838,297	2,972,468	2,658,598
	14,049,089	13,653,091	14,169,142	13,431,064	13,203,662	12,150,543
	2,312,025	2,633,495	2,620,759	2,283,836	2,157,221	1,927,608
	28,954,631	21,458,935	22,553,761	23,537,186	23,251,547	21,488,006
	6,781,484	6,488,231	7,013,415	7,156,700	7,841,747	6,957,469
	11,592,980	9,938,422	7,454,872	9,002,722	8,102,985	5,556,401
	233,093	303,011	361,226	595,064	463,976	423,313
	183,739	39,160	48,301	42,612	136,553	232,172
	465,782	475,662	503,201	407,258	530,006	523,743
	67,861	89,688	103,077	89,599	97,031	90,524
	3,479,795	378,752	478,237	714,041	787,158	694,308
	—	—	—	125,521	130,239	118,915
	16,997,238	3,425,110	3,752,726	6,342,667	12,423,430	18,830,957
	3,600	445,629	38,587	325,719	6,100	7,100
	12,890,374	11,915,879	10,937,805	10,427,004	12,283,157	13,016,398
	23,577,412	16,876,756	16,262,705	16,410,000	15,305,000	11,015,000
	—	—	—	—	—	—
	<u>11,506,662</u>	<u>10,876,836</u>	<u>9,182,166</u>	<u>8,563,579</u>	<u>8,184,578</u>	<u>9,375,082</u>
\$	<u>294,708,075</u>	\$ <u>256,253,770</u>	\$ <u>251,100,787</u>	\$ <u>251,677,894</u>	\$ <u>249,256,133</u>	\$ <u>240,122,255</u>
\$	<u>(30,145,068)</u>	\$ <u>5,468,236</u>	\$ <u>5,268,576</u>	\$ <u>(8,265,762)</u>	\$ <u>(11,669,319)</u>	\$ <u>(10,374,894)</u>

Continued on next page

Table IV
Poudre School District
Changes in Fund Balance, Governmental Funds
(Modified accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Other financing sources (uses):				
Proceeds from sale of assets	\$ —	\$ 18,445	\$ 31,125	\$ 283,545
Premium on bonds and certificates of participation	4,416,108	6,210,514	—	6,212,785
Issuance of bonds	30,000,000	—	—	30,000,000
Issuance of refunding bonds and certificates of participation	—	37,655,000	—	15,975,000
Payment to escrow agent	—	(43,573,782)	—	(18,041,132)
Transfers in	5,618,524	1,213,106	1,337,577	1,404,916
Transfers (out)	(5,618,524)	(1,213,106)	(1,337,577)	(1,404,916)
Transfers to capital reserve and risk-related activities ⁽³⁾	—	—	—	—
Total other financing sources (uses)	<u>34,416,108</u>	<u>310,177</u>	<u>31,125</u>	<u>34,430,198</u>
Net change in fund balance before extraordinary item	20,558,160	(19,307,148)	(15,993,033)	7,916,187
Extraordinary item ⁽⁴⁾	<u>—</u>	<u>—</u>	<u>(187,644)</u>	<u>—</u>
Total net change in fund balance	<u>\$ 20,558,160</u>	<u>\$ (19,307,148)</u>	<u>\$ (16,180,677)</u>	<u>\$ 7,916,187</u>
Debt service as a percentage of non-capital expenditures	9.41%	9.22%	10.72%	10.82%

⁽³⁾ Beginning in fiscal year 2008, the Risk-Related Activities Fund was included in the General Fund, and the Capital Reserve Fund was no longer statutorily required.

⁽⁴⁾ Fiscal Year 2009 - loss on investment. Fiscal Year 2014 - loss due to expenditures incurred related to flood damage, net of insurance recoveries.

Continued on next page

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	19,433	\$ 657,775	\$ 12,657	\$ 16,648	\$ 135,614	\$ 24,050
	—	—	—	1,779,508	—	—
	—	60,000,000	—	—	—	—
	—	—	—	41,770,000	—	—
	—	—	—	(43,232,351)	—	—
	1,474,942	1,324,327	4,849,205	1,199,721	1,101,762	1,188,961
	(1,474,942)	(1,324,327)	(4,849,205)	(1,199,721)	(1,101,762)	(1,188,961)
	—	—	—	—	—	(3,187,089)
	<u>19,433</u>	<u>60,657,775</u>	<u>12,657</u>	<u>333,805</u>	<u>135,614</u>	<u>(3,163,039)</u>
	(30,125,635)	66,126,011	5,281,233	(7,931,957)	(11,533,705)	(13,537,933)
	—	—	—	(1,274,077)	—	—
\$	<u>(30,125,635)</u>	<u>66,126,011</u>	<u>5,281,233</u>	<u>(9,206,034)</u>	<u>(11,533,705)</u>	<u>(13,537,933)</u>
	13.13%	11.39%	11.00%	10.94%	11.65%	10.86%

Table V
Poudre School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 150,037,894	\$ 146,893,157	97.90 %	\$ —	\$ 146,893,157	97.90 %
2015	130,277,061	128,743,917	98.82	1,192,403	129,936,320	99.74
2014	128,012,376	125,771,498	98.25	1,065,615	126,837,113	99.08
2013	128,277,687	125,753,595	98.03	2,213,908	127,967,503	99.76
2012	122,537,402	119,683,245	97.67	2,163,358	121,846,603	99.44
2011	120,422,776	116,293,034	96.57	3,765,114	120,058,148	99.70
2010	114,783,277	110,873,419	96.59	3,371,236	114,244,655	99.53
2009	111,188,436	106,907,720	96.15	3,274,333	110,182,053	99.09
2008	109,173,389	106,223,469	97.30	2,734,474	108,957,943	99.80
2007	104,321,381	102,013,856	97.79	2,158,046	104,171,902	99.86

Taxes Levied for the Fiscal Year represent the net tax generated (gross tax less Downtown Development Authority tax incremental finance portion).

Source: Larimer County Assessor's Office

Table VI
Poudre School District
Property Tax Rates (Mills) - All Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Poudre School District Rates			Overlapping Rates			
	General Fund	Debt Service	Total Direct Rate	Larimer County	Fort Collins	Other Cities and Towns	Other Special Districts
2016	39.558	13.072	52.630	21.882	9.797	42.039	333.988
2015	41.569	11.061	52.630	22.459	9.797	42.510	340.243
2014	41.672	11.091	52.763	22.424	9.797	42.590	345.723
2013	42.256	12.430	54.686	22.520	9.797	42.766	335.731
2012	40.861	11.339	52.200	22.472	9.797	42.766	334.989
2011	38.881	12.119	51.000	22.524	9.797	42.766	325.875
2010	35.286	12.703	47.989	22.435	9.797	42.756	323.348
2009	35.384	12.605	47.989	22.395	9.797	42.756	316.979
2008	35.595	12.605	48.200	22.414	9.797	42.833	226.277
2007	37.160	13.555	50.715	22.410	9.797	43.202	226.690

Source: Larimer County Assessor's Office

Table VII
Poudre School District
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Vacant Land	Utilities	Agriculture
2016	\$ 1,592,050,932	\$ 867,828,079	\$ 298,049,921	\$ 100,571,925	\$ 80,292,700	\$ 15,608,709
2015	1,352,303,790	748,520,280	274,252,310	84,939,400	76,401,600	13,050,780
2014	1,318,731,350	748,203,440	249,042,560	83,456,660	75,306,200	13,033,350
2013	1,319,008,640	749,681,480	252,080,580	83,298,710	75,306,200	13,030,990
2012	1,272,050,920	737,291,910	219,321,280	89,394,430	69,972,300	12,645,970
2011	1,274,007,290	741,309,410	230,742,710	127,072,140	64,699,340	11,946,770
2010	1,264,091,800	759,926,880	239,382,030	135,568,180	62,977,610	12,439,720
2009	1,231,701,870	704,737,820	244,746,340	134,857,360	60,811,850	13,265,120
2008	1,205,247,590	676,657,520	245,422,630	122,462,230	59,417,382	12,983,750
2007	1,135,091,600	574,126,460	213,338,460	108,839,070	51,166,920	11,889,470

Fiscal Year Ended June 30,	Natural Resources	Oil and Gas	Total Taxable Assessed Value	Total Direct Rate⁽¹⁾	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value
2016	\$ 4,664,800	\$ 4,649,858	\$ 2,963,716,924	52.630	\$ 24,720,953,012	11.99 %
2015	3,945,160	5,844,660	2,559,257,980	52.630	21,139,024,995	12.11
2014	3,796,540	5,220,255	2,496,790,355	52.763	20,618,814,547	12.11
2013	3,797,240	5,220,255	2,501,424,095	54.686	19,896,867,909	12.57
2012	3,019,590	4,634,488	2,408,330,888	52.200	19,784,732,071	12.17
2011	2,844,750	2,119,840	2,454,742,250	51.000	20,072,516,406	12.23
2010	2,920,340	5,139,708	2,482,446,268	47.989	20,071,509,026	12.37
2009	4,007,900	4,139,524	2,398,267,784	47.989	19,487,920,503	12.31
2008	4,054,230	4,162,160	2,330,407,492	48.200	19,012,559,566	12.26
2007	3,709,230	3,571,475	2,101,732,685	50.715	17,585,767,684	11.95

⁽¹⁾ General fund and bond fund mill levies.

The actual value on residential properties is reappraised every two years in odd-numbered years to coincide with current market value. The assessment rate is also set every two years by the Colorado legislature. Currently nonresidential property is fixed at 29% of actual value and residential property is projected to be 7.96% of actual value.

Source: Larimer County Assessor's Office

**Table VIII
Poudre School District
Principal Property Taxpayers
Current Fiscal Year and Ten Years Prior
(Unaudited)**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Taxable Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Taxable Assessed Valuation</u>
Avago Technologies	\$ 70,654,591	1	2.38 %	\$ —	—	— %
Anheuser-Busch, Inc.	69,515,358	2	2.35	92,950,260	1	4.42
Ramco-Gershenson Properties LP	29,538,414	3	1.00	—	—	—
Public Service Company of Colorado	22,381,800	4	0.76	12,890,090	6	0.61
Qwest Corporation	21,748,800	5	0.73	18,148,200	4	0.86
Amcap Harmony LLC	15,040,270	6	0.51	—	—	—
New Belgium Brewery	14,945,492	7	0.50	—	—	—
Banner Health	13,542,449	8	0.46	—	—	—
Walton Foothills Holdings	11,139,557	9	0.38	—	—	—
Hewlett Packard	9,860,000	10	0.33	18,187,040	3	0.87
Agilent Technologies	—	—	—	18,758,860	2	0.89
GGP-Foothills LLC	—	—	—	15,116,110	5	0.72
F.C. Timberline Development	—	—	—	8,917,470	7	0.42
LSI Logic (formerly Symbios Logic)	—	—	—	5,584,830	10	0.27
Advanced Energy	—	—	—	6,511,980	8	0.31
Integrated Capital Fort Collins	—	—	—	5,892,800	9	0.28
Total	<u>\$ 278,366,731</u>		<u>9.40 %</u>	<u>\$ 202,957,640</u>		<u>9.65 %</u>

Percentage of Taxable Assessed Valuation based on Poudre School District 2015 gross assessed valuation of \$2,963,716,924 (for taxes collected in 2016), and 2006 gross assessed valuation of \$2,101,732,685 (for taxes collected in 2007), respectively.

Source: Larimer County Assessor's Office

Table IX
Poudre School District
Revenues by Source, Governmental Funds
(Modified accrual basis of accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2016	2015	2014	2013
Revenues:				
Local:				
Property taxes	\$ 146,893,157	\$ 128,743,917	\$ 125,771,498	\$ 125,753,595
Specific ownership taxes	11,942,335	11,426,061	10,272,642	8,962,377
Delinquent taxes and penalties and interest on taxes	1,192,403	1,065,615	2,213,908	2,163,358
Interest on investments	347,251	240,489	409,266	7,461
Building and other rental	419,357	374,967	329,449	317,431
Athletic support	162,531	130,421	113,856	140,079
Student fees	485,388	438,822	422,746	395,533
Services to charter schools	602,186	532,341	445,537	369,152
Food service	3,752,541	3,482,090	3,231,279	3,041,181
Indirect and overhead	1,281,823	226,523	504,051	467,703
Other	<u>14,026,168</u>	<u>13,886,548</u>	<u>13,866,218</u>	<u>12,512,912</u>
Total local sources	<u>181,105,140</u>	<u>160,547,794</u>	<u>157,580,450</u>	<u>154,130,782</u>
Percent of total revenue provided by local sources	56.49%	53.48%	55.57%	56.37%
Percent change in local source revenue	12.80%	1.88%	2.24%	-0.44%
State:				
Equalization	110,657,525	110,698,549	99,266,300	94,217,158
Vocational education	853,284	822,307	739,717	625,412
Special education	4,268,796	4,223,447	4,284,015	3,718,717
At-risk funding	118,888	—	—	—
Transportation	1,749,927	1,716,606	1,738,573	1,616,537
ELPA	780,458	793,178	282,384	266,701
Gifted and talented	266,829	262,308	254,141	253,784
READ Act funding	880,511	803,461	283,762	—
Small attendance center	88,812	77,740	83,753	63,541
Charter capital construction	544,745	344,680	181,672	146,583
School nutrition programs	136,514	135,829	112,044	108,073
Other	<u>528,201</u>	<u>671,145</u>	<u>535,909</u>	<u>337,254</u>
Total state sources	<u>120,874,490</u>	<u>120,549,250</u>	<u>107,762,270</u>	<u>101,353,760</u>
Percent of total revenue provided by state sources	37.70%	40.15%	38.00%	37.07%
Percent change in state source revenue	0.27%	11.87%	6.32%	1.90%
Federal:				
Medicaid	—	—	—	—
National Forest Reserve Act	218,598	—	117,567	118,462
School nutrition programs	4,897,571	4,842,809	4,403,769	4,363,909
Other	<u>13,498,743</u>	<u>14,289,658</u>	<u>13,729,854</u>	<u>13,474,361</u>
Total federal sources	<u>18,614,912</u>	<u>19,132,467</u>	<u>18,251,190</u>	<u>17,956,732</u>
Percent of total revenue provided by federal sources	5.81%	6.37%	6.44%	6.57%
Percent change in federal source revenue	-2.71%	4.83%	1.64%	0.49%
Total revenues	<u>\$ 320,594,542</u>	<u>\$ 300,229,511</u>	<u>\$ 283,593,910</u>	<u>\$ 273,441,274</u>

Most of the district's revenue is derived from local property taxes and state equalization. Grants and contributions also account for a large portion of the district's revenue - grants and contributions are shown in the above table as Other Federal Sources.

	2012	2011	2010	2009	2008	2007
\$	119,683,245	\$ 116,293,034	\$ 110,709,895	\$ 106,907,720	\$ 106,223,469	\$ 102,013,856
	8,253,845	7,874,996	8,120,314	8,713,638	9,486,221	10,102,117
	3,765,114	3,371,236	3,437,857	2,734,474	2,158,046	2,134,665
	107,822	119,252	70,528	940,554	3,322,223	4,650,191
	263,040	234,386	289,486	218,036	389,407	238,283
	149,316	155,151	146,596	140,212	147,531	147,893
	393,897	407,045	343,598	348,443	296,279	298,258
	365,537	380,034	369,749	328,415	339,823	390,159
	3,287,903	3,405,656	3,238,064	3,039,859	3,086,844	2,903,540
	429,445	702,107	602,544	317,623	285,849	158,412
	18,116,506	11,703,623	11,458,001	10,125,921	10,611,872	9,465,979
	<u>154,815,670</u>	<u>144,646,520</u>	<u>138,786,632</u>	<u>133,814,895</u>	<u>136,347,564</u>	<u>132,503,353</u>
	56.89%	53.76%	52.78%	53.62%	55.99%	56.32%
	7.03%	4.22%	3.72%	-1.86%	2.90%	2.56%
	92,081,509	89,658,449	98,080,441	92,373,829	85,115,846	80,427,619
	646,205	574,597	572,581	687,330	614,125	684,338
	3,688,982	3,751,521	3,979,252	4,169,861	3,878,953	3,608,700
	—	—	—	—	—	—
	1,609,591	1,634,798	1,766,098	1,600,276	1,610,216	1,535,573
	238,756	231,220	213,257	177,046	121,848	64,949
	247,250	241,813	242,022	228,455	221,578	213,792
	—	—	—	—	—	—
	64,511	67,739	76,578	82,679	90,526	95,412
	131,099	—	—	—	—	290,588
	106,069	99,092	99,046	92,008	76,405	70,456
	645,506	531,873	425,683	391,952	295,394	729,482
	<u>99,459,478</u>	<u>96,791,102</u>	<u>105,454,958</u>	<u>99,803,436</u>	<u>92,024,891</u>	<u>87,720,909</u>
	36.55%	35.98%	40.10%	39.99%	37.79%	37.28%
	2.76%	-8.22%	5.66%	8.45%	4.91%	6.77%
	—	18,734	103,696	190,356	181,321	217,306
	128,526	138,421	141,862	16,543	4,016	3,994
	4,185,960	3,821,203	3,304,712	3,018,044	2,694,822	2,491,279
	13,555,280	23,633,653	15,220,868	12,735,145	12,250,516	12,338,026
	<u>17,869,766</u>	<u>27,612,011</u>	<u>18,771,138</u>	<u>15,960,088</u>	<u>15,130,675</u>	<u>15,050,605</u>
	6.57%	10.26%	7.14%	6.39%	6.21%	6.40%
	-35.28%	47.10%	17.61%	5.48%	0.53%	3.90%
\$	<u>272,144,914</u>	<u>269,049,633</u>	<u>263,012,728</u>	<u>249,578,419</u>	<u>243,503,130</u>	<u>235,274,867</u>

Table X
Poudre School District
Ratios of Debt Outstanding and Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Valuation ⁽¹⁾	Net Bonded Debt Per Capita ⁽²⁾	Net Bonded Debt Per Student (K-12) ⁽²⁾
	Gross Bonded Debt Outstanding	Debt Service Resources	Net General Bonded Debt Outstanding			
2016	\$ 217,090,995	\$ 42,367,073	\$ 174,723,922	0.71 %	\$ 831	\$ 6,107
2015	204,326,223	34,124,920	170,201,303	0.81	827	1,470
2014	215,727,067	34,094,558	181,632,509	0.88	895	6,589
2013	233,532,906	35,907,610	197,625,296	0.99	993	7,311
2012	220,492,593	35,308,619	185,183,974	0.94	953	6,942
2011	237,045,005	36,492,010	200,552,995	1.00	1,038	7,679
2010	192,966,761	34,955,836	158,010,925	0.79	834	6,171
2009	208,314,466	30,696,262	177,618,204	0.91	939	7,044
2008	224,369,466	27,420,575	196,948,891	1.04	1,090	7,891
2007	238,809,466	25,369,113	213,440,353	1.21	1,214	8,637

Fiscal Year	Other Governmental Activities Debt		Total Primary Government Debt Outstanding ⁽³⁾	Percentage of Actual Taxable Valuation ⁽¹⁾	Total Debt Per Capita ⁽²⁾	Total Debt Per Student (K-12) ⁽²⁾	Percentage of Personal Income ⁽⁴⁾
	Certificates of Participation	Capital Leases					
2016	\$ —	\$ —	\$ 217,090,995	0.88 %	\$ 1,033	\$ 7,588	— %
2015	—	—	204,326,223	0.97	993	1,765	1.22
2014	—	—	215,727,067	1.05	1,063	7,826	1.53
2013	—	—	233,532,906	1.17	1,173	8,639	1.72
2012	7,025,000	—	227,517,593	1.15	1,171	8,529	1.77
2011	7,025,000	—	244,070,005	1.22	1,264	9,345	2.01
2010	7,980,000	—	200,946,761	1.00	1,060	7,848	1.73
2009	8,895,000	—	217,209,466	1.11	1,149	8,615	1.92
2008	9,785,000	—	234,154,466	1.23	1,296	9,382	2.06
2007	10,650,000	—	249,459,466	1.42	1,419	10,095	2.37

⁽¹⁾ See Table VII for taxable property information.

⁽²⁾ See Table XIII for population and K-12 student enrollment data.

⁽³⁾ Includes general bonded debt and other governmental activities debt.

⁽⁴⁾ See Table XIII for personal income data, data not available for fiscal year 2016.

More detailed information about the district's outstanding long-term debt is presented in the *Notes to Basic Financial Statements* section. The district does not have debt outstanding for business-type activities.

**Table XI
Poudre School District
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 2,963,716,924
Debt limit (20% of assessed value)	592,743,385
Debt applicable to limit:	
General obligation bonds	203,955,000
Less debt service funds available	<u>42,367,073</u>
Total net debt applicable to limit	<u>161,587,927</u>
Legal debt margin	<u>\$ 431,155,458</u>

Actual value	\$ 24,720,953,012
Debt limit (6% of actual value)	1,483,257,181
Debt applicable to limit:	
General obligation bonds	203,955,000
Less debt service funds available	<u>42,367,073</u>
Total net debt applicable to limit	<u>161,587,927</u>
Legal debt margin	<u>\$ 1,321,669,254</u>

	Fiscal Year				
	2016	2015	2014	2013	2012
Debt limit on actual valuation	\$ 1,483,257,181	\$ 1,268,341,500	\$ 1,237,128,873	\$ 1,193,812,075	\$ 1,187,083,924
Total net debt applicable to limit	<u>161,587,927</u>	<u>158,767,620</u>	<u>181,632,509</u>	<u>197,625,296</u>	<u>185,183,974</u>
Legal debt margin ⁽¹⁾	<u>\$ 1,321,669,254</u>	<u>\$ 1,109,573,880</u>	<u>\$ 1,055,496,364</u>	<u>\$ 996,186,779</u>	<u>\$ 1,001,899,950</u>
Total net debt applicable to limit as a percentage of debt limit	10.89%	12.52%	14.68%	15.60%	16.65%

	Fiscal Year				
	2011	2010	2009	2008	2007
Debt limit on actual valuation	\$ 1,204,350,984	\$ 1,204,350,984	\$ 1,169,275,230	\$ 1,140,753,574	\$ 1,055,146,061
Total net debt applicable to limit	<u>200,552,995</u>	<u>158,010,925</u>	<u>177,618,204</u>	<u>196,948,891</u>	<u>213,440,353</u>
Legal debt margin ⁽¹⁾	<u>\$ 1,003,797,989</u>	<u>\$ 1,046,340,059</u>	<u>\$ 991,657,026</u>	<u>\$ 943,804,683</u>	<u>\$ 841,705,708</u>
Total net debt applicable to limit as a percentage of debt limit	13.12%	15.19%	15.19%	17.26%	20.23%

⁽¹⁾ Under Colorado Revised Statute 22-42-104, a school district shall have a limit of bonded indebtedness of the greater of the following:

(a) twenty percent of the latest valuation for assessment of the taxable property in such district, as certified by the county assessor to the Board of County Commissioners; or twenty-five percent of the latest valuation of assessment of the taxable property in such district if the funded pupil count for the preceding three fiscal years has increased by a minimum of two and one-half percent each year. (See Table XIII for funded pupil count information.)

(b) six percent of the most recent determination of the actual value of taxable property in the district, as certified by the county assessor to the Board of County Commissioners.

Table XII
Poudre School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016
(Unaudited)

<u>Taxing District</u>	<u>Debt Outstanding⁽¹⁾</u>	<u>Estimated Percentage Applicable to the District⁽²⁾</u>	<u>Estimated Share of Overlapping Debt Outstanding</u>
City of Fort Collins	\$ 48,763	100.00 %	\$ 48,763
Health District of Northern Colorado	203,955	98.03	199,937
Larimer Co. Centro Business Park Public Improvement District No. 38	294,125	100.00	294,125
Northern Colorado Water Conservancy	3,929,311	62.68	2,462,892
South Timnath Metropolitan District No. 1	7,590,000	100.00	7,590,000
Town of Wellington	577,766	100.00	577,766
Windsor-Severance Fire Protection District	2,655,000	5.01	133,016
Total overlapping debt			<u>\$ 11,306,499</u>
Poudre School District direct debt	217,090,995	100.00 %	<u>217,090,995</u>
Total direct and overlapping debt			<u><u>\$ 228,397,494</u></u>

⁽¹⁾ Includes only general obligation debt supported by general property taxes.

⁽²⁾ Determined by ratio of assessed valuation of taxable property within Poudre School District to assessed valuation of the overlapping unit.

Source: Larimer County Assessor's Office and individual taxing entities.

Table XIII
Poudre School District
Demographic Information
Last Ten Fiscal Years
(Unaudited)

Year	Larimer County			Poudre School District					
	Total Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Unemployment Rate	Estimated Population ⁽²⁾	School Enrollment (K-12) ⁽³⁾	Increase in School Enrollment	Funded Pupil Count ⁽³⁾	Increase/Decrease in Funded Pupil Count	Cost Per Student ⁽⁴⁾
2016	\$ —	\$ —	3.1%	210,154	28,611	1.62%	27,909.0	1.71%	\$ 10,232
2015	16,815,617,000	50,410	3.8%	205,886	28,156	2.15%	27,438.8	2.20%	10,141
2014	14,126,667,000	43,584	4.2%	202,918	27,564	1.97%	26,849.1	1.91%	9,237
2013	13,545,018,000	42,866	6.2%	199,100	27,032	1.34%	26,345.5	1.28%	9,199
2012	12,826,581,000	41,311	6.7%	194,317	26,675	2.13%	26,012.7	2.03%	9,277
2011	12,149,896,000	39,767	6.9%	193,167	26,118	2.00%	25,496.0	2.14%	8,770
2010	11,585,090,000	38,546	7.3%	189,507	25,605	1.55%	24,960.6	1.51%	8,818
2009	11,291,870,000	37,844	7.0%	189,077	25,214	1.03%	24,590.0	1.67%	8,886
2008	11,378,132,000	38,848	4.1%	180,729	24,958	1.00%	24,185.0	1.17%	8,652
2007	10,541,856,000	36,766	3.3%	175,791	24,711	0.59%	23,905.0	0.60%	8,252

⁽¹⁾ Personal income information and the unemployment rate are not available for the population within the boundaries of Poudre School District. The district is located in Larimer County and primarily in Fort Collins, CO. The Unemployment Rate data is for Fort Collins, CO and comes from the Bureau of Labor Statistics. Personal income information was obtained from regional data from the Bureau of Economic Analysis.

⁽²⁾ Estimated population is based on the ratio of Poudre School District population to Larimer County population as determined by the 2000 census.

⁽³⁾ Includes charter schools.

⁽⁴⁾ Based on operating expenditures (total expenditures less debt service and capital outlay).

Sources: U.S. Bureau of Economic Analysis (total and per capita personal income) and Larimer County (unemployment rate and estimated population).

**Table XIV
Poudre School District
Major Employers
Current Fiscal Year and Ten Years Ago
(Unaudited)**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Estimated Population⁽¹⁾</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Estimated Population⁽¹⁾</u>
Colorado State University	7,520	1	3.58 %	7,945	1	4.52 %
University of Colorado Health	6,080	2	2.89	3,488	3	1.99
Poudre School District	3,742	3	1.78	3,850	2	2.19
City of Fort Collins	1,860	4	0.89	1,884	6	1.07
Larimer County	1,652	5	0.79	1,500	7	0.85
Front Range Community College	1,597	6	0.76	—		—
Hewlett-Packard	1,490	7	0.71	3,250	4	1.85
Avago Technologies/Broadcom Ltd.	1,450	8	0.69	—		—
Columbine Health Care Systems	1,450	9	0.69	—		—
Woodward, Inc.	1,230	10	0.59	1,200	8	0.68
Advanced Energy	—		—	594	10	0.34
Agilent Technologies	—		—	2,800	5	1.59
Anheuser Busch	—		—	760	9	0.43
Total	<u>28,071</u>		<u>13.37 %</u>	<u>27,271</u>		<u>15.51 %</u>

Estimated population is based on the ratio of Poudre School District population to Larimer County population from Larimer County estimated county population. Sources include Larimer County's FY 2015 CAFR, the City of Fort Collins' FY 2015 CAFR and information collected directly from area employers.

Table XV
Poudre School District
Building Statistics
Last Ten Fiscal Years
(Unaudited)

School/Location	Service Start Date	Fiscal Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
		As of October 2015	As of October 2014	As of October 2013	As of October 2012	As of October 2011	As of October 2010	As of October 2009	As of October 2008	As of October 2007	As of October 2006
Elementary Schools											
Bacon	2003	65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299
Square Footage		524	519	503	519	519	474	433	485	492	447
Enrollment											
Bauder	1968	63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156
Square Footage		496	520	535	539	539	546	322	368	332	336
Enrollment											
Beattie	1972	45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655
Square Footage		294	280	282	288	288	292	289	358	373	390
Enrollment											
Bennett	1963	50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492
Square Footage		494	509	492	478	478	468	454	485	456	428
Enrollment											
Bethke	2008	62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	—	—
Square Footage		590	569	543	435	435	363	323	277	—	—
Enrollment											
Cache La Poudre	1963	53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993
Square Footage		313	293	314	313	313	288	296	366	371	388
Enrollment											
Dunn	1949	45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957
Square Footage		410	410	415	400	400	408	411	451	441	433
Enrollment											
Eyestone	1973	62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708
Square Footage		506	494	443	463	463	458	501	541	512	740
Enrollment											
Harris Bilingual	1919	38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599
Square Footage		296	296	289	288	288	291	300	351	336	332
Enrollment											
Irish	1968	52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291
Square Footage		325	309	305	326	326	321	337	348	373	359
Enrollment											
Johnson	1988	56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396
Square Footage		405	419	413	454	454	452	480	502	489	489
Enrollment											
Kruse	1992	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Square Footage		520	524	524	517	517	498	468	534	503	476
Enrollment											
Lab School	1919	18,018	18,018	18,018	18,018	18,018	18,018	18,018	18,018	18,018	18,018
Square Footage		107	103	104	103	103	129	113	122	120	119
Enrollment											
Laurel	1993	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Square Footage		436	423	421	406	406	382	355	400	349	307
Enrollment											
Linton	1989	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Square Footage		449	446	420	439	439	447	416	500	488	503
Enrollment											
Livermore	1953	11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292
Square Footage		41	44	42	42	42	43	44	68	74	71
Enrollment											
Lopez	1986	57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639
Square Footage		393	411	404	382	382	372	371	450	459	459
Enrollment											
McGraw	1992	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Square Footage		452	473	475	466	466	494	462	524	519	496
Enrollment											
Moore	1956	51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670
Square Footage		—	—	—	—	—	—	223	258	276	311
Enrollment											
O'Dea	1964	48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018
Square Footage		459	424	412	382	382	336	327	395	345	355
Enrollment											
Olander	1990	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Square Footage		430	431	427	419	419	367	348	382	390	395
Enrollment											

Continued on next page

Table XV
Poudre School District
Building Statistics
Last Ten Fiscal Years
(Unaudited)

School/Location	Service Start Date	Fiscal Year									
		2016 As of October 2015	2015 As of October 2014	2014 As of October 2013	2013 As of October 2012	2012 As of October 2011	2011 As of October 2010	2010 As of October 2009	2009 As of October 2008	2008 As of October 2007	2007 As of October 2006
Putnam	1956										
Square Footage		59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101
Enrollment		329	317	318	332	332	356	322	368	387	379
Red Feather	1985										
Square Footage		9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001
Enrollment		41	36	27	27	27	31	35	34	40	47
Rice	2007										
Square Footage		62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	—
Enrollment		444	439	400	373	373	347	329	316	317	—
Riffenburgh	1968										
Square Footage		48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433
Enrollment		470	425	373	313	313	272	290	336	368	383
Shepardson	1978										
Square Footage		50,516	50,516	50,516	50,516	50,516	50,516	50,516	50,516	50,516	47,364
Enrollment		387	364	351	347	347	342	328	403	424	463
Stove Prairie	1896										
Square Footage		7,849	7,849	7,849	7,849	7,849	7,849	7,849	7,849	7,849	8,393
Enrollment		49	43	46	46	46	51	40	51	49	50
Tavelli	1968										
Square Footage		62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537
Enrollment		595	582	550	520	520	540	537	637	606	607
Timnath	1919										
Square Footage		66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232
Enrollment		302	305	299	300	300	303	320	427	577	559
Traut	1998										
Square Footage		50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871
Enrollment		451	451	449	453	453	468	468	525	525	527
Werner	1987										
Square Footage		50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300
Enrollment		538	541	555	560	560	502	462	512	498	461
Zach	2002										
Square Footage		63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092
Enrollment		638	666	641	609	609	607	609	621	609	573
Middle Schools											
Blevins	1968										
Square Footage		104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635
Enrollment		598	557	545	511	511	526	551	551	538	529
Boltz	1972										
Square Footage		85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120
Enrollment		580	623	614	570	570	592	641	636	649	686
Cache La Poudre	1949										
Square Footage		73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913
Enrollment		324	301	304	329	329	346	365	380	412	376
Kinard	2006										
Square Footage		112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735
Enrollment ⁽¹⁾		822	807	774	761	761	781	800	856	781	724
Leshner	1960										
Square Footage		93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686
Enrollment		754	766	733	693	693	683	667	613	620	583
Lincoln	1974										
Square Footage		100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660
Enrollment		548	504	488	506	506	478	436	409	406	482
Preston	1994										
Square Footage		127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966
Enrollment		1,095	1,113	1,058	889	889	753	746	775	810	810
Webber	1990										
Square Footage		122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787
Enrollment		786	804	799	762	762	761	795	831	831	833
Wellington	1925										
Square Footage		59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556
Enrollment		461	450	423	385	385	360	345	380	332	331

Continued on next page

**Table XV
Poudre School District
Building Statistics
Last Ten Fiscal Years
(Unaudited)**

School/Location	Service Start Date	Fiscal Year									
		2016 As of October 2015	2015 As of October 2014	2014 As of October 2013	2013 As of October 2012	2012 As of October 2011	2011 As of October 2010	2010 As of October 2009	2009 As of October 2008	2008 As of October 2007	2007 As of October 2006
Senior High Schools											
Centennial	1907										
Square Footage		39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967
Enrollment		150	132	139	146	146	150	147	146	127	113
Fort Collins	1995										
Square Footage		286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552
Enrollment		1,621	1,599	1,499	1,655	1,655	1,661	1,727	1,137	1,184	1,226
Fossil Ridge	2004										
Square Footage		296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375
Enrollment		1,970	1,930	2,085	1,959	1,959	1,912	1,746	1,201	1,059	983
Poudre	1962										
Square Footage		274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263
Enrollment		1,840	1,727	1,756	1,798	1,798	1,833	1,899	1,672	1,725	1,786
Rocky Mountain	1973										
Square Footage		291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858
Enrollment		1,972	1,954	1,935	1,962	1,962	2,001	2,093	1,681	1,728	1,727
Other Locations											
Barton (Early Childhood)	1957										
Square Footage		30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530
Fullana Learning Center	1975										
Square Footage		24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109
Polaris	1906										
Square Footage		22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434
Other District Structures (on and off campus)	N/A										
Square Footage		302,361	302,361	302,361	302,361	304,544	303,144	303,144	303,144	262,429	260,527

⁽¹⁾ Kinard Junior High was housed in Fossil Ridge High School for fiscal years 2005 and 2006.

Changes in square footage are the result of modular additions or permanent additions to buildings.

Data as of October, since actual student count (enrollment) occurs on October 1.

Source: Poudre School District Operations Department (square footage and service start date).

Table XVI
Poudre School District
Full-Time Equivalent District Employees
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	2,049.25	2,003.09	1,932.78	1,920.83	1,858.68	1,779.39	1,858.25	1,870.02	1,836.51	1,822.79
Support Services:										
Students	274.81	266.96	257.28	254.72	245.10	233.57	242.61	226.53	206.88	198.72
Instructional Staff	222.32	221.34	206.98	208.15	200.54	196.00	207.71	199.39	198.99	190.99
General Administration	7.00	14.12	14.00	13.00	11.50	11.50	13.81	14.81	14.19	17.01
School Administration	208.47	211.48	195.89	200.04	181.02	176.15	183.52	180.04	183.98	184.13
Business Services	31.32	30.31	27.01	27.51	26.91	27.16	31.02	31.28	32.65	36.65
Operations and Maintenance	228.38	229.27	227.39	229.27	227.14	227.82	238.07	243.99	239.25	245.75
Transportation	151.79	147.24	146.29	145.16	147.16	139.54	154.20	158.30	175.30	161.41
Central	58.48	58.87	52.13	49.55	46.30	43.28	44.78	52.40	52.71	48.51
Other	15.05	4.80	4.17	4.92	5.48	5.73	7.24	10.99	14.12	11.21
Food Service Operations	109.92	107.15	105.04	101.66	96.67	98.80	99.79	106.25	101.55	99.53
Community Services	3.50	3.50	3.50	3.50	3.50	3.50	3.86	3.86	3.50	4.16
Property	1.00	1.00	1.00	1.00	1.00	1.00	1.50	4.00	6.00	6.00
Total	<u>3,361.29</u>	<u>3,299.13</u>	<u>3,173.46</u>	<u>3,159.31</u>	<u>3,051.00</u>	<u>2,943.44</u>	<u>3,086.36</u>	<u>3,101.86</u>	<u>3,065.63</u>	<u>3,026.86</u>

A Full-time Equivalent (FTE) is considered to be an employee who is assigned 8 hours per day for the respective position's calendar. For example, a teacher working 8 hours per day on a 186 day calendar is considered 1.0 FTE. An Instructional Para Professional working 8 hours per day on a 185 day calendar is also considered 1.0 FTE.

Source: Poudre School District Human Resources

**Table XVII
Poudre School District
Certified Staff Data
June 30, 2016
(Unaudited)**

All staff that instruct, direct, or supervise instruction are required to possess a valid Colorado teaching certificate or license. To obtain a certificate or license, an individual must apply to the Colorado Department of Education and meet all the requirements for a teaching license or administrative license. The requirements for each license endorsement are determined by Colorado Revised Statutes and Colorado Department of Education Regulations. The district's contract with certified employees is conditional upon the staff having in full force and effect a valid Colorado teaching certificate or license at all times during the term of the contract.

Colorado certificate or license requirements include:

- Appropriate degree from an accredited college.
- Completion of an approved educator preparation program.
- Demonstrated competencies in basic skills, liberal arts, subject area, and pedagogy as determined by the Program of Licensing Assessments for Colorado Educators (PLACE™) (license only).
- Background check based on fingerprints.
- Completion of an approved induction program (license only).
- Performance assessment.
- Ongoing professional development.

Poudre School District's current certified staff averages 12.32 years in-district experience with the following educational level distribution:

Bachelor's Degree	Master's Degree	Doctorate Degree
34.2%	64.3%	1.5%

Funded pupil count per instructional staff was 12.81 for the 2015-16 school year. Certified staffing positions represent 1.000 FTE for a full-time, school year employee, including classroom teachers, counselors, media specialists, etc. On average, certified compensation at 1.000 FTE is approximately \$72,743.

Table XVIII
Poudre School District
Free and Reduced Student Lunch Participation by School
(Unaudited)

School	Enrollment ¹	Free Participation	Percent of Enrollment on Free	Reduced Participation	Percent of Enrollment on Reduced	Percent of Enrollment on Free and Reduced
High School						
Fort Collins	1,641	378	23.03%	99	6.03%	29.06%
Fossil Ridge	1,985	115	5.79%	34	1.71%	7.50%
Poudre	1,869	480	25.68%	119	6.37%	32.05%
Rocky Mountain	2,027	400	19.73%	108	5.33%	25.06%
Total	7,522	1,373	18.25%	360	4.79%	23.04%
Middle School						
Blevins	599	209	34.89%	65	10.85%	45.74%
Boltz	578	177	30.62%	49	8.48%	39.10%
Cache La Poudre	324	89	27.47%	29	8.95%	36.42%
Kinard	822	58	7.06%	16	1.95%	9.01%
Leshner	755	253	33.51%	68	9.01%	42.52%
Lincoln	548	345	62.96%	52	9.49%	72.45%
Preston	1,093	113	10.34%	29	2.65%	12.99%
Webber	787	175	22.24%	62	7.88%	30.12%
Wellington	465	132	28.39%	50	10.75%	39.14%
Total	5,971	1,551	25.98%	420	7.03%	33.01%
Elementary						
Bacon	562	84	14.95%	29	5.16%	20.11%
Bauder	550	301	54.73%	66	12.00%	66.73%
Beattie	373	167	44.77%	38	10.19%	54.96%
Bennett	494	108	21.86%	36	7.29%	29.15%
Bethke	590	15	2.54%	4	0.68%	3.22%
Cache La Poudre	331	121	36.56%	17	5.14%	41.70%
Dunn	410	83	20.24%	29	7.07%	27.31%
Eyestone	542	157	28.97%	58	10.70%	39.67%
Harris Bilingual	327	176	53.82%	22	6.73%	60.55%
Irish	403	297	73.70%	40	9.93%	83.63%
Johnson	434	101	23.27%	14	3.23%	26.50%
Kruse	550	137	24.91%	24	4.36%	29.27%
Laurel	466	255	54.72%	36	7.73%	62.45%
Linton	479	232	48.43%	29	6.05%	54.48%
Livermore	41	6	14.63%	2	4.88%	19.51%
Lopez	422	111	26.30%	42	9.95%	36.25%
McGraw	475	84	17.68%	16	3.37%	21.05%
O'Dea	459	213	46.41%	37	8.06%	54.47%
Olander	460	131	28.48%	28	6.09%	34.57%
Putnam	382	308	80.63%	24	6.28%	86.91%
Red Feather	43	16	37.21%	1	2.33%	39.54%
Rice	495	131	26.46%	47	9.49%	35.95%
Riffenburgh	467	131	28.05%	27	5.78%	33.83%
Shepardson	415	93	22.41%	15	3.61%	26.02%
Stove Prairie	52	12	23.08%	2	3.85%	26.93%
Tavelli	622	238	38.26%	36	5.79%	44.05%
Timnath	329	114	34.65%	13	3.95%	38.60%
Traut Core Knowledge	499	44	8.82%	20	4.01%	12.83%
Werner	538	53	9.85%	28	5.20%	15.05%
Zach	638	18	2.82%	9	1.41%	4.23%
Total	12,848	3,937	30.64%	789	6.14%	36.78%
Alternative						
Centennial	153	39	25.49%	9	5.88%	31.37%
Polaris	388	74	19.07%	28	7.22%	26.29%
Poudre Community Academy	111	54	48.65%	10	9.01%	57.66%
Poudre Global Academy	178	29	16.29%	2	1.12%	17.41%
Total	830	196	23.61%	49	5.90%	29.51%
Grand Total	27,171	7,057	25.97%	1,618	5.95%	31.92%

¹ Enrollment is from the Child Nutrition Department dated 10/01/2015 and does not include charter schools



Colorado State Mandated Schedule Section

Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures

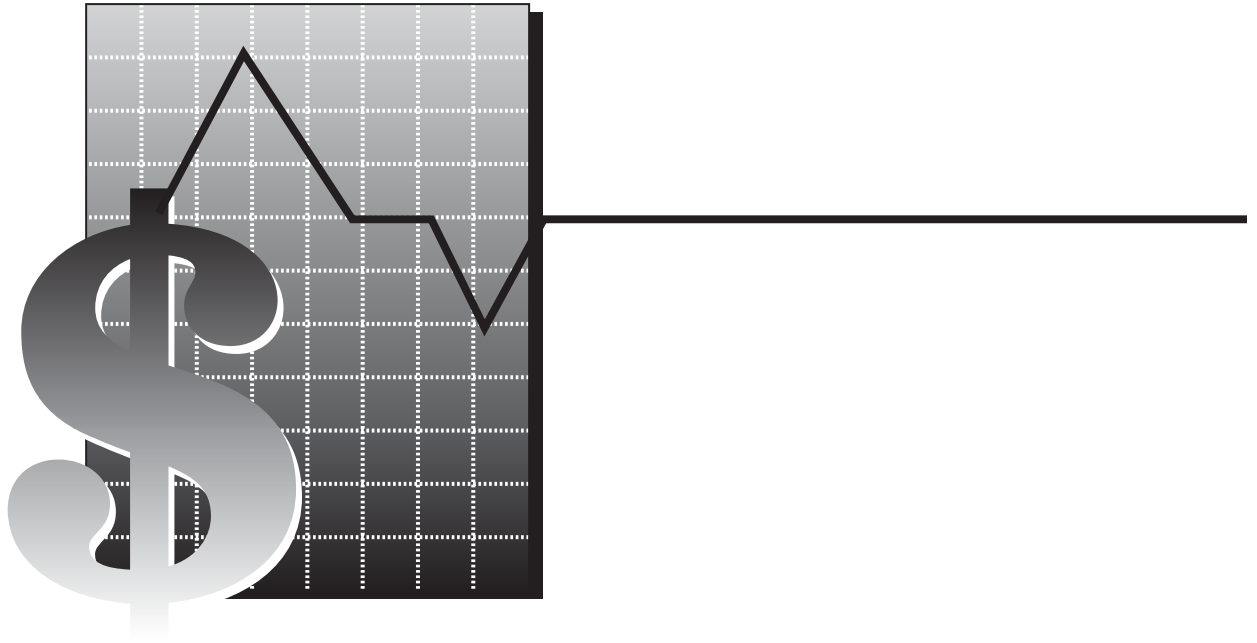
The District is required to transmit financial data electronically to the Colorado Department of Education. To ensure data accuracy, it is mandated that this report be included in the Comprehensive Annual Financial Report and that it be verified by independent auditors specifically trained in state coding requirements.

Colorado Department of Education
Auditors Integrity Report
District: 1550 - POUDRE R-1
Fiscal Year 2015-16
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental	+		-	
10 General Fund	49,940,598	234,488,586	239,740,673	44,688,511
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	49,940,598	234,488,586	239,740,673	44,688,511
11 Charter School Fund	5,912,859	18,600,034	17,734,246	6,778,647
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,042,846	8,851,293	9,332,361	1,561,779
22 Govt Designated-Purpose Grants Fund	0	13,156,906	13,152,906	4,000
23 Pupil Activity Special Revenue Fund	4,558,574	11,516,876	11,541,747	4,533,703
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	34,124,920	37,808,175	29,676,573	42,256,522
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	6,178,956	34,571,057	16,390,474	24,359,538
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
Totals	102,758,754	358,992,926	337,568,980	124,182,700
Proprietary				
50 Other Enterprise Funds	-1,302,682	1,344	167,646	-1,468,983
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	14,782,572	8,144,867	13,879,473	9,047,966
Totals	13,479,890	8,146,211	14,047,118	7,578,983
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	251,036	44,929	70,119	225,845
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34: Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	251,036	44,929	70,119	225,845
	FINAL			

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



Mission

Educate...

Every Child, Every Day

Vision

Poudre School District
exists to support and
inspire every child
to think, to learn, to
care, and to graduate
prepared to be successful
in a changing world.



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