

Greeley-Evans
WELD COUNTY SCHOOL DISTRICT 6

Weld County School District 6

Comprehensive Annual Financial Report

For the year ended June 30, 2016
Greeley-Evans, Colorado



RECEIVED

By Justin L. Smith at 12:45 pm, Dec 15, 2016



Weld County School District 6
**Comprehensive Annual
Financial Report**
For the Fiscal Year Ended June 30, 2016

Prepared by:
Weld County School District 6
Finance Department
Greeley, Colorado

Meggan Sponsler, Chief Financial Officer
Mandy Hydock, Finance Director

Teresa Warner, Accounting Manager
Nikki Skillern, Grant Accountant
Jean Tacoronte, School Program
Analyst/Internal Auditor



2016 Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Table of Contents

INTRODUCTORY SECTION	Page
Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	11
ASBO Certificate of Excellence in Financial Reporting	12
Organizational Chart	13
List of Elected Officials.....	14
FINANCIAL SECTION	
Independent Auditors' Report	15
Management's Discussion and Analysis	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	35
Statement of Activities.....	36
Fund Financial Statements:	
Balance Sheet – Governmental Funds	37
Reconciliation of the Governmental Funds Balance Sheet to the Government – Wide Statement of Net Position.....	38
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	39
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities	40
Statement of Fiduciary Assets and Liabilities – Agency Funds	41
Combining Statement of Net Position – Component Units	42
Combining Statement of Activities – Component Units	43
Notes to the Basic Financial Statements.....	44
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund.....	71
Budgetary Comparison Schedule – Food Service Fund	73
Budgetary Comparison Schedule – Designated Special Purpose Grants Fund	74
Defined Benefit Pension Plan Schedules:	
Schedule of the District's Proportionate Share of the Net Pension Liability	76
Schedule of Contributions and Related Ratios	77
Notes to Required Supplementary Information	78
Supplementary Information	
Budgetary Comparison Schedules:	
Budgetary Comparison Schedule – Capital Projects Fund.....	79
Special Revenue – Platte Valley Youth Services Center Fund	80
Debt Service – Bond Redemption Fund	81
Statement of Changes in Assets and Liabilities – Agency Funds	82

2016 Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Table of Contents

STATISTICAL SECTION

Table of Contents for Statistical Section83
Financial Trends: Schedules 1 through 4.....85
Revenue Capacity: Schedules 5 through 894
Debt Capacity: Schedules 9 through 12.....98
Demographic and Economic Information: Schedules 13 through 14.....102
Operating Information: Schedules 15 through 19.....104

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards109

Independent Auditors' Report on Compliance for Each Major Federal Program and Report
on Internal Control Over Compliance Required by the Uniform Guidance111

Schedule of Expenditures of Federal Awards113

Notes to Schedule of Expenditures of Federal Awards114

Schedule of Findings and Questioned Costs115

COLORADO STATE MANDATED SCHEDULE SECTION

Auditors Integrity Report117



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 Officials



FINANCE DEPARTMENT
1025 NINTH AVENUE
GREELEY, COLORADO 80631

November 18, 2016

To the Members of the Board of Education and Citizens of Weld County School District 6,

Colorado law requires that every Colorado local government conduct an annual audit of their financial statements. The law states the audit must be performed by an independent certified public accountant and be in accordance with generally accepted auditing standards (GAAS). The Comprehensive Annual Financial Report for Weld County School District 6, for the fiscal year ended June 30, 2016, is submitted herewith to fulfill this state requirement.

The report consists of management's representations concerning the financial aspects of Weld County School District 6. 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 Weld County School District 6. To provide a reasonable basis for making these representations, management of Weld County School District 6 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 Weld County School District 6'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 attached data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of all operations of the District. All disclosures necessary to enable the reader to gain an understanding of Weld County School District 6's financial activities have been included.

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, have audited Weld County School District 6's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the 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 audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Auditor's Report on the District's financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Weld County School District 6 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.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis found on pages 19 through 33 of this report. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2016, have been included.

Engage, Empower, Inspire
District 6 provides every student with a personalized, well-rounded and excellent education
in a safe, caring environment.

Profile of the District

Weld County School District 6 (the District) is a political subdivision of the State of Colorado and a corporate body organized in 1870. The District currently owns approximately 450 acres of land, and includes 36 schools and support sites. Our 36 schools and support facilities total 2.1 million square feet of building space and range in age of establishment from 1910-2015. The District boundaries have been redrawn numerous times over the last 135 years, the last redistricting occurring in 1964, enlarging District 6 to its current 75 square miles. The District is an independent school District that is a public corporation duly organized and existing under the constitution and laws of the State of Colorado.

Based in Greeley, Colorado, the District is located 50 miles north of Denver and 17 miles east of Loveland. A seven-member Board of Education bears overall responsibility for the District. The Board of Education adopts the budget, selects management, significantly influences operations and is primarily accountable for fiscal matters. Board members are elected by registered voters, each member is elected at-large (the District is not divided into representative areas), and serve four-year terms.

Approximately 21,045 students attend school at the District's 36 schools and educational programs. The District's K-12 enrollment has shown an increase for the last seven years. The 2016-2017 enrollment numbers are showing an increase of approximately 510 over the prior fiscal year. There are over 7,601 students eligible to utilize the District's bus services each day, and the District's Nutrition Department serves over 18,500 meals daily for breakfast, lunch and snacks.

Weld County School District 6's excellent schools encompass ten traditional elementary schools (K-5), one K-6 school, four K-8 schools, four middle schools, one alternative middle school, three traditional high schools, two alternative high schools, one high school of innovation, one online school and six charter schools. The District offers additional opportunities including:

- Engage Online Learning has allowed students an alternative approach to achieving their educational goals;
- Early College Academy is an opportunity for students to obtain a two-year associates degree from Aims Community College while simultaneously earning a high school diploma;
- A Performing Arts Magnet high school program (Central High School);
- A Science, Math, Engineering and Technology (STEM) high school magnet program at Northridge High School and a similar focus program at McAuliffe K-8;
- U.S. Marine JROTC Program at Northridge High School;
- The Health Science Academy was created at Greeley Central High School, and has enrolled 100+ students interested in careers in the healthcare industry;
- Numerous Advanced Placement (college level) courses at our three traditional high schools, and a regional International Baccalaureate Program (Greeley West High School);
- Brentwood Middle School designated as an IB World School by the International Baccalaureate Programme;
- An alternative middle and high school, and a program focusing on improving educational and social realities of at-risk students in grades 6-12 (Jefferson Junior High School, Jefferson High School and Greeley Alternative Program);
- Bella Romero Academy of Applied Technology is a K-8 school leading the focus of blended learning;
- A program for Deaf and Hard of Hearing students, Kindergarten-8, at Chappelow Arts and Literacy Magnet School;
- An Arts and Literature Magnet K-8 School (Chappelow Arts and Literacy Magnet School);
- A premier learning resource facility (Poudre Learning Center) for interdisciplinary study of the Cache la Poudre River is shared by District 6 and three neighboring school districts.
- Six Charter Schools focused on alternate instruction methods.

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

The District is fully accredited by the Colorado Department of Education Accreditation and Accountability Unit. The District is subject to periodic monitoring to ensure continued compliance with accreditation standards. Additionally, the District is in compliance with the state required financial policies and procedures

The District has maintained agreements with five charter schools; Union Colony Schools, Frontier Academy, University Schools, West Ridge Academy and Salida del Sol Academy. The charter schools are public schools authorized by the District in accordance with the laws of the State of Colorado to provide alternatives for parents, pupils and teachers. Additionally, the schools have separate governing boards but are fiscally dependent on the District for the majority of funding as allowed under the school finance act and under the general supervision of the District's Board of Education. The charter schools meet the requirements under Governmental Accounting Standards to be presented as discrete component units.

The Board of Education is required to adopt a final budget no later than June 30 prior to the beginning of the subsequent fiscal year, but may be revised prior to January 31 of the budget year. This annual budget serves as the foundation for the District's financial planning and control. The District maintains extensive budgetary controls to ensure compliance with legal requirements, District administration guidelines, and Board of Education policies. The budget development process evaluates compensation and benefit expenses, utilities and fixed costs at the district level, and discretionary spending at the department and school level.

Academic Achievements

- One of the most important goals of any public education entity is to support students in receiving their high school diploma. In 2015, District 6 had a graduation rate of 76.9 percent, keeping pace with the state of Colorado. Every year the district has seen marked improvement in its graduation rate; back in 2006, the graduation rate was only 68.7 percent. And, the District's most at-risk students are also graduating at high rates, which have improved significantly over the last decade. For example, the graduation rate for English language learners was 70.6 percent in 2015, nearly 10 percentage points higher than the state average. In addition, District 6 students go on to a variety of colleges and universities, certificate programs, military service and careers.
- District 6 offers 11 Career Academies with 27 different career pathway programs for students, which not only provide career exploration, but also college credit and professional certificates in several areas. These popular programs range from a Health Sciences Academy to an Agriculture Pathway, including programs that focus on construction management, engineering, culinary arts, fine and performing arts, entrepreneurship and much more. District 6 also offers a Marine Junior Reserve Officer Training Corps program and International Baccalaureate as well as Career Academy partnerships with our local Aims Community College to provide our students a vast array of opportunities they may choose to explore.
- District 6 students are highly competitive for some of the most coveted scholarships in Colorado. Since 2007, the District has had 17 Boettcher scholars. Five District 6 students received Daniels Fund Scholarships in 2016, joining 79 students who received the scholarships in the past eight years.
- More than 1,300 District 6 students participate in Advanced Placement classes. In 2016, 92 District 6 students were named AP scholars and one received National AP Scholar recognition. The number of AP scholars continues to grow.
- Early College Academy opened in August, 2015 in partnership with Aims Community College. Early College Academy provides students the opportunity to earn an Associate's Degree and a high school diploma simultaneously. This rigorous program is a mix between traditional high school and community college classes. Students can graduate with 60 college credits that will automatically transfer to any four-year Colorado college at no cost to the student. Currently in its second year of existence, there are over 200 students enrolled in grades 9-11.

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

- District 6 is in its fourth year of implementing blended learning district-wide. This instructional method allows educators to leverage technology to personalize learning for all their students, while getting real-time data to help guide teaching. Seventeen district schools are implementing this personalized blended learning model in 2016-2017 including nine elementary schools, four middle schools, three K-8 schools and one high school.
- The new state assessment program, Colorado Measures of Academic Success, was administered for a second time this past school year. This assessment program includes state and federal required testing in English Language Arts and Math in grades 3rd-9th, and Science in grades 5th, 8th, and high school. It also includes a college and career readiness assessment in the 10th and 11th grade years, as well as, an English Language assessment given to students whose first language is not English.

Economic Condition and Outlook

National Economy

Economic growth for the nation overall continues to be modest. Persistent weakness in business investment and industrial production, along with subdued gains in business formation and productivity continues to result in lackluster growth. On the positive side, consumer spending and the labor market have been solid. In addition, the labor market recovery is broadening, with middle-wage industries adding jobs at a faster pace and lower wage workers seeing more wage growth. Further, although the industrial sector is not expected to generate a boost to economic growth going forward, an end to its downturn will at least present a smaller drag on economic activity.

Colorado Economy

Colorado's economy remains in expansion. Despite notable headwinds in recent years, the state's economy has demonstrated resilience not seen in prior periods. Demand for workers among Colorado businesses remains strong. The urban areas along the Front Range have among the lowest unemployment in the country, with the Denver metro area having the lowest unemployment rate among large U.S. metro areas. The oil and gas industry's deep contraction that contributed to slowing in the overall economy appears to have reached a bottom, though industry activity is expected to remain at subdued levels. Even so, the absence of the large decline in spending in the economy going forward will help overall economic conditions. Further, data shows renewed growth in new business formation in Colorado, a key ingredient for economic and job growth. Sustained growth in housing construction and home sales, albeit still at comparatively low levels, will also add to employment and spending in the economy. However, the state's economic growth will remain at a more moderate pace than earlier in the expansion.

The State General Fund revenue increased 1.7 percent in FY 2015-16, a sharp drop from the robust 9.2 percent growth rate one year earlier. The oil and gas industry's contraction, along with weaker investment gains and lower corporate profits, all combined to reduce General Fund revenue growth. With these factors largely behind us, General Fund revenue will increase 4.5 percent in FY 2016-17 and a 5.0 percent increase is forecast for FY 2017-18. Notably, these growth rates are lower compared with most previous years of the current expansion; economic growth is forecast to remain moderate for the state and growth in corporate income tax revenue and investment gains are expected to be constrained.

The FY 2016-17 ending General Fund balance is projected to be \$226.5 million below the required reserve level. The Governor is required to take budget-balancing actions when the ending balance is projected to be under half of its required amount. For FY 2016-17, under current law, half of the required reserve amounts to \$317.4 million, \$90.9 million less than the ending reserve projected by this forecast.

TABOR revenue came in \$26.7 million below the cap in FY 2015-16 and is projected to be \$158.8 million under the cap in FY 2016-17. TABOR revenue is expected to be above the cap by \$175.4 million in FY 2017-18 and \$221.8 million in FY 2018-19. The FY 2017-18 refund amount of \$195.0 million expected in

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

this forecast includes the projected \$175.4 million exceeding the Referendum C cap plus \$19.6 million that needs to be refunded from FY 2014-15 due to the reclassification of the revenue transferred to the Adult Dental Fund from the Unclaimed Property Fund.

Local Economy

Larimer and Weld Counties make up the northern region. The economy in the region remains one of the strongest in the state; however, the decline in oil and natural gas prices is adversely impacting the economy in Weld County. In oil-dependent Weld County, employment growth thus far in 2016 is only one quarter of the growth that occurred in 2015. Residential construction permits in Weld County have declined. Retail sales exhibit a similar pattern of decline Weld County.

Over the last seven years, the northern region has been the epicenter of oil and natural gas production in the state, and that concentration of activity is only increasing. While oil prices began to decline at the end of 2014, production did not begin to decrease until 2016. Oil production declined 5.8 percent between January and April 2016 compared with the same period in 2015. Despite low natural gas prices, regional natural gas production increased 17.8 percent in the first four months of 2016. The increase is likely because producers are capturing natural gas from oil wells.

The regional housing market, however, is slowing in response to the decline in oil and gas industry employment. In the first seven months of 2016. Growth in construction activity has tapered in Weld County, with residential permits declining 11.5 percent through July 2016, after falling 3.5 percent in 2015. This comes after three consecutive years with permit growth in Weld County above 40 percent. In addition, regional non-residential construction has declined. The number, value, and size of nonresidential construction projects have all declined in the seven months of 2016 compared with the same period in 2015.

Although retail sales growth decelerated in Weld Counties in 2015, by only growing by 1.0 percent, the northern region growth in retail sales in each county in the northern region continues to outpace both the state and the nation as a whole.

Long-Term Financial Planning

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The state economic picture is important to the district because the primary source of funding for the district's General Operating Fund is received through the state's School Finance Act established by the state legislature. During the Great Recession, state revenue shortfalls forced cuts to K-12 education even though expectations for constitutionally mandated funding increases existed under Amendment 23. After the state sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to every school within its district.

For the 2016-17 fiscal year, the legislature increased base per pupil funding by 1.2% for K-12 public education as well as provided additional dollars for statewide student growth and no reduction to the negative factor. The "Negative Factor" reduction to statewide total program funding as calculated in the School Finance Act is projected to remain flat at \$830.7 million for the 2016-17 fiscal year. For Weld County School District 6, the negative factor is \$20.4 million for FY 2016-17. The reduction to funding K-12 education at the state level has had a significant impact on the District. To counter the reduction in funding, an increase in district's funded student count has allowed the district to weather the economic downturn by providing additional revenues for the district ultimately requiring the district to educate more students with less money.

The goals utilizing the District's financial resources for the 2016-2017 school year are very strategic. These goals include –

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

- After several years of reducing support level positions within the district, the 2015-16 budgeted FTE increased by approximately 179 FTE. 65% of those new positions were school based staff hired to support students as the district grows. For the 2016-17 school year, overall FTE has reduced slightly due to cuts made to streamline the operations of the district. School based staff is nearly the same as the 2015-16 school year.
- The Academic Achievement Department has many goals and initiatives for 2016-2017 that require strategic budget planning in order to support their expected outcomes.
 - Implement comprehensive turnaround plans for Franklin Middle School and Prairie Heights Middle School that will result in an increase in student achievement and growth.
 - Increase the graduation rate for all student groups and for disaggregated student groups.
 - Increase the percentage of minority students who successfully complete advanced placement classes.
 - Plan and redesign the English Language (EL) programming and assessment.
 - Successfully administer new state assessments (SAT).
 - Continue/expand cultural proficiency training and support for all employee groups.
 - Continue to explore focus areas that make each school unique, for example a STEM or STEAM focus, International Baccalaureate, Arts, etc.
- Blended Learning is taking place in traditional school buildings and adds the effective use of education technology to transform the learning experience for students. It combines teacher-led instruction with high-quality digital educational content that is customized to a student's needs and abilities. Blended learning has the potential to significantly improve K-12 education throughout the country and specifically in District 6. Blended Learning directly aligns to the goal of Student Learning and Achievement in the District's Strategic Plan, relating to:

Priority 1: Provide a personalized learning experience for all students and
 Priority 3: Implement an instructional framework that reflects both the art and science of teaching to ensure all students learn.

District 6 Blended Learning Implementation Schedule

Year	Schools		
2014-2015	<ul style="list-style-type: none"> • Bella Romero K-8 Academy of Applied Technology • Centennial Elementary School • Jefferson High School 		
2015-2016	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Ann K. Heiman Elementary K-5 • Brentwood Middle School • Chappelow K-8 Arts Magnet • Franklin Middle School </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Heath Middle School • Meeker Elementary K-5 • Prairie Heights Middle School • Winograd K-8 </td> </tr> </table>	<ul style="list-style-type: none"> • Ann K. Heiman Elementary K-5 • Brentwood Middle School • Chappelow K-8 Arts Magnet • Franklin Middle School 	<ul style="list-style-type: none"> • Heath Middle School • Meeker Elementary K-5 • Prairie Heights Middle School • Winograd K-8
<ul style="list-style-type: none"> • Ann K. Heiman Elementary K-5 • Brentwood Middle School • Chappelow K-8 Arts Magnet • Franklin Middle School 	<ul style="list-style-type: none"> • Heath Middle School • Meeker Elementary K-5 • Prairie Heights Middle School • Winograd K-8 		
2016-2017	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Jackson Elementary • McAuliffe Elementary • Madison Elementary </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Monfort Elementary • Scott Elementary • Shawsheen Elementary </td> </tr> </table>	<ul style="list-style-type: none"> • Jackson Elementary • McAuliffe Elementary • Madison Elementary 	<ul style="list-style-type: none"> • Monfort Elementary • Scott Elementary • Shawsheen Elementary
<ul style="list-style-type: none"> • Jackson Elementary • McAuliffe Elementary • Madison Elementary 	<ul style="list-style-type: none"> • Monfort Elementary • Scott Elementary • Shawsheen Elementary 		

The district intends to expand blended learning to additional schools in 2017-2018 as funding permits.

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

- There are some very serious capital needs arising in the district. Capital improvements have been deferred during the economic downturn as a way to balance the budget. During the past few years the district has contracted with educational facility planners and architects, Hord Coplan Macht, Inc. and RB+B to develop a Facilities Master Plan. The team was hired to conduct an analysis of the current educational program, assess the facilities, and study options and priorities for resolving the schools' challenges and needs for continued growth and success. The consultant's report describes the adequacy and conditions of the district's schools the following way: "Many of the district's schools are configured in pie-shaped or otherwise geometric plans with wedge-shaped classrooms. These buildings were built in the 1950's and 1960's. Most of these buildings, which include West High School and Bella Romero Academy K-3 campus, were built with very limited windows, are difficult to add on to, and provide a challenge for supervising students in the hallways within.... The district has three high schools ranging from 1960's Greeley West to 1999's Northridge, the historic 'Castle' at Greeley Central High, which was renovated and expanded in 2000. Generally, the district schools are very well maintained. Many of the facilities tend to be plagued with asbestos or other hazardous materials, making expansions and renovations slow and expensive undertakings. Such lack of flexibility has led the district to turn to a great number of modular classroom trailers on many of the school sites, to provide space for classrooms. A high percentage of Greeley 6 classrooms are located in portable modulars, in fact District 6 has the highest percentage of portable classrooms of all districts in Colorado." The master plan report presented by the consultants evaluates the conditions of each location as well as the educational suitability. The urgency of needed repairs was prioritized and an estimated cost of those repairs was calculated using current costs of labor and materials.

The region in which the District is located is currently experiencing notable population growth. Based on the demographic studies conducted by Davis Demographics & Planning, Inc., this population growth is likely to continue well into the future. As a result of this growth, many District schools, particularly in the west of the District, are currently experiencing challenges related to building capacity. Proposed solutions to address immediate needs include: ongoing school choice management, relocation of district placed programs to alternate facilities as well as discussions of potential bond issues in the future.

- Activities which support sound fiscal management include balancing of the budget for the 2016-2017 school year by monitoring of expenditures, seeking new grant funding and aligning current grant resources, identifying cost-cutting measures, developing and enhancing revenue streams.
- In order to balance the budget, the district had used a portion of fund balance in 2013-2014 and 2014-2015. The District did not spend any fund balance for 2015-2016 and has no intentions of spending any fund balance in the 2016-2017 budget year.

Relevant Financial Policies

The District's system of internal controls is designed to provide reasonable, but not absolute, assurance that assets are adequately safeguarded, transactions are accurately recorded and expenditures are properly authorized. Those controls also assure the reliability of financial records for preparing financial statements and maintaining the accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework.

The District's accounting and budget systems are integrated and this facilitates budgetary control. Also, the systems include integrity checks and balances which help assure that only valid transactions occur. The District's existing systems of budgetary and accounting controls are designed to provide reasonable assurance that errors or irregularities of a material nature are prevented or are detected in a reasonable period of time. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The District's internal control structure is subject to periodic review by management and the internal audit staff.

Engage, Empower, Inspire

District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

Major Initiatives

Strategic Plan

Weld County School District 6 recognizes the need to be focused and strategic in order to raise student achievement, close achievement gaps, strengthen school-community relationships and improve organizational effectiveness. The first generation of the strategic plan, Reaching for Excellence 2006-09 provided a guide that was followed and began to reap rewards in terms of improved student achievement, organizational effectiveness and community relations. Having completed 95% of the actions outlined in Reaching for Excellence 2006-09 by 2009, a new plan, Reaching for Excellence 2009-15 was developed.

Throughout the 2014-15 school year, the Board of Education actively engaged the community with a series of listening sessions to obtain input into a new strategic plan. During the 2015-16 school year the board adopted Innovation 2020, that spells out the Mission, Vision, Values and Beliefs and Goals of the district. From this document, action teams are being developed to form a strategic plan that will build on the successes identified through previous plans, and address areas identified as priorities.

The graphic is a colorful infographic for the Greeley-Evans School District 6 Innovation 2020 strategic plan. It features a top banner with the district logo and mission/vision statements. Below this are four vertical columns, each representing a strategic focus area: Student Learning and Achievement, Climate and Culture, Strengthening Partnerships, and Operational and Organizational Effectiveness. At the bottom is a green box containing the district's values and beliefs.

Greeley-Evans
WELD COUNTY SCHOOL DISTRICT 6

GREELEY-EVANS SCHOOL DISTRICT 6
INNOVATION 2020

MISSION: Engage, Empower, Inspire
District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

VISION: District 6 educates today's students in partnership with families and communities to succeed in tomorrow's world.

STUDENT LEARNING AND ACHIEVEMENT
Students will engage in a challenging, personalized, well-rounded education preparing every student to be college and career ready with the skills needed to be successful in the community and world.

CLIMATE AND CULTURE
We will cultivate a safe and supportive learning environment for all, embracing our diversity, honoring and engaging all stakeholders, and promoting safety.

STRENGTHENING PARTNERSHIPS
District 6 will increase engagement and interest in learning through community and school partnerships with our students, parents, and community to enhance student success.

OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS
We will be innovative and accountable to the community, through measurable outcomes and continuous improvement.

VALUES AND BELIEFS

- Our students come first.
- We know every child can achieve.
- We commit to excellence, innovation and continuous improvement.
- We ensure safe and healthy schools.
- We view diversity as an asset.
- We provide opportunity and choice.
- We partner with families and communities.

This plan provides a framework for collaboration and partnerships. Most importantly this plan identifies how the district will make a difference in the lives of over 22,000 children every single day.

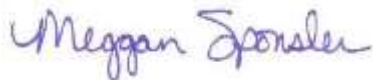
Engage, Empower, Inspire
District 6 provides every student with a personalized, well-rounded and excellent education in a safe, caring environment.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* and the Association of School Business Officials International (ASBO) awarded a *Certificate of Excellence in Financial Reporting* to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. The District has received a Certificate of Achievement for thirteen consecutive years and a Certificate of Excellence for the last fifteen years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting it to both GFOA and ASBO to determine its eligibility for another certification. The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our sincere appreciation to all members of the department for the contributions made in the preparation of this report. We also thank the District's independent auditors, CliftonLarsonAllen, LLP, for the professional manner in which they accomplished the audit. We would also like to thank the members of the Weld County School District 6 Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Meggan Sponsler, CPA
Chief Financial Officer



Mandy Hydock
Finance Director





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Greeley-Evans Weld County
School District 6, 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

Weld County School District 6

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 R. Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

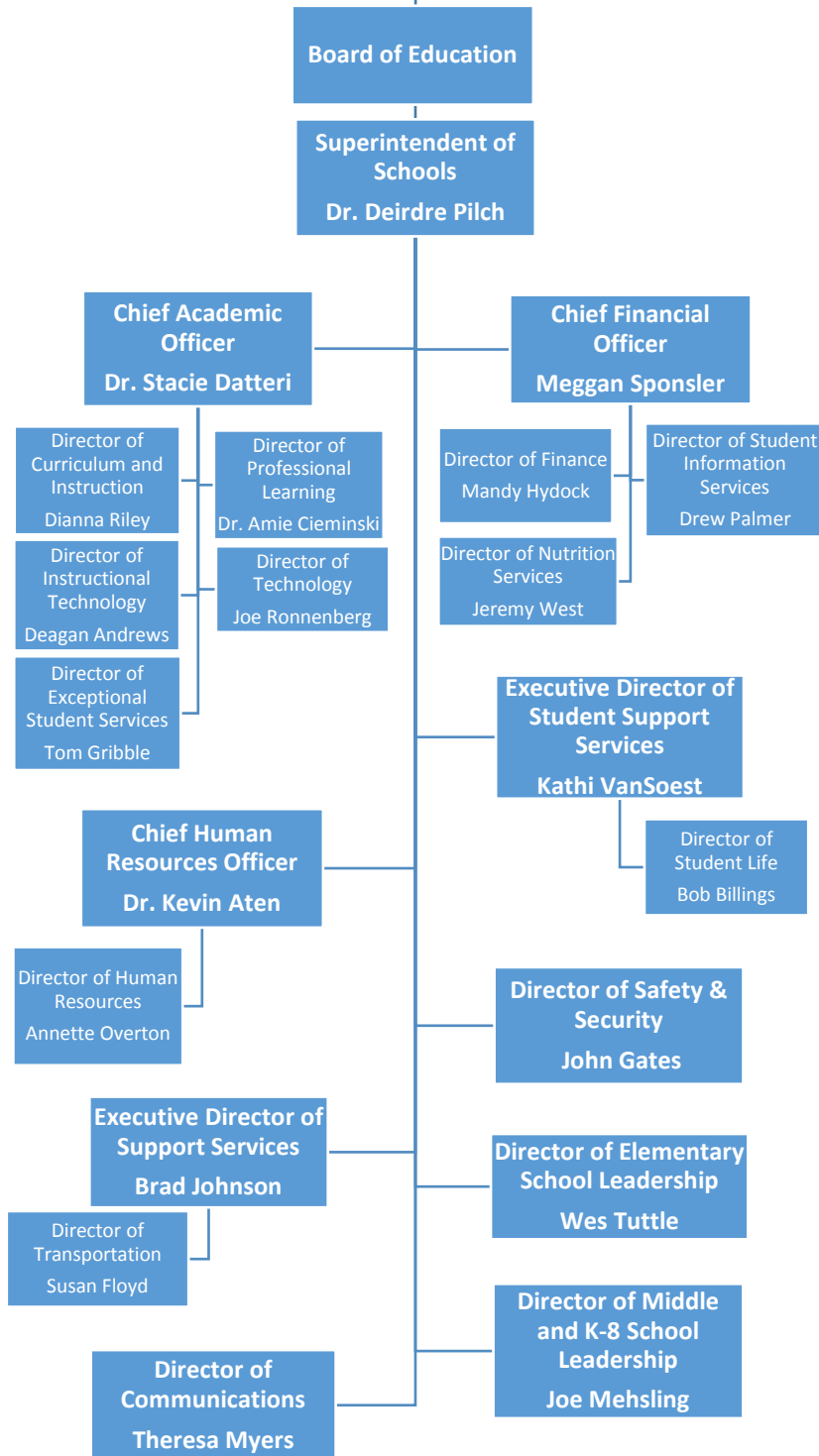
John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Organizational Chart

Students, Parents and Communities of Greeley and Evans





**List of Elected Officials
June 30, 2016**

Elected Officials – Board of Education		<u>Term Expires</u>
President	Roger DeWitt	2017
Vice President	Steve Hall	2017
Director	John Haefeli	2017
Director	Doug Lidiak	2019
Director	Terri Pappas	2019
Director	Julia Richard, Ed.D.	2019
Director	Rhonda Solis	2017

Appointed Officials – Board of Education

Secretary	Bernee Barea
Treasurer	Meggan Sponsler

Superintendent’s Executive Cabinet

Superintendent of Schools.....	Deirdre Pilch, Ed.D.
Chief Academic Officer	Stacie Datteri, Ed.D.
Chief Financial Officer.....	Meggan Sponsler
Chief Human Resource Officer	Kevin Aten, Ed.D.
Executive Director of Student Support Services	Kathi VanSoest
Director of School / Community Relations	Theresa Myers



Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT

Board of Education
Weld County School District No. 6
Greeley, 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 Weld County School District No. 6 (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the entity'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 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 – 33, budgetary schedules for the General Fund, Food Service Fund and Designated Special Purpose Grants Fund on pages 71 – 74, and pension information on pages 76 – 77 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 budgetary comparison schedules for the Capital Projects Fund, the Platte Valley Youth Services Center Fund, and the Bond Redemption Fund, Statement of Changes in Assets and Liabilities for the Agency Funds, and the Auditors Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedules for the Capital Projects Fund, the Platte Valley Youth Services Center Fund, and the Bond Redemption Fund, the Statement of Changes in Assets and Liabilities for the Agency Funds, the Auditors Integrity Report and the schedule of expenditures of federal awards 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 budgetary comparison schedules, the Auditors Integrity Report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 November 18, 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
November 18, 2016





Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

As management of Weld County School District 6 (the District), Greeley-Evans, Colorado, we offer readers of the District's Comprehensive Annual Financial Report this narrative, overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements and notes to the basic financial statements to enhance their understanding of the school District's financial performance.

Financial Highlights

At June 30, 2016:

- GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).
- Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its government-wide financial statements. The District's share of the PERA NPL is \$313.4 million as of June 30, 2016. Inclusion of this figure in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature.
- Fund level statements, including the General Fund statements, are not impacted by GASB 68 reporting.
- Due to the effect of GASB 68, the District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$171.8 million.
- The net position of the District governmental activities includes \$72.2 million net investment in capital assets; net position of \$21.2 million restricted for debt payments, required emergency reserves, operational funds, and food service operations; and an unrestricted net position negative balance of \$265.4 million. The unrestricted balance is negative due to the effects of GASB 68. The unrestricted balance is also different than what would be reflected on a governmental fund accounting basis due to the accounting treatment in the government-wide statements. Under governmental fund accounting, long-term compensated absences are not recorded in governmental funds as a liability because they are not payable with current funds.
- The total net position of the District's governmental activities decreased by \$4.9 million during fiscal year 2015-2016. The increase in net position on a government-wide basis is similar to the increase in fund balance on a governmental fund basis, however, several large factors impact differences between the two methods. The reconciliation between the two methods is found on page 40. The pension expense reconciling items on page 40 shows the effect of GASB 68 on net position. If not for the effect of GASB 68, the District would show an increase in net position.
- Fund balance of the District's governmental funds increased by \$.4 million resulting in an ending fund balance of \$39.4 million. The General Fund had the largest increase in fund balance of \$1.8 million as a result of multiple projects not complete as of the fiscal year end.
- During the current fiscal year, the fund balance in the General Fund increased by \$1.8 million. The per pupil funding for the District for the 2015-2016 fiscal year was \$7,194, compared to the fiscal year 2014-2015 funding of \$6,857, an increase of \$337. The State was able to decrease the amount of the Negative Factor in the school funding formula and State funding included a 2.8% increase in base per pupil funding in accordance with the annual increase in the 2014 Consumer Price Index. The State also funded enrollment growth along with additional English Language Learner funding.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

- Total actual revenue received in the General Fund was positive to the revised budgeted revenue in total. The anticipated local revenues fell short of the budgeted figures as a result of specific ownership taxes revenues not being received by the District as expected. State funding exceeded budgeted revenues by \$2.5 million as a result of additional state equalization funding of \$1.2 million, at-risk funding of \$.6 million and support for special education students in excess of \$.4 million.
- The District was also able to reduce actual expenditures by \$.9 million against the budget. The positive expenditure variances include utilities, facilities operations, and general supplies.
- The District's long-term obligations decreased by \$7.5 million to \$59.1 million. Additional discussion on long-term debt may be found on page 31.

Overview of the Financial Statements

The annual report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Supplementary Information. The Basic Financial Statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements, which provide additional and more detailed information. Included as Required Supplementary Information is budget-to-actual information related to the District's General Fund, Designated Special Purpose Grants Fund, the Food Service Fund, and required pension information. The Supplementary Information section contains budget-to-actual information for all other funds (as required by law), as well as additional information that further explains and supports the financial statements, including combining schedules.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's CAFR a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

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

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). Governmental activities consolidate governmental funds including the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds.

The government-wide financial statements can be found on pages 35-36 of this report.

Significant Accounting Pronouncements

PERA adopted GASB No. 67, *Financial Reporting for Pension Plans* (GASB 67), effective for the year ending December 31, 2014. GASB 67 established a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. The actuarial valuation for accounting purposes emphasizes the obligation an employer incurs to employees through the employment exchange process. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability. GASB 67 required a different

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

approach for determining the net pension liability (NPL) as opposed to the previously disclosed unfunded accrued actuarial liability (UAAL).

Actuarially determined contributions ("ADC") have replaced annual required contributions ("ARC") as the gauge of the adequacy of the State's statutory contribution rates. GASB 67 required the disclosure of the amount of contributions, the ADC amount and the difference between those amounts. The ADC is calculated using the investment rate of return and discount rate assumptions according to the PERA Board's Funding policy (currently 7.5%). An ADC deficiency arises when contributions are less than the ADC. For 2015, the School Division's ADC deficiency was \$190.7 million; over the past ten years, the ADC cumulative shortfall in School Division funding (without adjustment for investment earnings) has been \$1,798.6 million.

The District has no legal obligation to fund PERA's UAAL or ADC, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

Effective with fiscal year 2014-2015, the District was required to apply GASB 68. GASB 68 significantly changed pension accounting and financial reporting by separating pension accounting methodologies from pension funding methodologies and by requiring a NPL on the statement of net position. Historically, an unfunded pension obligation for employers in a cost-sharing plan, such as PERA, was considered a liability to be reported in future periods. Information about the total liability, unfunded and funded, was disclosed only in the notes to the financial statements and as required supplementary information.

GASB 68 established standards for a more comprehensive measure of pension expense. It has changed pension expense variables by identifying the method and assumptions that should be used to project and discount benefit payments, as well as how to attribute the actuarial present value to periods of employee service.

The current period pension expense primarily results from changes in the components of the NPL. NPL is computed as the difference between the employer's obligation to provide pension benefits earned and funding of those benefits (the plan assets held in trust); pension amounts earned by current and former employees for past services are recorded as a liability in current statements, not in future statements. Most causes of change in the NPL are included in pension expense immediately. Changes resulting from certain causes are introduced into pension expense over multiple periods.

See Note 9 on pages 62-68 in the Notes to Basic Financial Statements for the full disclosure related to PERA.

Fund Financial Statements

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. 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). All of the funds of the District have been divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six different governmental funds. The major funds are the General Fund, the Capital Projects Fund, Food Service Fund, Designated Special Purpose Grants Fund, and the Bond Redemption Debt Service Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the other governmental (non-major) funds is presented as supplementary information elsewhere in this document.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the General Fund, Designated Purpose Grants Fund, and Food Service Fund are included in the required supplementary information to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as supplementary information.

The basic governmental fund financial statements can be found on pages 37-40 of this report.

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 these sources of funds are not available to support the District's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement is presented on page 41.

Component Units

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

The combining Component Unit Statements are presented on pages 42-43.

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 basic financial statements can be found on pages 44-70 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (General Fund, major Special Revenue Funds budget-to-actual schedules and pension schedules) and supplementary information. Supplementary information includes the combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds (other than the General Fund, Designated Special Purpose Grants Fund, and Food Service Fund, which are included as required supplementary information) as dictated by state law.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Government-Wide Financial Analysis

The assets of the District are classified as current assets and noncurrent assets. Cash, investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District.

Noncurrent assets include capital assets used in the operations of the District. Capital assets are land, water rights, improvements, buildings, equipment and vehicles. Capital assets are discussed in greater detail later in the analysis.

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period. This has a positive effect on net position, similar to assets.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016-2017. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016-2017.

Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. This has a negative effect on net position, similar to liabilities.

Net position is the residual of all elements presented in a statement of financial position equal to assets plus deferred outflows less liabilities less deferred inflows.

The assets and deferred outflows of resources of the government exceed the liabilities and deferred inflows of resources by \$171.8 million with an unrestricted negative balance of \$265.4 million at June 30, 2016.

The largest portion of the District's net position, \$72.2 million, represents its investment in capital assets (e.g., land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that are still outstanding. The District uses these capital assets to provide services to its constituents; consequently, these assets are not available for future spending. 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 cannot be liquidated to pay the debt.

Net position of \$12.5 million, accumulated due to voter approved bonded debt mill levy assessments, have been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments.

The net position of Risk Management, Preschool, Dental and Food Service Funds of \$3.0 million are restricted for the respective funds use only. The required emergency reserves of \$5.1 million have also been restricted.

Unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to GASB 68 along with the accounting treatment in the government-wide statements of accrued salaries and benefits earned but unpaid and compensated absences payable. The \$2.5 million compensated absences payable is reported as a portion of the noncurrent liabilities on the government-wide statements because they are not payable with current funds. The GASB net pension liability is reported similarly with a balance of \$313.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

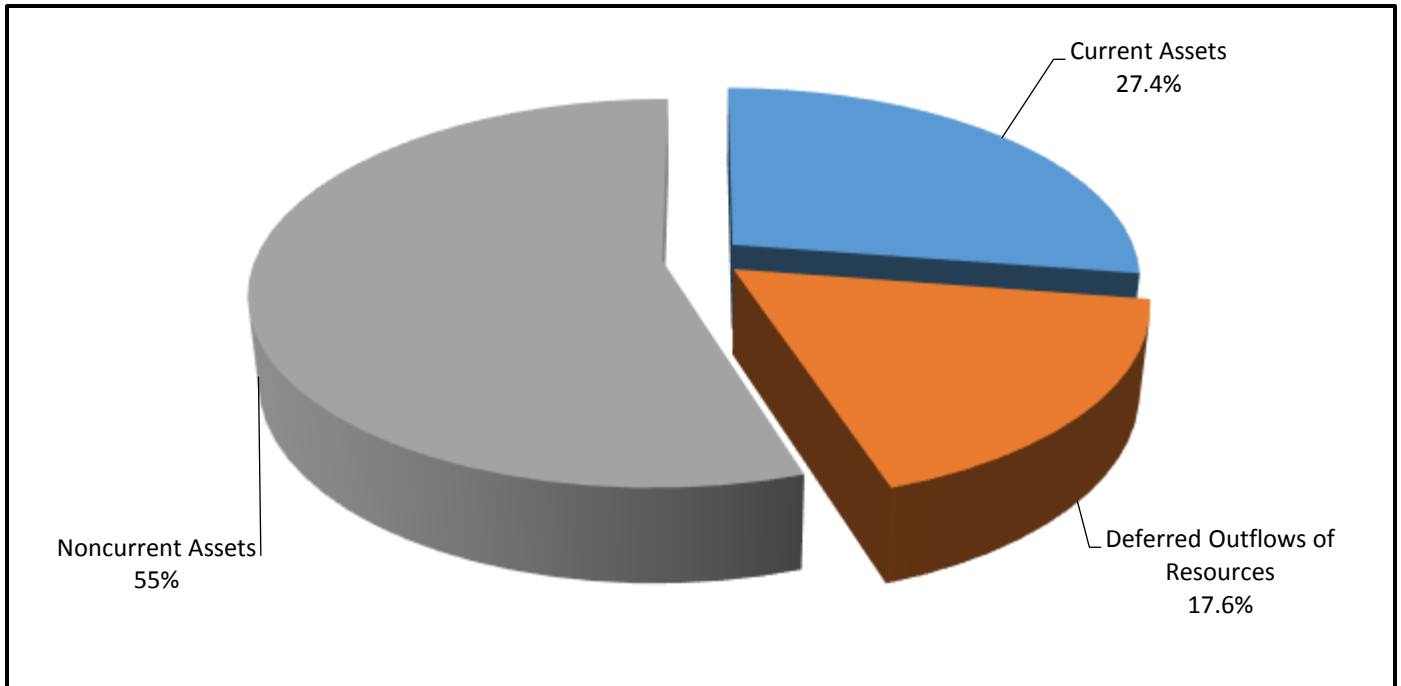
June 30, 2016

Table 1
Comparative Summary of Net Position
as of June 30, 2016 and 2015

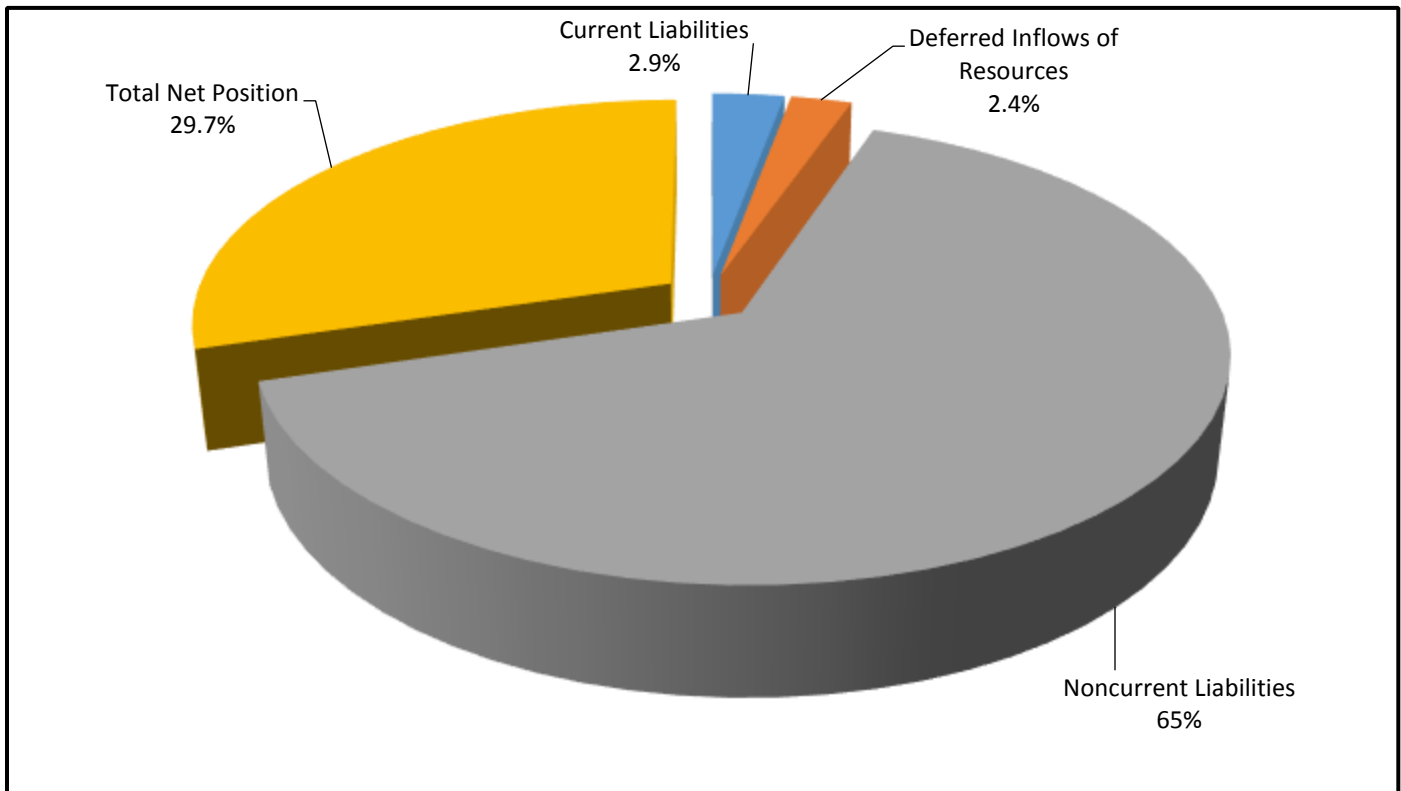
	Governmental Activities		
	2016	2015	Percentage Change
Assets			
Current and Other Assets	\$ 64,494,387	\$ 64,885,131	-0.6%
Capital Assets, Net	129,384,942	131,416,584	-1.5%
Total Assets	193,879,329	196,301,715	-1.2%
Deferred Outflows of Resources			
Deferred Charges on Bond Refunding	2,174,328	2,628,223	-17.3%
Contributions Subsequent to Measurement Date	8,274,075	7,624,585	8.5%
Change in Investments Earnings	26,778,414	6,561,031	308.1%
Change in Experience	4,138,472	-	100.0%
Total Deferred Outflows of Resources	41,365,289	16,813,839	146.0%
Liabilities			
Current Liabilities	16,741,812	17,609,778	-4.9%
Noncurrent Liabilities	376,109,014	355,822,052	5.7%
Total Liabilities	392,850,826	373,431,830	5.2%
Deferred Inflows of Resources			
Change in Experience	13,415	21,303	-37.0%
Change in Assumption	4,428,886	6,708,152	-34.0%
Change in Proportionate Share	9,719,401	-	100.0%
Total Deferred Inflows of Resources	14,161,702	6,729,455	110.4%
Net Position			
Net Investment in Capital Assets	72,239,769	63,141,947	8.8%
Restricted	21,428,949	19,880,453	2.6%
Unrestricted	(265,436,628)	(250,068,131)	4.3%
Total Net Position	(171,767,910)	\$(167,045,731)	2.8%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Government-Wide Total Assets and Deferred Outflows of Resources



Government-Wide Total Liabilities and Total Net Position



Governmental activities decreased the net position of the district by \$4.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

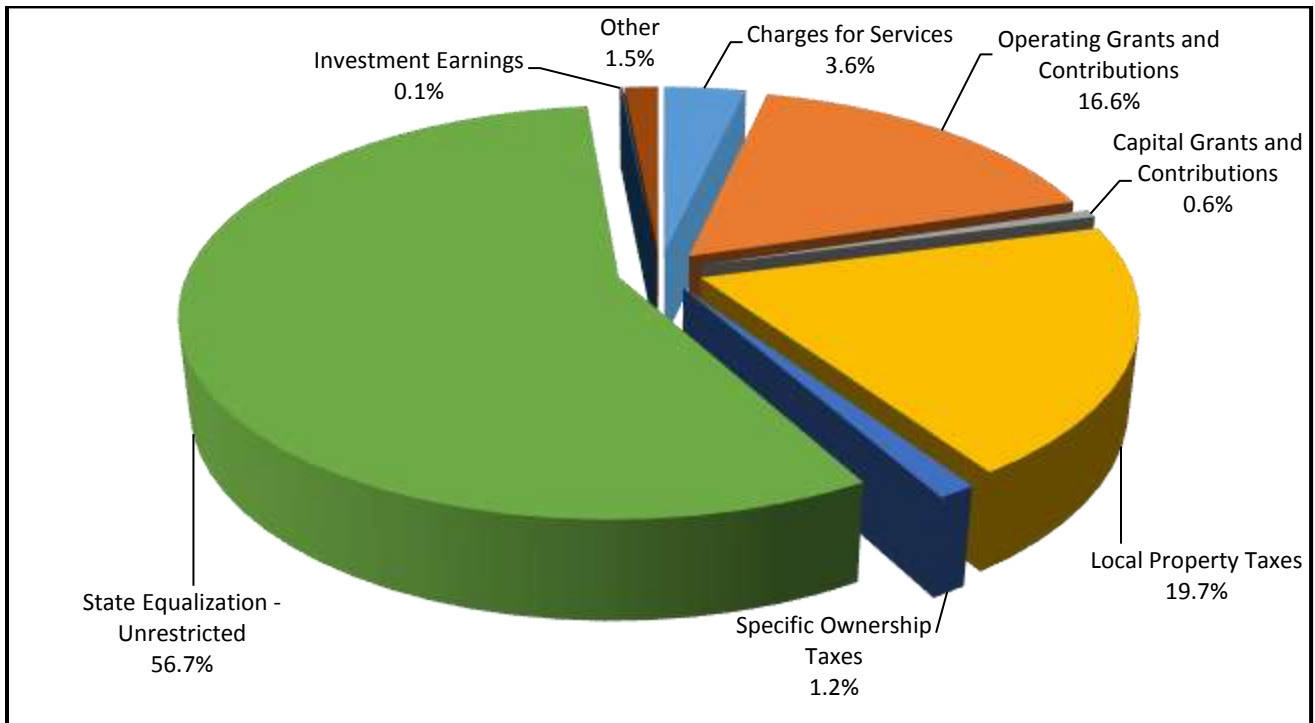
June 30, 2016

Table 2
Changes in Net Position from Operating Results
For the Years Ended June 30, 2016 and 2015

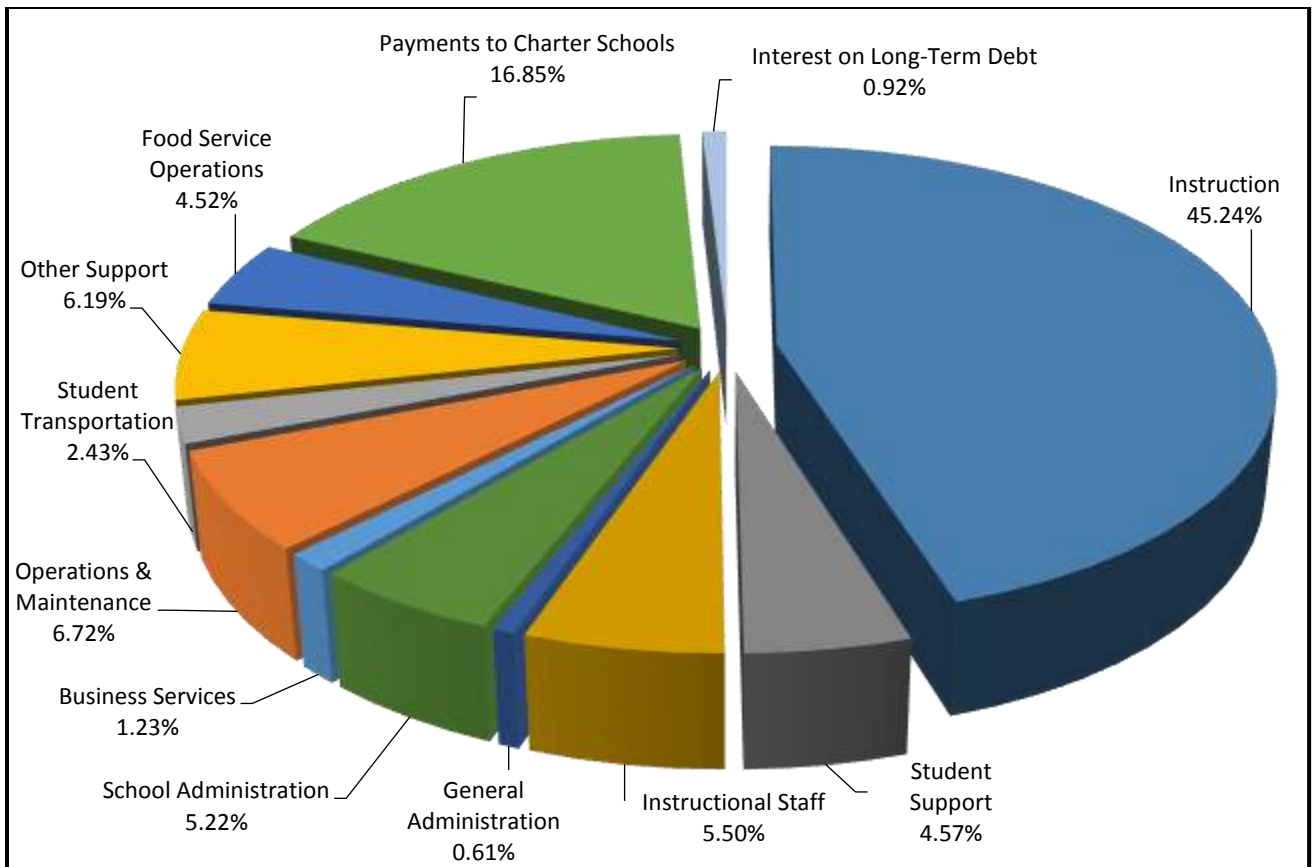
	Governmental Activities		Percentage Change
	2016	2015	
Revenues:			
Program Revenues			
Charges for Services	\$7,501,018	\$ 8,534,380	-12.1%
Operating Grants	34,540,506	35,061,605	-1.5%
Capital Grants and Contributions	1,286,434	828,129	55.3%
General Revenues			
Property Taxes	40,876,489	36,931,969	10.7%
Specific Ownership Taxes	2,551,459	3,019,784	-15.5%
State Equalization	117,590,043	112,570,176	4.5%
Investment Earnings	238,304	140,996	69.0%
Other	3,113,100	2,375,352	31.1%
Total Revenues	207,697,353	199,462,391	6.0%
Expenses:			
Governmental Activities			
Instruction	96,103,662	88,992,272	8.0%
Support Services			
Student Support	9,714,310	9,142,147	6.3%
Instructional Staff	11,674,959	11,099,857	5.2%
General Administration	1,287,829	1,305,844	-1.4%
School Administration	11,081,811	10,322,803	7.4%
Business Services	2,617,899	2,536,294	3.2%
Operations & Maintenance	14,281,259	11,838,289	20.6%
Student Transportation	5,153,426	5,164,592	-0.2%
Other Support	13,151,035	20,859,866	-37.0%
Food Service Operations	9,609,672	-	100.0%
Payments to Charter Schools	35,797,138	33,323,907	7.4%
Interest on Long-Term Debt	1,946,531	3,738,663	-47.9%
Total Expenses	212,419,532	198,324,534	7.1%
Increases (Decreases) in Net Position	(4,722,179)	1,137,857	-515.0%
Net Position – Beginning	(167,045,731)	(168,183,588)	-0.7%
Net Position - Ending	(171,767,910)	\$(167,045,731)	2.8%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Government-Wide Revenues



Government-Wide Expenses



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Governmental Activities

Key elements of the change in net position for governmental activities are as follows -

- The Colorado Public School Finance Act provides for the majority of the funding of local school districts based on a funded per pupil count formula and a maximum property tax mill levy for each school district. State equalization aid increased by \$5 million during the fiscal year, with property taxes increasing by \$3.9 million during the year. The economic condition of the State continued to improve during the 2015-2016 fiscal year which enabled the State Legislature to increase school funding for the 2016-2017 fiscal year. The State was able to decrease the amount of the Negative Factor in the school funding formula and State funding included a 1.7% increase in base per pupil funding in accordance with the annual increase in the 2014 Consumer Price Index. The State also funded enrollment growth along with additional English Language Learner funding. The per pupil funding for the District for the 2015-2016 fiscal year was \$7,194, compared to the fiscal year 2014-2015 funding of \$6,857, an increase of \$337.
- The State did continue to provide partial funding of full day kindergarten for the 2015-2016 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at all elementary and K-8 schools.
- The District received additional \$1.7 million of state funding through the English Language Proficiency Act to support at-risk students and an additional \$1.3 million of READ Act funding which was used to fund salaries and after school programs.
- Total governmental activities expenses increased by \$14.1 million. Approximately \$10.5 million of that increase relates to the way pension expenses are recorded as a result of GASB 68. Prior to fiscal year 2014-2015, pension expense was equal to the amount the District was legally obligated to contribute at the established statutory amount.
- Instructional expenses increased as a result of increased enrollment and related staffing and direct expenses related to those students. Teachers received a 3.75% increase on the salary schedule and horizontal advancement. Other employee groups also received a 3.75% increase. Health insurance contributions were maintained at existing levels and expenses increased due to employer's retirement costs.
- 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 Weld County School District 6 is a service organization providing educational services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Education.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$39.4 million, an increase of \$.4 million in comparison with the prior year. Approximately 30% of this total amount, \$11 million, constitutes unassigned fund balance. The remainder of the fund balance is classified as follows –

- Nonspendable – Inventory in the amount of \$238,200 and prepaid items of \$174,143, which in total is 2% of total fund balances.
- Restricted – the following fund balances have restricted uses and include TABOR (\$5.1 million and 12.9% of fund balance), debt service of \$12.6 million (31.9%) of total fund balance and Forward Delivery Agreement of \$.85 million (3.7%). Additionally, the General Fund (which includes the Risk Management Fund, Dental Fund and Preschool Fund), have fund balances which are limited in use by the Board of Education or program requirements. The total fund balance for these funds was \$.8 million.
- Committed – The General Fund includes an emergency reserve balance of \$5.1 million (12.9% of fund balance).
- Assigned – the Capital Projects Fund ended the year with a balance of \$1.7 million (4.3% of fund balance).

The fund balance of the District's general fund increased by \$1.8 million during the current fiscal year. This increase is a result of additional state equalization funding as well as READ Act and English Language Proficiency Act funding.

The Debt Service Fund has a total fund balance of \$12.6 million, all of which is restricted for the payment of debt service. The fund balance of the Debt Service Fund has adequate resources accumulated to carry forward to the 2017 fiscal year to fund the District's long-term debt principal and interest payments.

The fund balance of the Capital Projects fund decreased by \$1.6 million, for a total ending fund balance of \$1.7 million. This decrease is a result of various projects that were planned and budgeted in the 2014-2015 fiscal year, but many of them did not begin until the 2015-2016 school year.

The Food Service Fund ended the fiscal year with a fund balance of \$2.2 million, which is a decrease of \$.3 million. The decrease was a result of an implementation of a new POS system to create efficiency and streamline operations of the nutrition department.

The Designated Special Purpose Grants Fund met the criteria to be reported as a major special revenue fund. Revenues of \$15.1 million were offset by equal expenditures.

General Fund Budgetary Highlights

Colorado local government uniform accounting and budget laws require that a budget be adopted and reported for all funds. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenue. All appropriations lapse at the end of the fiscal year. Supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

All District budgets are prepared and adopted in accordance with Colorado school district budget law with annual appropriated budgets for each of the District's funds. Expenditures and adopted budgets are compared on a regular basis by the finance department to ensure that budgets are not exceeded at the fund level, which is the legal level of compliance.

The 2016 fiscal year budget was adopted in June, 2015, with revised budget additional appropriations authorized by the Board of Education in January, 2016 which included certification of the mill rate for taxation purposes for the fiscal year. Final budgeted revenues increased from original budgeted revenues, from \$169.4 million to \$169.6 million, due to increased state funding. Final budgeted expenditures increased from \$168.5 million to \$169.7 million due to an increase to benefit requirements (PERA required contributions increased .8%), healthcare and utility costs, and additional certified staff hired to support educational initiatives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses amount to \$169.8 million. Unassigned fund balance represents 6.5% of expenditures while total fund balance represents 13.5% of budget expenditures.

The components of the fund balance are as follows -

Table 3
Fund Balance Components: General Fund
June 30, 2016 and 2015

	General Fund	
	2016	2015
Nonspendable for:		
Prepayments	\$ 174,143	\$ 156,050
Inventories	2,789	3,148
Restricted for:		
TABOR	5,064,081	4,774,086
Forward Delivery Agreement	850,308	-
Risk Management Fund	196,424	106,557
Preschool Fund	212,076	142,146
Dental Fund	427,695	514,294
Committed for:		
General Fund	5,064,081	4,774,086
Unassigned	10,950,957	10,719,452
Total Fund Balance	\$ 22,942,554	\$ 21,189,819

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$129.4 million (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, equipment, and construction in progress. The District's investment in capital assets for the current fiscal year decreased by 1.5% primarily due to the disposal of John Evans Middle School.

Major capital asset events during the current fiscal year included the following –

- The District disposed of John Evans Middle School as a result of the building of a new middle school, Prairie Heights, which was funded primarily through BEST grant funds.
- Final completion of the construction of the addition of field turf fields at the District Football Stadium and Soccer Field which included lighting upgrades as well. This project was funded through a collaboration with the City of Greeley.
- Additional significant projects included the addition of Early College Academy facility upgrades, roof replacements, and Greeley West High School BEST abatement project. The total cost of construction in progress at the close of the fiscal year was \$1.2 million.

The following table summarizes the capital assets for governmental and business-type activities:

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Table 4
Capital Assets (net of accumulated depreciation)
As of June 30, 2016 and 2015

	Governmental Activities	
	2016	2015
Land	\$ 7,313,341	\$ 7,360,767
Water Rights	200,605	200,605
Construction in Progress	1,233,557	1,526,534
Buildings	114,690,824	116,768,459
Transportation Equipment	1,619,954	1,660,740
Other Equipment	4,326,661	3,899,479
Total Capital Assets	\$ 129,384,942	\$ 131,416,584

Additional information on the District's capital assets can be found in Note 4 on pages 54-56 of this report.

Long-Term Debt

At June 30, 2016, the District had total bonded debt outstanding of \$59.1 million backed by the full faith and credit of the District, with \$8 million due in one year.

Table 5
General Obligation Bonds
As of June 30, 2016 and 2015

	Total School District	
	2016	2015
Governmental Activities:		
General Obligation Bonds	\$ 59,119,853	\$ 66,652,450
Total Long-Term Debt	\$ 59,119,853	\$ 66,652,450

The District's general obligation bonds decreased by \$7.5 million, which is due to the scheduled current year payments of existing debt.

The District's taxpayers approved, through election, in fiscal year 2012-2013, a bond of \$8.2 million to assist in the funding of a Building Excellent Schools Today (BEST) grant through the Colorado Department of Education. The grant will contribute \$21 million to assist in the building of Prairie Heights Middle School which will replace John Evans Middle School. The total estimated cost of the project is \$29.2 million.

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. At June 30, 2015, overall legal debt limit was \$490 million with a legal debt margin of \$435 million.

The District maintains an "AAAm" rating from Standard & Poor's and Fitch Ratings and an "Aaa" rating from Moody's Investors Services.

Additional information on the District's long-term obligations can be found in Note 6 on pages 56-60 of this report.

Factors Bearing on the District's Future

The State Constitutional Amendment 23, passed by the voters in November 2000, is meant to provide an increase in per pupil funding by at least inflation plus 1% through the 2010 -2011 fiscal year and then at inflation thereafter. However, the State has not been able to fulfill that commitment.

Due to the Great Recession and the lack of available resources at the State level, the State has not been able to fund at that level and introduced a negative factor into the State funding formula starting during the 2010-2011

MANAGEMENT'S DISCUSSION AND ANALYSIS**June 30, 2016**

fiscal year which reduces State per pupil funding. While the State still faces budget constraints, the economy improved during the last three fiscal years.

At the State level, the Negative Factor for 2016-2017 is expected to remain flat at \$830.7 million, the same amount as in 2015-2016.

- The District will be receiving approximately \$7,313 per pupil (FTE basis) in 2016-17, compared to the 2015-2016 funding of \$7,194 (as of the end of the fiscal year) per pupil. If the District was fully funded, as described by the School Finance Act, an additional \$21 million to support student education would be available. For Weld County School District 6, the negative factor is \$20.4 million.
- 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 few years. However, the District has seen a growth in enrollment of approximately 510 students for the 2016-2017 year. This is partially attributed to the economic expansion in the Greeley-Evans community.
- The District was awarded a \$1.5 million cash grant from BEST to be used for abatement and renovation of Greeley West High School, including roof repairs and extensive removal of asbestos from the interior walls, floors and ceilings. The District will provide matching funds of approximately \$420,000. A portion of the project was completed during the summer months of 2015. The remainder of the abatement and renovations were finalized in July and August, 2016.
- District 6 is entering its third year of implementing blended learning District-wide. This instructional method allows educators to leverage technology to personalize learning for all their students, while getting real-time data to help guide teaching. Twelve District schools are implementing blended learning in 2015-2016 including three elementary schools, four middle schools, three K-8 schools and two high schools.
- Support Middle School Reform efforts. The 2015-2016 budget allocates additional funding for curriculum and other supports as the District works to improve academic achievement at its middle schools.
- The Success Foundation, a Colorado nonprofit corporation, has been established for the purpose of supporting the students, staff and community involved with Weld County School District 6. This foundation is a legally separate entity created to secure and distribute contributions from individuals and businesses to enhance the educational opportunity of the students of the Greeley-Evans community.
- The State continues to provide partial funding of full-day kindergarten. The State is funding all kindergarten students at a .58 full time equivalent. This additional funding of .08 FTE per kindergarten student has allowed the District to provide full-day kindergarten at all but two elementary schools and all three K-8 schools. Originally, the legislature intended to increase this funding level each year to enable school districts to expand full day kindergarten. However, due to the economic downturn and State funding issues, the funding level of .58 will remain for the 2016-2017 fiscal 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 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 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 negatively impact the District's finances.
- 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 likely that the General

MANAGEMENT'S DISCUSSION AND ANALYSIS**June 30, 2016**

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 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. Cost increases for PERA continue to impact the District. Current employer contribution rates are 19.15% of salary. This rate increases to 19.65% on January 1, 2017, then caps out at 20.15% starting January 1, 2018. 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.
- With the ongoing uncertainty with State funding, the District continues to review budget reductions, cost containment measures, and funding reallocations to continue focusing its financial resources on student achievement in the classroom in its long-term planning.
- Rising nationwide healthcare costs are a consideration as the District evaluates the benefits provided to employees. The District has a growing concern 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.
- Funding for the 2017-2018 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2017 economic forecast. The School Finance Act is considered during the 2017 Legislative Session, which convenes in January 2017 and adjourns in May 2017.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Finance Director, Weld County School District 6, 1025 9th Avenue, Greeley, CO 80631.

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

Frontier Academy
2560 W 29th Street
Greeley, CO 80631

Salida del Sol Academy
111 East 26th Street
Greeley, CO 80631

University Schools
6525 18th Street
Greeley, CO 80634

Union Colony Schools
2000 Clubhouse Drive
Greeley, CO 80634

West Ridge Academy
6200 West 20th Street
Greeley, CO 80634



STATEMENT OF NET POSITION

June 30, 2016

	Component	
	Primary Government Governmental Activities	Units Charter Schools
Assets		
Cash and Investments	\$ 37,379,583	\$ 10,622,101
Restricted Cash and Investments	-	7,925,528
Cash Held by Trustee	12,353,300	-
Intergovernmental Receivable	-	103,152
Accounts Receivable	224,113	63,498
Due From Primary Government	-	10,240
Taxes Receivable	1,444,482	-
Grants Receivable	4,013,416	-
Other Receivables	486,751	-
Inventories	238,200	15,429
Prepaid Expenses and Deposits	176,551	99,249
Long Term Receivable	8,177,991	-
Capital Assets, Not Being Depreciated	8,747,503	5,217,681
Capital Assets, Net of Accumulated Depreciation	120,637,439	47,628,394
Total Assets	193,879,329	71,685,272
Deferred Outflows of Resources		
Deferred Charges on Bond Refundings	2,174,328	2,319,355
Contributions Subsequent to Measurement Date	8,274,075	1,617,644
Change in Investment Earnings	26,778,414	4,954,948
Change in Experience	4,138,472	776,731
Change in Proportionate Share	-	5,776,514
Total Deferred Outflows of Resources	41,365,289	15,445,192
Liabilities		
Accounts Payable	227,724	223,674
Accrued Liabilities	374,237	215,687
Accrued Salaries and Benefits	14,157,516	1,660,513
Accrued Interest	127,524	-
Due to Component Units	10,240	-
Unearned Revenues	1,844,571	42,360
Noncurrent Liabilities		
Due Within One Year	8,706,848	1,415,000
Due in More Than One Year	54,002,992	64,840,023
Net Pension Liability	313,399,174	58,820,411
Total Liabilities	392,850,826	127,217,668
Deferred Inflows of Resources		
Change in experience	13,415	2,324
Change in assumptions	4,428,886	831,237
Change in proportionate share	9,719,401	114,346
Total Deferred Inflows of Resources	14,161,702	947,907
Net Position		
Net Investment in Capital Assets	72,239,769	(9,909,259)
Restricted for Debt Service	12,523,131	4,483,927
Restricted for TABOR	5,064,081	1,202,098
Restricted for Forward Delivery Agreement	850,308	-
Restricted for Risk Management Fund	196,424	-
Restricted for Preschool Fund	212,076	-
Restricted for Dental Fund	427,695	-
Restricted for Food Services Fund	2,155,234	-
Restricted for Repair and Maintenance	-	672,008
Restricted for Donations	-	144,988
Restricted for Foundation	-	129,985
Unrestricted	(265,436,628)	(37,758,858)
Total Net Position	\$ (171,767,910)	\$ (41,035,111)

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

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Component Units
PRIMARY GOVERNMENT						
Governmental Activities:						
Instruction	\$ 96,103,662	\$ 4,584,595	\$ 15,693,243	\$ -	\$ (75,825,824)	\$ -
Supporting Services						
Student Support	9,714,310	2,869	6,664,695	-	(3,046,746)	-
Instructional Staff Support	11,674,959	-	1,880,095	-	(9,794,864)	-
General Administration	1,287,829	-	-	-	(1,287,829)	-
School Administration	11,081,811	-	210,654	-	(10,871,157)	-
Business Services	2,617,899	879,165	-	-	(1,738,734)	-
Operations & Maintenance	14,281,259	398,032	547,250	-	(13,335,977)	-
Student Transportation	5,153,426	5,063	1,410,854	-	(3,737,509)	-
Other Support	13,151,035	477,303	-	1,286,434	(11,387,298)	-
Food Service Operations	9,609,672	1,153,991	8,133,715	-	(321,966)	-
Payments to Charter Schools	35,797,138	-	-	-	(35,797,138)	-
Interest on Long-Term Debt	1,946,531	-	-	-	(1,946,531)	-
Total Governmental Activities	212,419,532	7,501,018	34,540,506	1,286,434	(169,091,574)	-
TOTAL PRIMARY GOVERNMENT	\$ 212,419,532	\$ 7,501,018	\$ 34,540,506	\$ 1,286,434	\$ (169,091,574)	\$ -
Component Units - Charter Schools	\$ 44,682,204	\$ 809,147	\$ 3,007,930	\$ 1,325,661	\$ -	\$ (39,539,466)
General Revenues:						
					40,876,489	-
					2,551,459	-
					117,590,043	-
					238,304	34,126
					3,113,100	36,884,924
					164,369,395	36,919,050
					(4,722,179)	(2,620,416)
					(167,045,731)	(38,414,695)
					\$ (171,767,910)	\$ (41,035,111)

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

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2016

	General	Food Service	Grants	Bond Redemption	Capital Projects	Non Major Special Revenue Fund Platte Valley Youth Services Center	Total Governmental Funds
Assets							
Cash and Investments	\$ 34,401,667	\$ 1,236,504	\$ 16,261	\$ -	\$ 1,725,151	\$ -	\$ 37,379,583
Cash Held by Trustee	-	-	-	12,353,300	-	-	12,353,300
Due From (To) Governmental Funds	248,357	-	-	-	-	(248,357)	-
Accounts Receivable, Net	95,365	44,111	84,637	-	-	-	224,113
Taxes Receivable	1,147,127	-	-	297,355	-	-	1,444,482
Grants Receivable	-	791,058	3,222,358	-	-	-	4,013,416
Other Receivable	74,654	-	-	-	-	412,097	486,751
Inventories	2,789	235,411	-	-	-	-	238,200
Prepaid Items	174,143	-	2,408	-	-	-	176,551
Total Assets	36,144,102	2,307,084	3,325,664	12,650,655	1,725,151	163,740	56,316,396
Liabilities							
Accounts Payable	\$ 137,557	\$ 15,291	\$ 59,222	\$ -	\$ 15,654	\$ -	\$ 227,724
Accrued Liabilities	359,100	-	11,807	-	3,330	-	374,237
Accrued Salaries and Benefits	12,447,153	52,649	1,493,974	-	-	163,740	14,157,516
Unearned Revenues	-	83,910	1,760,661	-	-	-	1,844,571
Due to Component Unit	10,240	-	-	-	-	-	10,240
Total Liabilities	12,954,050	151,850	3,325,664	-	18,984	163,740	16,614,288
Deferred Inflows of Resources							
Unavailable Property Tax Revenue	247,498	-	-	78,464	-	-	325,962
	<u>247,498</u>	<u>-</u>	<u>-</u>	<u>78,464</u>	<u>-</u>	<u>-</u>	<u>325,962</u>
Fund Balances							
Nonspendable:							
Inventory	2,789	235,411	-	-	-	-	238,200
Prepaid Items	174,143	-	-	-	-	-	174,143
Restricted for:							
TABOR	5,064,081	-	-	-	-	-	5,064,081
Debt Service	-	-	-	12,572,191	-	-	12,572,191
Forward Delivery Agreement	850,308	-	-	-	-	-	850,308
Capital Projects Fund	-	-	-	-	-	-	-
Risk Management Fund	196,424	-	-	-	-	-	196,424
Preschool Fund	212,076	-	-	-	-	-	212,076
Dental Fund	427,695	-	-	-	-	-	427,695
Food Service Fund	-	1,919,823	-	-	-	-	1,919,823
Committed to:							
General Fund	5,064,081	-	-	-	-	-	5,064,081
Assigned to:							
Capital Projects Fund	-	-	-	-	1,706,167	-	1,706,167
Unassigned	10,950,957	-	-	-	-	-	10,950,957
Total Fund Balances	22,942,554	2,155,234	-	12,572,191	1,706,167	-	39,376,146
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 36,144,102	\$ 2,307,084	\$ 3,325,664	\$ 12,650,655	\$ 1,725,151	\$ 163,740	\$ 56,316,396

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2016**

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

Total fund balances - governmental funds \$ 39,376,146

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

Long term receivable is due to the district receiving bond proceeds which were advanced as matching funds for the BEST grant. This is the amount not included in the governmental funds. 8,177,991

Capital assets used in governmental activities are not financial resources and are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 204,434,421	
Accumulated depreciation is	(75,049,479)	129,384,942

Unearned property taxes will be collected this year, but are not available to pay for the current period's expenditure, and therefore are not recorded as revenue in the funds. 325,962

Deferred charges on bond refundings 2,174,328

Long-term liabilities, including bonds payable, 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	\$ (59,119,853)	
Bond premium, net of accumulated amortization	(196,802)	
Forward delivery agreement	(850,308)	
Capital lease obligation	(2,846)	
Accrued interest payable	(127,524)	
Compensated absences	(2,540,031)	
Net pension liability	(313,399,174)	(376,236,538)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Contributions subsequent to measurement date	8,274,075	
Change in experience	4,138,472	
Change in investment earnings	26,778,414	39,190,961

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Change in experience	(13,415)	
Change in assumptions	(4,428,886)	
Change in proportionate share	(9,719,401)	(14,161,702)

Net Position of Governmental Activities \$ (171,767,910)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

	General	Food Service	Grants	Bond Redemption	Capital Projects	Non Major Special Revenue Fund Platte Valley Youth Services Center	Total Governmental Funds
Revenues							
Local Sources	\$ 42,012,397	\$ 1,153,991	\$ 1,260,305	\$ 9,706,384	\$ 627,530	\$ 561,025	\$ 55,321,632
State Sources	129,516,057	165,221	895,570	-	-	661,749	131,238,597
Federal Sources	-	7,961,562	12,956,519	-	-	-	20,918,081
Total Revenues	171,528,454	9,280,774	15,112,394	9,706,384	627,530	1,222,774	207,478,310
Expenditures							
Current							
Instruction	80,114,225	-	8,058,734	-	-	1,106,232	89,279,191
Supporting Services							
Student Support Services	6,800,602	-	2,259,293	-	-	-	9,059,895
Instructional Staff Support Services	7,392,501	-	3,481,953	-	-	43,699	10,918,153
General Administration Services	1,231,221	-	-	-	-	-	1,231,221
School Administration Services	9,636,015	-	348,816	-	-	255,861	10,240,692
Business Services	2,319,452	-	58,819	-	-	-	2,378,271
Operations & Maintenance	11,804,173	22,809	-	-	251,144	-	12,078,126
Student Transportation	4,387,684	-	84,797	-	-	-	4,472,481
Other Support Services	8,818,450	-	-	-	168,182	-	8,986,632
Food Service Operations	-	9,271,809	-	-	-	-	9,271,809
Capital Outlay	501,239	296,648	819,982	-	2,525,795	40,000	4,183,664
Payments Made to Charter Schools							
Union Colony Preparatory School	3,477,013	-	-	-	-	-	3,477,013
Union Colony Elementary School	2,938,808	-	-	-	-	-	2,938,808
University Schools	12,424,608	-	-	-	-	-	12,424,608
Frontier Academy	10,447,459	-	-	-	-	-	10,447,459
West Ridge Academy	4,974,254	-	-	-	-	-	4,974,254
Salida del Sol Academy	1,534,996	-	-	-	-	-	1,534,996
Debt Service							
Principal	-	-	-	7,532,597	-	-	7,532,597
Fiscal Charges	-	-	-	2,900	-	-	2,900
Interest	-	-	-	1,691,871	-	-	1,691,871
Total Expenditures	168,802,700	9,591,266	15,112,394	9,227,368	2,945,121	1,445,792	207,124,641
Excess of revenues over (under) expenditures	2,725,754	(310,492)	-	479,016	(2,317,591)	(223,018)	353,669
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	750,000	223,018	973,018
Transfers Out	(973,018)	-	-	-	-	-	(973,018)
Total Other Financing Sources	(973,018)	-	-	-	750,000	223,018	-
Net Changes in Fund Balance	1,752,736	(310,492)	-	479,016	(1,567,591)	-	353,669
Fund Balance, Beginning	21,189,818	2,465,726	-	12,093,175	3,273,758	-	39,022,477
Fund Balance, Ending	\$ 22,942,554	\$ 2,155,234	\$ -	\$ 12,572,191	\$ 1,706,167	\$ -	\$ 39,376,146

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2016

Total net change in governmental funds fund balances	\$ 353,669
Amounts reported for governmental activities in the statement of activities are different because:	
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. This is the amount by which depreciation expense (4,775,269) and disposal of assets (\$1,431,400) are less than capital expenditures \$4,175,027.	(2,031,642)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	110,492
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	7,532,597
Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	34,152
Governmental funds report the effect of premiums and loss on refundings when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium amortization	154,922
Loss on refunding amortization	<u>(453,895)</u>
	(298,973)
In the statement of activities, certain operating expenses, such as employee compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(20,724)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
Change in contributions subsequent to measurement date	649,490
Pension expense	(26,648,609)
Employer contribution expense	<u>15,475,758</u>
	(10,523,361)
Accrued interest payable was recognized for governmental activities, but is not due and payable in the current period and therefore the change in the accrual is not reported as a liability in the governmental funds.	13,061
Amortization of forward delivery agreement.	108,550
Change in Net Position of Governmental Activities	<u><u>\$ (4,722,179)</u></u>

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**

June 30, 2016

	<u>Agency</u>
Assets	
Cash and Investments	\$ 1,275,706
Total Assets	<u>1,275,706</u>
Liabilities	
Accrued Liabilities	
Due to Third Parties	\$ 12,420
Due to Student Groups	<u>1,263,286</u>
Total Liabilities	<u>\$ 1,275,706</u>

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

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	Union Colony Schools School	Frontier Academy	University Schools	West Ridge Academy	Salida del Sol Academy	Total Component Units
Assets						
Cash and Investments	\$ 2,201,303	\$ 2,502,376	\$ 4,167,291	\$ 490,809	\$ 1,260,322	\$ 10,622,101
Restricted Cash and Investments	960,854	1,526,141	4,424,018	-	1,014,515	7,925,528
Intergovernmental Receivable	-	-	-	-	103,152	103,152
Accounts Receivable	33,652	-	29,846	-	-	63,498
Due From Primary Government	-	-	-	10,240	-	10,240
Prepaid Expenses	8,648	71,120	-	19,481	-	99,249
Inventory	-	15,429	-	-	-	15,429
Capital Assets, Not Being Depreciated	1,054,875	1,398,334	2,163,231	-	601,241	5,217,681
Capital Assets, Net of Accumulated Depreciation	9,055,161	9,229,586	20,237,166	108,218	8,998,263	47,628,394
Total Assets	13,314,493	14,742,986	31,021,552	628,748	11,977,493	71,685,272
Deferred Outflows of Resources						
Loss on Refunding	-	-	1,526,380	-	-	1,526,380
Deferred Charges on Bond Refunding	-	792,975	-	-	-	792,975
Contributions Subsequent to Measurement Date	285,753	457,666	560,640	67,079	246,506	1,617,644
Change in Experience Loss	142,347	218,733	275,191	30,707	109,753	776,731
Change in Investment Earnings	906,902	1,397,410	1,772,939	194,090	683,607	4,954,948
Change in Proportionate Share	406,703	623,514	1,011,410	158,006	3,576,881	5,776,514
Total Deferred Outflows of Resources	1,741,705	3,490,298	5,146,560	449,882	4,616,747	15,445,192
Liabilities						
Accounts Payable and Accrued Expenses	28,702	54,732	58,988	58,733	22,519	223,674
Accrued Salaries and Benefits	219,571	449,005	825,029	-	166,908	1,660,513
Accrued Interest Payable	53,267	46,755	56,662	100	58,903	215,687
Unearned Revenue	-	9,850	-	26,385	6,125	42,360
Noncurrent Liabilities						
Due within one year	205,000	615,000	520,000	-	75,000	1,415,000
Due in more than one year	11,330,568	11,975,000	29,219,455	-	12,315,000	64,840,023
Net Pension Liability	10,779,664	16,564,229	20,839,729	2,325,400	8,311,389	58,820,411
Total Liabilities	22,616,772	29,714,571	51,519,863	2,410,618	20,955,844	127,217,668
Deferred Inflows of Resources						
Change in Assumptions	152,336	234,082	294,502	32,862	117,455	831,237
Change in Experience	423	660	871	87	283	2,324
Change in Proportionate Share	73,255	-	41,091	-	-	114,346
Total Deferred Inflows of Resources	226,014	234,742	336,464	32,949	117,738	947,907
Net Position						
Net Investment in Capital Assets	(1,425,532)	(1,169,105)	(5,546,752)	108,218	(1,876,088)	(9,909,259)
Restricted for						
Restricted for Emergencies	214,793	356,590	411,111	51,358	168,246	1,202,098
Debt Service	786,434	1,229,363	2,274,218	-	193,912	4,483,927
Repair and Maintenance	121,153	250,023	300,832	-	-	672,008
Donations	-	-	-	-	144,988	144,988
Foundation	-	-	129,985	-	-	129,985
Unrestricted	(7,483,436)	(12,382,900)	(13,257,609)	(1,524,513)	(3,110,400)	(37,758,858)
Total Net Position	\$ (7,786,588)	\$ (11,716,029)	\$ (15,688,215)	\$ (1,364,937)	\$ (4,479,342)	\$ (41,035,111)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Weld County School District 6 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. In addition, the District conforms to the Colorado Financial Policies and Procedures Handbook in all material aspects as required by Colorado statutes. The following is a summary of the District's significant accounting policies.

Reporting Entity

Weld County School District 6 is a political subdivision of the State of Colorado governed by an elected seven-member Board of Education. The District is the primary government financially accountable for all activities of public school instruction within the geographical area organized as Weld County School District 6, Greeley-Evans, Colorado. The District meets the criteria of a primary government in that the Board of Education is the publicly elected governing body, it is a legally separate entity, and it is fiscally independent.

Weld County School District 6 meets the financial accountability criteria established by the Governmental Accounting Standards Board to be considered a governmental entity for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present the primary government and its component units. Component units are legally separate organizations that are financially accountable to the primary government. The component units have been included in the District's financial reporting entity because of the significance of their operational or financial relationship with the District.

Discretely Presented Component Units – Charter Schools

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. 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, Weld County School District 6's Board of Education must approve all charter school applications and budgets. There are five charter schools in the District: Frontier Academy, Salida del Sol Academy, University Schools, Union Colony Schools, and West Ridge Academy. The charter schools are discretely presented component units because of the significance of their financial relationship with the District.

The Charter schools have issued separate financial statements for the fiscal year ended June 30, 2016. Complete financial statements for each of the discretely presented component units may be obtained at each entity's administrative offices as listed below.

Frontier Academy
2560 W 29th Street
Greeley, CO 80631

Salida del Sol Academy
111 East 26th Street
Greeley, CO 80631

University Schools
6525 18th Street
Greeley, CO 80634

Union Colony Schools
2000 Clubhouse Drive
Greeley, CO 80634

West Ridge Academy
6200 West 20th Street
Greeley, CO 80634

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the District is financially accountable.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements. Major individual funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Governmental fund revenues are recognized as soon as they are both measurable and available. "Measurable" means that the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collected within 60 days after year-end. Grant revenues are recognized in the period earned if receipt of the money is expected within 90 days.

Property taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available. Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue earned.

Expenditures are recorded when the related fund liability is incurred with the exception of debt and capital leases, which are recognized when due, as well as expenditures related to compensated absences, which are accounted for as expenditures in the year the payment is due.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued**

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

Fund Accounting

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

Major Governmental Funds

General Fund: The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required legally or by sound financial management to be accounted for in another fund.

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

Debt Service Fund – Bond Redemption Fund: The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest, and related costs of long-term general obligation debt of governmental funds.

Capital Projects – Capital Projects Fund: The Capital Projects Fund is used to account for revenues assigned for ongoing capital needs such as site acquisition, building additions and equipment purchases.

Special Revenue – Food Service Fund: The Food Services Fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Non-Major Funds

Non-Major Special Revenue Fund – Platte Valley Youth Services Center: This fund accounts for the activities of the Platte Valley Youth Services Center, which is operated on behalf of the District and other districts within the State.

Agency Funds – Fiduciary Funds: The Agency Funds are used to account for resources used to support each school's student and fundraising activities. The District holds all resources in a purely custodial capacity.

Budgets and Budgetary Accounting

Annual budgets are established for all funds of the District as required by Colorado statutes. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

Budgets and Budgetary Accounting - *continued*

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Colorado law allows the Board of Education to review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. A supplemental budget may also be adopted if a school district is authorized to raise and expend local property tax revenues at a November election. Other amendments to the budget are allowed by law if money for specific purposes from other than ad valorem taxes subsequently becomes available.

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2016. Original budgets for all funds were adopted by the Board of Education in June 2015. Budget appropriations lapse at the end of each fiscal year.

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

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- 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.
- On or before January 31, any changes to the budget are 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 for the district.

Cash and Investments

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of its funds and maintains accountability for such funds' equity in the pooled cash. The District is allowed to invest in the following types of investments: money market deposit accounts, government pools, U.S. Agencies, U.S. Treasury Obligations, and corporate security bonds. The District records nonparticipating interest-earning investment contracts at all costs. All securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification.

Receivables

Property taxes are levied on December 15. Property taxes are payable in full by April 30, or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts within the County. Property tax receipts are remitted to the District in the subsequent month. Delinquent property taxes are subject to the sale of tax certificates in the following November. Property taxes levied in the current year but not received at year-end are identified as property taxes receivable.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

Receivables - *continued*

All trade and property tax receivables are shown net of an estimated allowance for uncollectible amounts, where considered necessary by management of the District.

Grants receivables of \$4,013,416 includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

Inventories and Prepaid Items

Inventories consist of food and non-food items in the Food Service Fund and expendable supplies in the warehouse (General Fund). Inventories purchased are valued at cost using the weighted average method. 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. USDA commodities are recorded as both operating revenue and an expenditure/expense when consumed. Commodities on hand are included in inventory and are reported as unearned revenue. All other inventory items are recorded as expenditure/expenses when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for District operations and are capitalized at actual cost or estimated cost if actual cost is not available. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the government-wide financial statements.

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

The monetary threshold for capitalization of assets is \$1,000 for technology equipment and \$5,000 for all other capital assets. All reported capital assets, except for land and water rights, are depreciated. Depreciation of all capital assets used in governmental activities is charged as an expense against their operations. Depreciation is recorded starting in the month the asset is placed in service. Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Buildings	50 years
Site Improvements	5 to 20 years
Transportation Vehicles	8 years
Equipment	5 to 20 years

Deferred Outflows of Resources

The District's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The District has certain items classified as deferred outflows of resources related to its defined benefit pension plan. See Note 9 for additional information. The District also has another item classified as deferred charges on bond refundings, which is equal to the difference in the carrying value of refunded debt and reacquisition price.

Employee Compensated Absences

The liability and expense for unpaid vacation (employee compensated absences) is recorded when the vacation leave is earned in the District-wide financial statements. The governmental funds record expenditure for unpaid vacation leave only to the extent of the expected liquidation of unpaid vacation in current operations. This expected liquidation occurs for compensated absences which have matured, such as when an

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

Employee Compensated Absences - *continued*

employee resigns or retires. The amounts recorded as liabilities for all compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

District policy allows unlimited accumulation of sick leave and an accumulation of vacation to a maximum of 30 days for classified and 45 days for administrative staff. Payment for unused sick is made upon meeting eligibility requirements at the rate of 35 percent of the current substitute pay for each eight hours of unused sick leave for employees with 400 hours of accumulated sick leave.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

Deferred Inflows of Resources

The District's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The District has certain items, which are classified as deferred inflows of resources related to its defined benefit pension plan. See Note 9 for additional information.

Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets.

In the fund financial statements, fund equity of the District's governmental funds is classified as nonspendable, restricted, committed, assigned or unassigned. A governmental fund may not have all five components of fund balance.

Nonspendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grants, contributors, or laws and regulations of other governments; or through constitutional provision or enabling legislation.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Education. Weld County School District 6's Board of Education has established a reserve in excess of the required TABOR emergency reserve.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net Position/Fund Balance – continued

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board of Education’s adopted policy, only the Board of Education, Superintendent or designee may assign amounts for specific purposes.

Unassigned – represents the residual classification for the District’s General Fund and could report a surplus or deficit.

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between *fund balances – total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail terms that require adjustments to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Current Year GASB Pronouncements

For the year end June 30, 2016, the District adopted the provisions of GASB Statement No. 72 titled *Fair Value Measurements and Application*, which is effective for financial statement periods beginning June 30, 2015. Statement No. 72 requires disclosures to be made about fair value measurements, the level of hierarchy, and valuation techniques. The District carried investments affected by the implementation described in Note 2.

NOTE 2 – CASH AND INVESTMENTS

As of June 30, 2016 deposits and investments were reported in the financial statements as follows:

	Primary Government	Discretely Presented Component Units
Governmental Activities	\$ 49,732,883	\$ 18,547,629
Fiduciary Funds	1,275,706	-
Total	\$ 51,008,589	\$ 18,547,629

Cash and investments at June 30, 2016, consisted of the following:

Cash and Investments	\$ 38,655,289	\$ 10,622,101
Restricted Cash and Investments	-	7,925,528
Cash Held by Trustee	12,353,300	-
Total	\$ 51,008,589	\$ 18,547,629

If a fund overdraws its share of pooled cash, the overdraft is reported as an interfund receivable in the General Fund and an offsetting interfund payable in the overdrawn fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 – CASH AND INVESTMENTS – continued

Deposits

The Colorado Public Deposit Protection Act (PDPA) of Colorado requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Cash with trustee is restricted for use on bond payments which were \$12,353,300.

As of June 30, 2016, the District had total bank deposits of \$21,357,295 and a carrying value of \$17,900,132.

Component Units

As of June 30, 2016, the charter school discretely presented component units had bank deposits of \$11,678,552. State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following:

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This type of risk is minimized by limiting investments to the types of securities allowed by 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.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s investment policy is to invest in accordance with state law; the District does not further limit its investment choices. At year end, the maturities of investments and the credit quality ratings are as follows:

Investment	Market Value	% of Portfolio	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	Rating	Rating Organization
Gov't Investment Pool – COLOTRUST	\$ 3,477,299	10.50%	\$ 3,477,299	-	-	-	AAAm	S&P
Gov't Investment Pool – CSAFE	2,498,348	7.55%	2,498,348	-	-	-	AAAm	S&P
First American Treasury Mutual Fund	7,424,930	22.42%	7,424,930	-	-	-	AAA	Moody's
Forward Delivery Agreement	3,085,000	9.32%	3,085,000	-	-	-	N/A	N/A
Federal National Mortgage Assoc	5,003,395	15.12%	4,001,421	-	1,001,974	-	AA+/Aaa	S&P/Moody's
Federal Farm Credit Banks	1,002,432	3.03%	-	1,002,432	-	-	AA+/Aaa	S&P/Moody's
Federal Home Loan Banks	3,272,919	9.88%	1,254,710	-	1,018,164	1,000,045	AA+/Aaa	S&P/Moody's
Federal Home Loan Mortgage Corp	4,863,017	14.68%	1,835,000	-	1,027,497	2,000,520	AA+/Aaa	S&P/Moody's
Chevron Corp	1,005,220	3.04%	-	1,005,220	-	-	AA-/Aa2	S&P/Moody's
Microsoft Corp	685,887	2.07%	-	685,887	-	-	AAA/Aaa	S&P/Moody's
Johnson & Johnson	790,010	2.39%	-	790,010	-	-	AAA/Aaa	S&P/Moody's
Total	\$33,108,457	100.00%	\$23,576,708	\$3,483,549	\$3,047,635	\$3,000,565		

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 2 – CASH AND INVESTMENTS – continued**Interest Rate Risk**

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

Concentration of Credit Risk

The District has no policy that would limit the amount that may be invested with any one issuer; however, the District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

Local Government Investment Pools

At June 30, 2016, the District had \$2,498,348 and \$3,477,299 invested in the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust), respectively (collectively referred to as the "Pools"). The Pools are investment vehicles established for local governmental entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. The Pools operate similarly to a money market fund with each share equal in value to \$1.00. The Pools are rated AAAM by Standard & Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments.

Component Units

At June 30, 2016, the charter school component units had invested \$5,029,303 in the Colorado Surplus Asset Fund Trust (CSAFE) that are held at net asset value (NAV). The charter schools also held \$1,760,278 of money market funds that are held at amortized cost and also another \$79,496 of mutual funds which are a level 2 investment.

Cash Held by Trustee

The District entered into a forward delivery agreement (See Note 11) that required the District to deposit its restricted debt service with JPMorgan Chase Bank. At June 30, 2016, JPMorgan Chase Bank had \$3,085,000 on deposit, which is available for future debt service of the District. The remaining \$9,268,300 is held with US Bank at June 30, 2016 for future debt service payments.

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2016:

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 – CASH AND INVESTMENTS – continued

Fair Value of Investments – continued

	Balance at June 30, 2016	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level		
Debt Securities:		
First American Treasury Mutual Fund	\$ 7,424,930	\$ 7,424,930
Federal Farm Credit Banks	1,002,432	1,002,432
Federal Home Loan Banks	3,272,919	3,272,919
Federal National Mortgage Association	5,003,395	5,003,395
Federal Home Loan Mortgage Corporation	4,863,017	4,863,017
Corporate Bonds:		
CHEVRON CORP	1,005,220	1,005,220
MICROSOFT CORP	685,887	685,887
JOHNSON & JOHNSON	790,010	790,010
Total Debt Securities	\$ 24,047,810	\$ 24,047,810
Investments Measured at the Net Asset Value (NAV)		
Government Investment Pool - COLOTRUST	\$ 3,477,299	
Government Investment Pool - CSAFE	2,498,348	
Total Investments Measured at the NAV	\$ 5,975,647	
Investments Measured at Amortized Cost		
Forward Delivery Agreement	\$ 3,085,000	
Total Investments Measured at Amortized Cost	\$ 3,085,000	
TOTAL INVESTMENTS	\$ 33,108,457	

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Platte Valley Youth Services Fund	\$ 248,357
Total		\$ 248,357

Amounts owed to one fund by another which are due within one year are reported as due to other funds. These balances arise during the normal course of business and the District's use of pooled cash. Due to/from funds at year-end are presented below.

Due to/From Primary Government and Component Units

Receivable Entity	Payable Entity	Amount
Component Unit – Salida del Sol Academy	Primary Government General Fund	\$ 10,240
Total		\$ 10,240

Interfund transfers in the District are generally made to subsidize activities primarily account for in other funds.

Transfers

Government Fund Types	Fund Type	Transfers To	Transfers From
General	General Fund	\$ -	\$ 973,018
Major capital projects fund	Capital Projects Fund	750,000	-
Non-major special revenue	Platte Valley Youth Services Fund	223,018	-
Total		\$ 973,018	\$ 973,018

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is summarized below:

	Balances 6/30/2015	Additions	Deletions	Transfers	Balances 6/30/2016
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,360,767	\$ -	\$ (47,426)	\$ -	\$ 7,313,341
Water Rights	200,605	-	-	-	200,605
Construction in Progress	1,526,534	2,675,791	-	(2,968,768)	1,233,557
Total Capital Assets, Not Being Depreciated	<u>9,087,906</u>	<u>2,675,791</u>	<u>(47,426)</u>	<u>(2,968,768)</u>	<u>8,747,503</u>
Capital Assets, Being Depreciated:					
Buildings	177,328,445	358,755	(3,540,163)	2,410,428	176,557,465
Transportation Equipment	8,775,852	327,928	(783,792)	-	8,319,988
Other Equipment	10,393,334	812,553	(954,762)	558,340	10,809,465
Total Capital Assets, Being Depreciated	<u>196,497,631</u>	<u>1,499,236</u>	<u>(5,278,717)</u>	<u>2,968,768</u>	<u>195,686,918</u>
Less Accumulated Depreciation For:					
Buildings	(60,559,986)	(3,459,760)	2,153,106	-	(61,866,640)
Transportation Equipment	(7,115,112)	(368,714)	783,792	-	(6,700,034)
Other Equipment	(6,493,855)	(946,795)	957,845	-	(6,482,805)
Total Accumulated Depreciation	<u>(74,168,953)</u>	<u>(4,775,269)</u>	<u>3,894,743</u>	<u>-</u>	<u>(75,049,479)</u>
Total Capital Assets Being Depreciated, Net	<u>122,328,678</u>	<u>(3,276,033)</u>	<u>(1,383,974)</u>	<u>2,968,768</u>	<u>120,637,439</u>
Governmental Activities Capital Assets, Net	<u>\$131,416,584</u>	<u>\$ (600,242)</u>	<u>\$ (1,431,400)</u>	<u>\$ -</u>	<u>\$129,384,942</u>

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

Governmental Activities:

Instruction	\$ 154,175
Student Support	60,846
Instructional Staff Support	30,932
Business	78,852
Operations and Maintenance	187,983
Student Transportation	359,357
Other Support Services	<u>3,903,124</u>
Government Activities Depreciation	\$ 4,775,269

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 4 – CAPITAL ASSETS – continued**Construction Commitments**

The District has active construction projects as of June 30, 2016. The projects include renovations and site improvements. All accumulated resources for capital projects are reserved for construction commitments. A list of significant commitments as of June 30, 2016, is as follows:

Project Name	Spent-to-Date as of June 30, 2016	Remaining Commitment
Building Maintenance Doors & Frames	\$ 42,183	\$ 6,817
Centennial Modular Ramp	25,445	4,555
Nutrition Services Hardware & Software	39,244	82,040
PHMS Non-Potable Water System	5,396	455,896
Romero K-3 Gym Floor Abatement & Carpet Replacement	19,427	34,818
West HS Asbestos Abatement BEST Grant	1,101,860	31,751
	\$ 1,233,555	\$ 615,877

Component Units

A summary of changes in capital assets of the charter school component units is as follows:

	Balance 6/30/2015	Additions	Reclassifications	Balance 6/30/2016
Component Units				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,217,681	\$ -	\$ -	\$ 5,217,681
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	5,217,681	-	-	5,217,681
Capital Assets, Being Depreciated:				
Land Improvements	793,819	-	-	793,819
Buildings and Building Improvements	57,193,249	99,706	-	57,292,955
Furniture and Equipment	2,323,856	279,566	-	2,603,422
Vehicles	299,285	55,015	(6,484)	347,816
Software	20,496	-	-	20,496
Total Capital Assets, Being Depreciated	60,630,705	434,287	-	61,058,508
Less Accumulated Depreciation For:				
Land Improvements	(174,242)	(15,876)	-	(190,118)
Buildings and Building Improvements	(9,883,799)	(1,397,721)	-	(11,281,520)
Furniture and Equipment	(1,647,272)	(233,364)	-	(1,880,636)
Vehicles	(33,292)	(32,061)	-	(65,353)
Software	(5,674)	(6,813)	-	(12,487)
Total Accumulated Depreciation	(11,744,279)	(1,685,835)	-	(13,430,114)
Total Capital Assets, Being Depreciated, Net	48,886,426	(1,251,548)	-	47,628,394
Component Unit Capital Assets, Net	\$ 54,104,107	\$ (1,251,548)	\$ (6,484)	\$ 52,846,075

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 – CAPITAL ASSETS – continued

Component Units – continued

Total depreciation expense for the component units for the year ending June 30, 2016 was \$1,685,835 with \$1,672,835 charged to instruction and \$13,000 to transportation.

NOTE 5 – ACCRUED SALARIES AND BENEFITS

Salaries of certified personnel and certain other employees are paid over a 12-month period ending July 31, but are earned during a school year of approximately 9 to 10 months. Accordingly, the accrued compensation is reflected as a liability of the respective funds in the accompanying financial statements. The salaries and benefits earned, but unpaid, at June 30, 2016 are recorded in the funds as follows:

Governmental Activities:	
General	\$ 12,447,153
Food Services	52,649
Designated Purpose Grant	1,493,974
Platte Valley Youth Services Center	<u>163,740</u>
Total governmental activities	<u>\$ 14,157,516</u>

NOTE 6 – LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2016.

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/16</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds	\$ 66,652,450	\$ -	\$ (7,532,597)	\$ 59,119,853	\$ 8,037,294
Bond Premiums	351,724	-	(154,922)	196,802	-
Forward Delivery Agreement	958,858	-	(108,550)	850,308	108,550
Capital Lease Obligation	36,998	-	(34,152)	2,846	2,846
Compensated Absences	<u>2,519,307</u>	<u>1,137,039</u>	<u>(1,116,315)</u>	<u>2,540,031</u>	<u>558,158</u>
Total Governmental Activities:	<u>\$ 70,519,337</u>	<u>\$ 1,137,039</u>	<u>\$ (8,946,536)</u>	<u>\$ 62,709,840</u>	<u>\$ 8,706,848</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – LONG-TERM DEBT – *continued*

General Obligation Debt	<u>Balance June 30, 2016</u>
GO Refunding Bonds, Series 2006, issued to refund a portion of GO Bonds, Series 2002. Principal payments due annually beginning 12/1/06 and maturing 12/1/2017; interest payments due semi-annually on 6/1 and 12/1; interest rates range from 4%-5%.	\$ 9,425,000
General Obligation Bond, Series 2012, issued as required match to the Colorado Building Excellent Schools Today (BEST) grant to finance the construction of a new middle school and abatement of current school. Principal payments due annually beginning 12/1/13 and maturing 12/1/2032; interest payments due semi-annually on 6/1 and 12/1 at a rate of 3.00%	7,234,853
General Obligation Bond, Series 2015A, issued to refund the District's outstanding GO Refunding Bonds, Series 2002-96R, and to pay a portion of the costs of issuance of the Bonds. Principal payments due annually beginning 12/1/2015 and maturing 12/1/2016; interest payments due semi-annually on 6/1 and 12/1; interest rates range from 2%-3%.	5,515,000
General Obligation Bond, Series 2015B, issued to refund a portion of the District's outstanding GO Refunding Bonds, Series 2006 and to pay a portion of the costs of issuance of the Bonds. Principal payments due annually beginning 12/1/2015 and maturing 12/1/2021; interest payments due semi-annually on 6/1 and 12/1; interest rates range from .5%-2.55%.	<u>36,945,000</u>
Total General Obligation Bonds	<u>\$ 59,119,853</u>

Future Debt Service Requirements

The following schedule represents the District's debt service requirements to maturity for outstanding general obligation bonds at June 30, 2016:

Fiscal Year	Principal	Interest	Total
2017	\$ 8,037,294	\$ 1,483,963	\$ 9,521,257
2018	8,662,282	1,155,692	9,817,974
2019	9,077,571	877,804	9,955,375
2020	9,223,169	708,647	9,931,816
2021	9,409,086	507,322	9,916,408
2022-2026	11,286,012	789,880	12,075,892
2027-2031	2,372,568	340,606	2,713,174
2032-2033	1,051,871	31,852	1,083,723
Total	<u>\$ 59,119,853</u>	<u>\$ 5,895,766</u>	<u>\$ 65,015,619</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – LONG-TERM DEBT – *continued*

Lease Obligation

The District has entered into lease agreements as lessee for financing copy machines for the print shop. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception date. The lease requires monthly payments totaling \$2,846. The lease matures July 20, 2016. The assets acquired through capital leases are as follows:

	Balance
	<u>June 30, 2016</u>
District-Wide Copy Machines	\$ 170,760
Less: Accumulated Depreciation	<u>(170,760)</u>
 Total	 <u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

Fiscal Year	Principal	Interest	Total
2017	<u>\$ 2,846</u>	<u>\$ -</u>	<u>\$ 2,846</u>
 Total	 <u>\$ 2,846</u>	 <u>\$ -</u>	 <u>\$ 2,846</u>

For financial reporting purposes, the District follows the requirements of GAAP; for capital leases, the present value of future minimum lease payments is shown as a liability and related assets are capitalized in the basic financial statements. It is the expectation that the leases will be renewed annually until title to the related party is acquired pursuant to the leases.

Defeased Debt

In the prior year, the District defeased the series 2006 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 escrow account and outstanding defeased bonds are not included in the District’s financial statements. At June 30, 2016, there is \$34,915,000 of principal outstanding on defeased bonds.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – LONG-TERM DEBT – continued

Component Units

Following is a summary of long-term debt transactions for the charter schools for the year ended June 30, 2016.

	Balances 6/30/2015	Additions	Reductions	Balances 6/30/2016	Due Within One Year
Governmental Activities					
Frontier Academy					
Bonds Payable	\$ 13,175,000	\$ -	\$ (585,000)	\$ 12,590,000	\$ 615,000
	13,175,000	-	(585,000)	12,590,000	615,000
Salida del Sol Academy					
Bonds Payable	12,390,000	-	-	12,390,000	75,000
	12,390,000	-	-	12,390,000	75,000
Union Colony Schools					
Bonds Payable – Series 2007	4,415,000	-	(95,000)	4,320,000	100,000
Bonds Payable – Series 2015	7,140,000	-	(20,000)	7,120,000	105,000
Bond Premium	99,817	-	(4,249)	95,568	-
	11,654,817		(119,249)	11,535,568	205,000
University Schools					
Bonds Payable	29,630,000	-	(50,000)	29,580,000	520,000
Bond Premium	169,421	-	(9,966)	159,455	-
	29,799,421		(59,966)	29,739,455	520,000
Total	\$ 67,019,238	\$ -	\$ (764,215)	\$ 66,255,023	\$ 1,415,000

Future Debt Service Requirements – Component Units

The following schedule represents the charter school component unit's debt service requirements to maturity for outstanding general obligation bonds and notes payable at June 30, 2016:

Fiscal Year	Principal	Interest	Total
2017	\$ 1,415,000	\$ 3,307,573	\$ 4,722,573
2018	1,465,000	3,250,458	4,715,458
2019	1,615,000	3,193,943	4,808,943
2020	8,335,000	3,127,740	11,462,740
2021	1,620,000	2,701,419	4,321,419
2022-2026	9,515,023	12,325,288	21,840,311
2027-2031	11,685,000	9,874,288	21,559,288
2032-2036	8,530,000	7,175,750	15,705,750
2037-2041	9,955,000	4,652,850	14,607,850
2042-2046	12,120,000	1,747,650	13,867,650
Total	\$ 66,255,023	\$ 51,356,959	\$ 117,611,982

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 6 – LONG-TERM DEBT – *continued*

Future Debt Service Requirements – Component Units – *continued*

Frontier Academy Charter School – The Frontier Academy, has obtained funding through the Colorado Educational and Facilities Authority through the issuance of bonds in the amount of \$17,750,000. Proceeds from the Series 2006 Bonds were used to refund the existing Charter School Revenue Bond, Series 2001. The bonds accrue interest at rates ranging from 3.5% to 5.125%, maturing in 2031.

Salida del Sol Academy Building Corporation has obtained funding through the Colorado Education and Facilities Authority (the authority) through the issuance of bonds in the amount of \$12,390,000. Proceeds from the Series 2015 bonds were used to finance the acquisition, construction improvement and equipping of the educational facilities of the Salida del Sol Academy Building Corporation, to fund a debt service reserve fund for the Series 2015 bonds, to fund capitalized interest on the bonds, and pay the cost of issuance. The Authority and Salida del Sol Academy Building Corporation have entered into a loan agreement wherein the proceeds of the Authority bonds have been loaned to the Building Corporation. The bonds accrue interest at a rate of 6%, maturing in 2045.

Union Colony Schools – The Union Colony Preparatory School Building Corporation has obtained funding through the Colorado Educational and Facilities Authority through the issuance of lease revenue bonds, Series 2008, in the amount of \$4,815,000. Proceeds from the Series 2007 bonds were to construct an addition onto current facilities. The bonds accrue interest at a rate of 5.75%, maturing in 2038.

The Union Colony Elementary School Building Corporation has refunded the Series 2012A and B Charter School Revenue Bonds with Series 2015 through the Colorado Educational and Cultural Facilities Authority, in the amount of \$7,140,000. Proceeds from the 2012 bonds were to construct a new facility to support a K-5 elementary school. The bonds accrue interest at a rate of 5.3%, maturing in 2020.

University Schools Charter School – The University Lab School Building Corporation has refunded the Series 2004 and Series 2012 revenue bonds with Series 2015 through the Colorado Educational and Cultural Facilities Authority, in the amount \$29,630,000. Proceeds from the Series 2012 bonds were used to refund the existing Charter School Revenue Bonds, Series 2004. The Bonds accrue interest at rates ranging from 2% to 5%, maturing in 2045.

NOTE 7 – COLORADO BUILDING EXCELLENT SCHOOLS (BEST) GRANT

The District completed the construction of Prairie Heights Middle School (the project) on land it owns. The cost of the construction of the school as of June 30, 2016 was \$29,141,836.

The funding for the project is from two sources, the District sold bonds in 2012 in the amount of \$8,177,991 which was used as matching money for the District's participation in the State of Colorado lease purchase program, Build Excellent Schools Today. The State of Colorado has issued a pool of Certificates of Participation, a portion of which will fund the additional cost of the building, approximately \$21,000,000. The District is responsible for funding any cost overruns on the project.

The District entered into a sublease agreement with the state and the state entered into a lease-purchase agreement with a Trustee. Once the State's Certificates of Participation pool is repaid (expected to be in 2035), the leasehold interest in the District's project is expected to be released.

The District has accounted for the proceeds of the bond (matching money) held by the State as a long term receivable. The District does not anticipate collection of the receivable, but once the Certificates of Participation are paid by the State, the leasehold interest is removed from the project and clear title is obtained, the District will convert the receivable to investment in property.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

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; worker's compensation; and natural disasters. The District plans to provide for or restore the economic damages of those losses through risk retention and risk transfer.

The following is a summary of major outside insurance coverage and their insurance limits:

Property	Coverage: \$325,620,171 Blanket Building and Contents limit. Flood coverage with a limit of \$1,000,000 and Earth Movement with a limit of \$1,000,000. Deductibles: \$10,000 for Blanket Building and Contents. \$50,000 Flood and Earth Movement Deductible.
Equipment Breakdown	Coverage: \$1,000,000 Property Damage – Per Accident: sub-limits apply as follows: \$25,000 expediting expense; \$25,000 consequential damage; \$25,000 water damage; \$25,000 hazardous substance and \$25,000 spoilage. Deductibles: \$10,000 property damage and \$2,500 sub-limit coverage.
Commercial General Liability	Coverage: Liability - \$1,000,000 each occurrence, \$5,000,000 annual aggregate limit; medical payments \$5,000. Sexual Abuse and Molestation Coverage each occurrence - \$1,000,000 and \$2,000,000 annual aggregate limit. Deductible: None
School Leaders Errors and Omissions	Coverage: \$1,000,000 Limit of Liability – each wrongful act. Deductible: \$25,000
Auto Liability	Coverage: Liability, including non-owned auto and hired, borrowed, and leased \$1,000,000 limit per accident; auto medical payments \$5,000 per person. Deductibles: \$250 Comprehensive/ \$1,000 Collision Coverage
Crime	Coverage: Public Employee Dishonesty \$100,000 per loss coverage, \$50,000 Public Official Bonds – Superintendent; \$5,000 Public Official Bonds – Board Members. Deductible: \$5,000
Umbrella	Coverage: Liability - \$5,000,000 each occurrence, \$5,000,000 annual aggregate limit. Provides coverage above the following primary limits: Commercial General Liability; Auto Liability; and Workers' Compensation.
Workers' Compensation	Coverage: All District Employees performing work related duties on behalf of the District. Limits are Statutory. Deductible: \$500 per claim
Asbestos	Coverage: Limit of Liability – Continuous Release Incident (per claimant) or Limited Duration Release Incident (Per Incident) - \$1,000,000, Policy Term Aggregate - \$5,000,000 Locations that are covered: Administration Building, and Greeley West High School Deductible: \$10,000 per claim

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – RISK MANAGEMENT – continued

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The carrying amount of the claim liabilities for the dental fund are stated at anticipated cost because the majority of claims are expected to be paid during the next year. The claims payable balance is recorded within the General Fund’s accounts payable balance in the financial statements. Changes in the balances of dental claims liabilities during the past two years are as follows:

Claims Payable, June 30, 2014	\$	175,080
Claims Incurred and Adjustments Payments		(144,525) (26,570)
Claims Payable, June 30, 2015		3,986
Claims Incurred and Adjustments Payments		905,498 (790,855)
Claims Payable, June 30, 2016	<u>\$</u>	<u>118,628</u>

NOTE 9 – DEFINED BENEFIT PENSION PLAN

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, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Benefits Provided – *continued*

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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF.

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

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 and the District 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	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208 (1) (f)	(1.02%)	(1.02%)
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	4.00%	4.50%
Total employer contribution rate to the SCHDTF	17.33%	18.13%
<i>Note: Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101 (42)</i>		

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$16,125,248 for the year ended June 30, 2016.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

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

At June 30, 2016, the District reported a liability of \$313,399,174 for its proportionate share of the net pension liability. 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 proportion of the net pension liability was based on 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 2.0491248167 percent, which was a decrease of 0.0559084472 percent from its proportion measured as of December 31, 2014. The district’s proportion includes just the primary government. The district’s six charter schools have their proportions calculated separately by PERA. Required footnote disclosures for each of the six charter schools are included in their respective separately issued financial statements.

For the year ended June 30, 2016, the District recognized pension expense of \$26,648,609. 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	\$ 4,138,472	\$ 13,415
Changes of assumptions or other inputs	-	4,428,886
Net difference between projected and actual earnings on pension plan investments	26,778,414	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	9,719,401
Contributions subsequent to the measurement date	8,274,075	-
Total	\$ 39,190,961	\$ 14,161,702

\$8,274,075 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 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 ended June 30, 2016	
2017	\$ 2,420,548
2018	3,168,265
2019	5,701,962
2020	5,464,409
2021	-
Totals	\$ 16,755,184

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial cost method, 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)	Finance 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.

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 years.
 - 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 the 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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Actuarial Assumptions – *continued*

As of the 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:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
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%.

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 each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Discount Rate – *continued*

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above 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, 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 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 406,256,925	\$ 313,399,174	\$ 236,158,848

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.

Component Units

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter schools were \$2,904,571 for the year ended June 30, 2016.

At June 30, 2016, the charter schools reported a liability of \$58,820,411 for their proportionate share of the net pension liability. 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 charter schools’ proportion of the net pension liability was based on charter schools’ contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 9 – DEFINED BENEFIT PENSION PLAN – continued

Component Units – continued

For the year ended June 30, 2016, the charter schools recognized pension expense of \$8,756,716. At June 30, 2015, the charter schools 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	\$ 776,731	\$ 2,324
Changes in assumptions or other inputs	-	831,237
Net difference between projected and actual earnings on pension plan investments	4,954,948	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,776,514	114,346
Contributions subsequent to the measurement date	1,617,644	-
Total	\$ 13,125,837	\$ 947,907

\$1,617,644 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 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 ended June 30, 2016	
2017	\$ 4,209,467
2018	3,555,268
2019	1,769,958
2020	1,025,593
2021	-
Total	\$ 10,560,286

Sensitivity of the charter schools' proportionate share of the net pension liability to changes in the discount rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 76,248,443	\$ 58,820,411	\$ 44,323,539

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS – *continued*

Funding Policy

The District is 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 the 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 June 30, 2016, 2015, 2014, the District contributions to the HCTF were \$927,795, \$898,678 and \$899,657, respectively, equal to their required contributions for each year.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grant Compliance

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Litigation

The District is a defendant in various threatened and actual legal claims. The ultimate liability that might result from final resolution of these matters is not presently determinable. However, the District believes that the final settlement of these matters will not have a materially adverse effect on the financial position of the District.

Tabor Amendment

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the District to increase revenues, debt and spending and restricts property, income and other taxes. In November, 1998, voters within the District authorized the District to collect, retain, and expend all excess revenues and other funds received from every source, without limitation future voter approval, notwithstanding the limitations of the Amendment.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, and salary or fringe benefit increases. These reserves are required to be 3 percent or more, of expenses, as defined after 1994. At June 30, 2016, the District's reserve was \$5,064,081.

Forward Delivery Agreement

In April, 2004, the District entered into a forward delivery agreement with JPMorgan Chase Bank in exchange for a payment of \$2,171,000. The District agreed to deposit certain Bond Redemption Fund revenues into a trust account to be used by JPMorgan Chase Bank for purchase of investment securities from a third party. The securities will mature at future dates in time to meet the District's debt service obligations over a 17-year period, ending December, 2021. If the District terminates the agreement, it would be obligated to repay a portion of the \$2,171,000 to compensate JPMorgan Chase Bank for the loss of economic benefits based on market conditions at the time the agreement is terminated. The amount received is being amortized over the term of the agreement and is reflected as non-current liabilities. During the year ended June 30, 2016, revenue of \$108,550 was recognized in the statement of activities. The ending balance of \$850,308 was restricted as of June 30, 2016 due to the external agreement with JPMorgan Chase Bank. If the agreement was cancelled or terminated, the District would be obligated to pay the balance.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2016

Operating Lease

The District has entered into an operating lease for portable devices to be utilized with the Blended Learning Program in various schools. Payments made during fiscal year 2016 totaled \$140,905.

Future payments on the operating lease are as follows:

<u>Fiscal year ended June 30,</u>	<u>Annual lease payments</u>
2017	\$ 187,873
2018	187,873
2019	73,925
Totals	\$ 590,576



Required Supplementary Information

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

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2016

	BUDGET		ACTUAL	Variance
	ORIGINAL	FINAL		
Revenues				
Local Sources				
Property Taxes	\$ 28,979,681	\$ 31,331,214	\$ 31,048,891	\$ (282,323)
Specific Ownership Taxes	3,158,816	3,226,205	2,551,459	(674,746)
Delinquent Taxes, Penalties & Interest	50,000	50,000	(100,216)	(150,216)
Abatements	300,000	100,000	127,725	27,725
Summer School Fees	5,000	5,000	1,000	(4,000)
Other Tuition	227,000	227,000	199,872	(27,128)
Earnings on Investments	175,000	175,000	212,869	37,869
District Services Provided to Charter Schools	4,496,090	4,361,779	4,372,217	10,438
District Services Provided to Food Service	-	-	3,344	3,344
Indirect Cost Revenue	500,000	500,000	379,080	(120,920)
Other Local Revenue	2,367,000	2,529,000	3,216,156	687,156
Total Local Sources	40,258,587	42,505,198	42,012,397	(492,801)
State Sources				
State Equalization	119,079,333	116,416,640	117,590,043	1,173,403
At-Risk Funding	1,180,000	1,180,000	1,749,542	569,542
Charter School Capital Construction	863,646	1,249,391	1,286,434	37,043
English Language Proficiency Act	1,763,249	1,697,181	1,678,075	(19,106)
Full Day Kindergarten Hold Harmless	250,000	250,000	271,938	21,938
Gifted and Talented Reimbursement	192,395	194,549	194,549	-
READ Act	900,000	1,252,826	1,252,826	-
Exceptional Children's Education Act	3,626,100	3,638,197	4,003,093	364,896
Transportation	1,225,555	1,202,330	1,251,409	49,079
Vocational Education	250,000	171,029	238,148	67,119
Audit Adjustments	(200,000)	(200,000)	-	200,000
Total State Sources	129,130,278	127,052,143	129,516,057	2,463,914
Total Revenues	169,388,865	169,557,341	171,528,454	1,971,113

The accompanying Notes are an integral part of the Required Supplementary Information.

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2016**

	BUDGET		ACTUAL	Variance
	ORIGINAL	FINAL		
Expenditures				
Current				
Instruction	\$ 76,213,781	\$ 79,341,790	\$ 80,114,225	\$ (772,435)
Support Services				
Student Support Services	6,686,267	6,774,310	6,800,602	(26,292)
Instructional Staff Support Services	7,318,472	7,418,479	7,392,501	25,978
General Administration Services	1,359,398	1,331,700	1,231,221	100,479
School Administration Services	9,786,845	9,651,618	9,636,015	15,603
Business Services	2,571,665	2,264,944	2,319,452	(54,508)
Operations & Maintenance	12,558,483	12,370,448	11,804,173	566,275
Student Transportation	4,868,148	4,907,836	4,387,684	520,152
Other Support Services	8,467,731	8,136,752	8,818,450	(681,698)
Capital Outlay	-	-	501,239	(501,239)
Payments Made to Charter Schools				
Union Colony Preparatory School	3,881,402	3,625,865	3,477,013	148,852
Union Colony Elementary School	3,149,171	3,177,796	2,938,808	238,988
University Schools	13,401,634	12,923,687	12,424,608	499,079
Frontier Academy	11,143,593	10,847,930	10,447,459	400,471
West Ridge Academy	1,564,972	5,326,658	4,974,254	352,404
Salida del Sol Academy	5,498,064	1,607,299	1,534,996	72,303
Total Expenditures	168,469,626	169,707,112	168,802,700	904,412
Excess of Revenues				
Over (Under) Expenditures	919,239	(149,771)	2,725,754	2,875,525
Other Financing Sources (Uses)				
Transfers Out				
Capital Reserve Fund	(750,000)	(750,000)	(750,000)	-
Platte Valley Youth Services Fund	(330,000)	(235,000)	(223,018)	11,982
Total Other Operating Sources (Uses)	(1,080,000)	(985,000)	(973,018)	11,982
NET CHANGE IN FUND BALANCE	(160,761)	(1,134,771)	1,752,736	2,887,507
Fund Balance, Beginning	18,531,622	21,189,818	21,189,818	-
Fund Balance, Ending	\$ 18,370,861	\$ 20,055,047	\$ 22,942,554	\$ 2,887,507

The accompanying Notes are an integral part of the Required Supplementary Information.

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Food Service Fund
For the Year Ended June 30, 2016

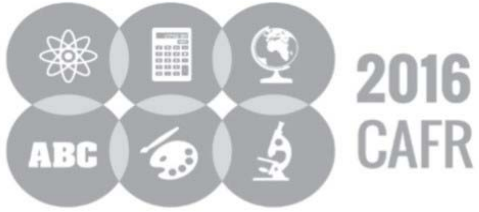
	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local Sources	\$ 1,139,685	\$ 1,577,182	\$ 1,153,991	\$ (423,191)
State Sources	194,503	144,815	165,221	20,406
Federal Sources	6,872,599	8,331,029	7,961,562	(369,467)
Total Operating Revenues	<u>8,206,787</u>	<u>10,053,026</u>	<u>9,280,774</u>	<u>(772,252)</u>
Operating Expenses				
Support Services				
Operations & Maintenance	-	100,000	22,809	77,191
Food Service Operations	7,839,240	10,418,381	9,271,809	1,146,572
Capital Outlay	25,107	200,000	296,648	(96,648)
Total Expenditures	<u>7,864,347</u>	<u>10,718,381</u>	<u>9,591,266</u>	<u>1,127,115</u>
Net Change in Fund Balance	342,440	(665,355)	(310,492)	(1,899,367)
Fund Balance, Beginning	<u>2,519,560</u>	<u>2,465,726</u>	<u>2,465,726</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,862,000</u>	<u>\$ 1,800,371</u>	<u>\$ 2,155,234</u>	<u>\$ 354,863</u>

The accompanying Notes are an integral part of the Required Supplementary Information.

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Designated Special Purpose Grants Fund
For the Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 1,000,000	\$ 1,000,000	\$ 1,260,305	\$ 260,305
State Sources	1,750,000	1,750,000	895,570	(854,430)
Federal Sources	14,250,000	14,250,000	12,956,519	(1,293,481)
Total Revenues	<u>17,000,000</u>	<u>17,000,000</u>	<u>15,112,394</u>	<u>(1,887,606)</u>
Expenditures				
Current				
Instruction	9,301,294	9,425,020	8,058,734	1,366,286
Support Services				
Student Support	2,346,088	2,330,672	2,259,293	71,379
Instructional Staff Support	4,546,788	3,921,528	3,481,953	439,575
School Administration	603,074	119,842	348,816	(228,974)
Business Services	45,079	59,416	58,819	597
Operations & Maintenance	33,054	1,102,136	-	1,102,136
Student Transportation	99,965	41,386	84,797	(43,411)
Other Support Services	24,658	-	-	-
Capital Outlay	-	-	819,982	(819,982)
Total Expenditures	<u>17,000,000</u>	<u>17,000,000</u>	<u>15,112,394</u>	<u>1,887,606</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes are an integral part of the Required Supplementary Information.



Defined Benefit Pension Plan Schedules



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Defined Benefit Pension Plan
Last 10 Fiscal Years*

	2015	2014	2013
District's proportion (percentage) of the collective net pension liability (asset)	2.049124817%	2.105033264%	2.177104391%
District's proportion share of the collective pension liability (asset)	\$ 313,399,174	\$ 285,302,715	\$ 277,689,077
Covered-employee payroll	89,293,838	88,186,088	87,759,079
District's proportion share of the net pension liability (asset as a percentage of its covered-employee payroll)	350.98%	323.52%	316.42%
Plan fiduciary net pension as a percentage of the total pension liability	59.20%	62.80%	64.06%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS

Last 10 Fiscal Years*

As of June 30,	2016	2015	2014
Statutorily required contributions	\$ 16,125,248	\$ 14,868,248	\$ 14,094,323
Contributions in relation to the statutorily required contributions	<u>16,125,248</u>	<u>14,868,248</u>	<u>14,094,323</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 90,960,297	\$ 88,105,663	\$ 88,202,085
Contribution as a percentage of covered-employee payroll	17.73%	16.88%	15.98%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

Notes to Required Supplementary Information

June 30, 2016

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

Annual budgets are established for all funds of the district as required by Colorado statutes. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Colorado law allows the Board of Education to review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. A supplemental budget may also be adopted if a school district is authorized to raise and expend local property tax revenues at a November election. Other amendments to the budget are allowed by law if money for specific purposes from other than ad valorem taxes subsequently becomes available.

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2016. Original budgets for all funds were adopted by the Board of Education in June 2015. Budget appropriations lapse at the end of each fiscal year.

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

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- 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.
- On or before January 31, any changes to the budget are 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 for the district.



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, which is included in the Required Supplementary Information Section).

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Capital Projects Fund
For the Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Investment Earnings	\$ -	\$ 5,000	\$ 8,648	\$ 3,648
Other	-	650,000	618,882	(31,118)
Total Revenues	-	655,000	627,530	(27,470)
Expenditures				
Current				
Support Services				
Student Support	-	-	-	-
Business Services		35,000	-	
Operations & Maintenance	750,000	500,000	251,144	248,856
Student Transportation			-	
Other Support Services	-	300,000	168,182	131,818
Capital Outlay	-	2,950,000	2,525,795	424,205
Total Expenditures	750,000	3,785,000	2,945,121	839,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(750,000)	(3,130,000)	(2,317,591)	(812,409)
Other Financing Sources (Uses)				
Transfers In	750,000	750,000	750,000	-
Total Other Financing Sources (Uses)	750,000	750,000	750,000	-
Net Change in Fund Balance	-	(2,380,000)	(1,567,591)	(812,409)
Fund Balance	1,158,459	3,273,758	3,273,758	-
Fund Balance, Ending	\$ 1,158,459	\$ 893,758	\$ 1,706,167	\$ (812,409)

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Platte Valley Youth Services Center Fund
For the Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 550,000	\$ 550,000	\$ 561,025	\$ 11,025
State Sources	650,687	661,749	661,749	-
Total Revenues	1,200,687	1,211,749	1,222,774	11,025
Expenditures				
Current				
Instruction	1,211,508	1,131,161	1,106,232	24,929
Support Services				
Instructional Staff Support	42,960	42,754	43,699	(945)
School Administration	276,219	272,834	255,861	16,973
Capital Outlay	-	-	40,000	
Total Expenditures	1,530,687	1,446,749	1,445,792	40,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	(330,000)	(235,000)	(223,018)	51,982
Other Financing Sources (Uses)				
Transfers In	330,000	235,000	223,018	(11,982)
Total Other Financing Sources (Uses)	330,000	235,000	223,018	(11,982)
Net Change in Fund Balance	-	-	-	40,000
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Bond Redemption Fund
For the Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 10,533,651	\$ 9,646,739	\$ 9,689,597	\$ 42,858
Investment Earnings (Losses)	-	-	16,787	16,787
Total Revenues	<u>10,533,651</u>	<u>9,646,739</u>	<u>9,706,384</u>	<u>59,645</u>
Expenditures				
Debt Service				
Principal	7,297,597	7,532,597	7,532,597	-
Interest	2,675,684	1,691,871	1,691,871	-
Fiscal Charges	20,000	20,000	2,900	17,100
Total Expenditures	<u>9,993,281</u>	<u>9,244,468</u>	<u>9,227,368</u>	<u>17,100</u>
Net Change in Fund Balance	540,370	402,271	479,016	42,545
Fund Balance, Beginning	<u>12,086,328</u>	<u>12,093,175</u>	<u>12,093,175</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 12,626,698</u>	<u>\$ 12,495,446</u>	<u>\$ 12,572,191</u>	<u>\$ 76,745</u>

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 For the Year Ended June 30, 2016

	Balances 6/30/2015	Additions	Deductions	Balances 6/30/2016
Student Activity Funds				
ASSETS				
Cash and Investments	\$ 1,203,868	\$ 1,709,657	\$ 1,750,799	\$ 1,162,726
Total Assets	\$ 1,203,868	\$ 1,709,657	\$ 1,750,799	\$ 1,162,726
LIABILITIES				
Accrued Liabilities				
Due to Third Parties	\$ 58,565	\$ 12,420	\$ 58,565	\$ 12,420
Due to Student Groups	1,145,303	1,697,237	1,692,234	1,150,306
Total Liabilities	\$ 1,203,868	\$ 1,709,657	\$ 1,750,799	\$ 1,162,726
Scholarships				
ASSETS				
Cash and Investments	\$ 114,352	\$ 10,726	\$ 12,098	\$ 112,980
Total Assets	\$ 114,352	\$ 10,726	\$ 12,098	\$ 112,980
LIABILITIES				
Accrued Liabilities				
Due to Student Groups	\$ 114,352	\$ 10,726	\$ 12,098	\$ 112,980
Total Liabilities	\$ 114,352	\$ 10,726	\$ 12,098	\$ 112,980
Totals				
ASSETS				
Cash and Investments	\$ 1,318,220	\$ 1,720,383	\$ 1,762,897	\$ 1,275,706
Total Assets	\$ 1,318,220	\$ 1,720,383	\$ 1,762,897	\$ 1,275,706
LIABILITIES				
Accrued Liabilities				
Due to Third Parties	\$ 58,565	\$ 12,420	\$ 58,565	\$ 12,420
Due to Student Groups	1,259,655	1,707,963	1,704,332	1,263,286
Total Liabilities	\$ 1,318,220	\$ 1,720,383	\$ 1,762,897	\$ 1,275,706



Statistical Section

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

STATISTICAL SECTION

(Unaudited)

This component of the Weld County School District 6's *Comprehensive Annual Financial Report* 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	<u>PAGE</u>
<i>Financial Trends</i> - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Net Position by Component	85
Changes in Net Position	86
Fund Balances, Governmental Funds	90
Changes in Fund Balances, Governmental Funds	92
<i>Revenue Capacity</i> - These schedules contain information to help the reader understand and assess the factors affecting the District's most significant local revenue source, property taxes.	
Assessed Value and Estimated Actual Value of Taxable Property	94
Direct and Overlapping Property Tax Rates	95
Principal Property Tax Payers	96
Property Tax Levies and Collections	97
<i>Debt Capacity</i> - These schedules present information to help the reader understand and assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	98
Ratios of General Bonded Debt Outstanding	99
Direct and Overlapping Governmental Activities Debt	100
Legal Debt Margin	101
<i>Demographic and Economic Information</i> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Demographic and Economic Statistics	102
Principal Employers	103
<i>Operating Information</i> - These tables contain service data to help the reader understand how the information in the financial report relates to the services the District provides and the activities it performs.	
Full-Time/Part-Time Employees by Function/Program	104
Operating Statistics	105
School Building Information	106
Teacher Salary Information	107
Miscellaneous Statistics	108

Data Source –

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

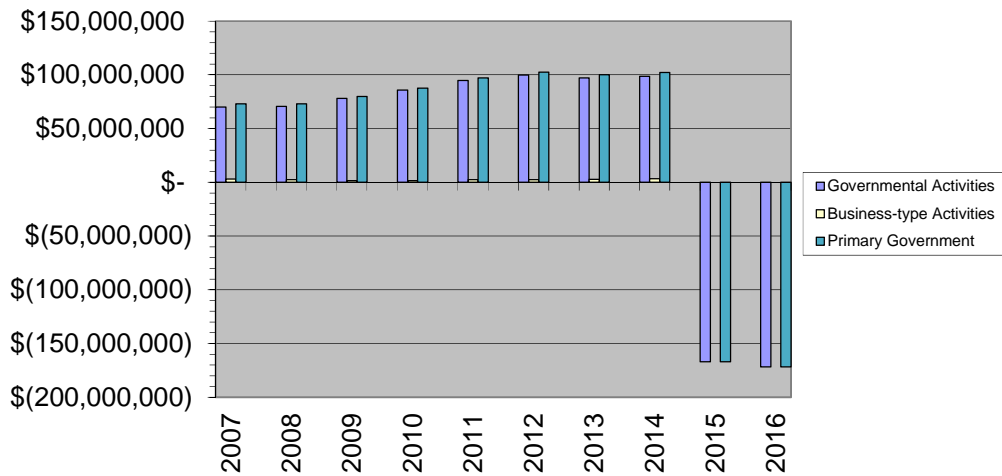


Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 44,584,034	\$ 45,859,411	\$ 49,775,100	\$ 51,568,438	\$ 54,514,438	\$ 59,214,842	\$ 61,710,227	\$ 63,797,114	\$ 63,141,947	\$ 72,239,709
Restricted	13,816,449	13,346,241	12,828,006	17,428,506	16,664,358	16,339,056	19,657,212	16,785,141	19,880,453	21,428,949
Unrestricted	11,733,320	11,441,806	15,570,082	16,903,724	23,452,576	24,325,738	15,892,322	18,164,227	(250,068,131)	(265,436,628)
Total Governmental Activities Net Position	\$ 70,133,803	\$ 70,647,458	\$ 78,173,188	\$ 85,900,668	\$ 94,631,372	\$ 99,879,636	\$ 97,259,761	\$ 98,746,482	\$ (167,045,731)	\$ (171,767,970)
Business-Type Activities										
Net investment in capital assets	\$ 1,373,705	\$ 1,321,492	\$ 1,254,613	\$ 1,204,347	\$ 1,245,087	\$ 1,216,154	\$ 1,337,189	\$ 1,461,111	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,628,716	1,121,549	335,181	415,783	1,176,350	1,303,406	1,524,811	2,051,185	-	-
Total Business-Type Activities Net Position	\$ 3,002,421	\$ 2,443,041	\$ 1,589,794	\$ 1,620,130	\$ 2,421,437	\$ 2,519,560	\$ 2,862,000	\$ 3,512,296	\$ -	\$ -
Primary Government										
Net investment in capital assets	\$ 45,957,739	\$ 47,180,903	\$ 51,029,713	\$ 52,772,785	\$ 55,759,525	\$ 60,430,996	\$ 63,047,416	\$ 65,258,225	\$ 63,141,947	\$ 72,239,709
Restricted	13,816,449	13,346,241	12,828,006	17,428,506	16,664,358	16,339,056	19,657,212	16,785,141	19,880,453	21,428,949
Unrestricted	13,362,036	12,563,355	15,905,263	17,319,507	24,628,926	25,629,144	17,417,133	20,215,412	(250,068,131)	(265,436,628)
Total Primary Government Net Position	\$ 73,136,224	\$ 73,090,499	\$ 79,762,982	\$ 87,520,798	\$ 97,052,809	\$ 102,399,196	\$ 100,121,761	\$ 102,258,778	\$ (167,045,731)	\$ (171,767,970)

Notes:
 - Includes all non-fiduciary funds. (GAAP Basis).
 - Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.

Net Position by Component



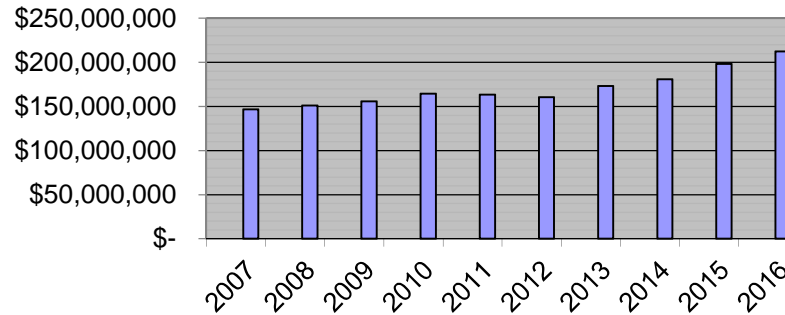
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction	\$ 84,952,813	\$ 87,491,834	\$ 76,569,456	\$ 78,981,334	\$ 77,201,295	\$ 77,036,400	\$ 81,884,496	\$ 82,507,578	\$ 88,992,272	\$ 96,103,662
Supporting services	50,963,402	51,241,267								
Student Support	-	-	7,131,266	7,960,525	7,968,395	7,415,277	7,974,868	8,195,770	9,142,147	9,714,310
Instructional Staff Support	-	-	9,733,475	10,865,333	10,876,074	10,121,123	10,884,909	11,044,378	11,099,857	11,674,959
General Administration	-	-	1,173,252	1,309,683	1,310,978	1,219,978	1,312,043	1,378,394	1,305,844	1,287,829
School Administration	-	-	8,207,382	9,161,777	9,170,835	8,534,251	9,178,284	9,423,385	10,322,803	11,081,811
Business Services	-	-	1,944,414	2,170,520	2,172,666	2,021,853	2,174,431	2,239,222	2,536,294	2,617,899
Operations & Maintenance	-	-	11,531,243	12,872,154	12,884,880	11,990,489	12,895,346	11,874,137	11,838,289	14,281,259
Student Transportation	-	-	3,907,372	4,361,740	4,366,053	4,062,987	4,369,599	5,027,523	5,164,592	5,153,426
Other Support	-	-	7,493,059	8,364,390	8,372,659	7,791,480	8,379,460	10,689,438	20,859,866	13,151,035
Food Service Operations	-	-	-	-	-	-	-	-	-	9,609,672
Payments to Charter Schools	-	-	16,450,618	17,329,543	18,338,342	19,399,551	22,758,184	27,144,958	33,323,907	35,797,138
Interest on long-term debt	5,042,831	5,588,956	4,468,579	4,249,856	4,017,439	3,772,242	3,504,652	2,923,488	3,738,663	1,946,531
Total Government Activities Expenses	140,959,046	144,322,057	148,610,116	157,626,855	156,679,616	153,365,631	165,316,272	172,448,271	198,324,534	212,419,531
Business-Type Activities:										
Food Service Operations	5,931,304	6,607,161	7,335,412	7,022,340	6,801,136	7,235,660	7,864,347	8,338,769	-	-
Total Business-Type Activities Expense	5,931,304	6,607,161	7,335,412	7,022,340	6,801,136	7,235,660	7,864,347	8,338,769	-	-
Total Primary Government Expenses	\$ 146,890,350	\$ 150,929,218	\$ 155,945,528	\$ 164,649,195	\$ 163,480,752	\$ 160,601,291	\$ 173,180,619	\$ 180,787,040	\$ 198,324,534	\$ 212,419,531

Notes:

- Includes all non-fiduciary funds. (GAAP Basis)
- Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.
- In 2015, Food Service Fund activities were reported in Other Support.
- Comparable data is not available for years prior to 2009.

Total Primary Government Expenses

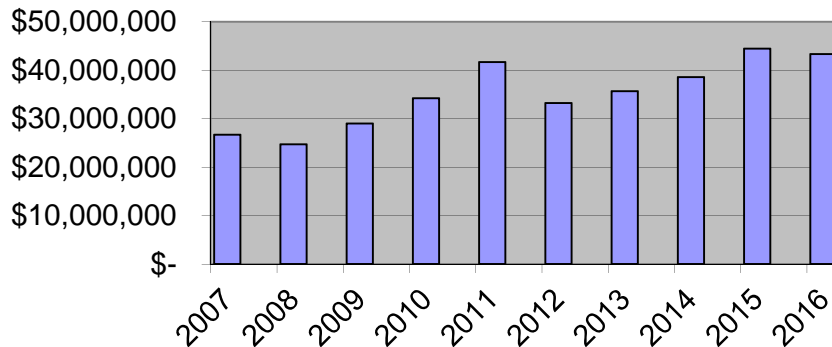


Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental Activities:										
Charges for services	\$ 3,110,280	\$ 876,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	-	-	640,585	751,728	992,802	1,069,133	582,256	2,461,040	717,711	4,584,595
Supporting Services	-	-	-	-	-	-	-	-	-	2,869
Student Support	-	-	-	-	-	-	-	-	-	879,165
Business Services	-	-	204,128	244,767	258,032	271,369	379,025	9,252	-	398,032
Operations & Maintenance	-	-	-	-	-	-	-	-	238,458	5,063
Student Transportation	-	-	-	-	-	-	-	-	467,081	477,303
Other Support	-	-	2,446,880	2,934,026	3,093,039	3,252,902	4,496,012	5,026,408	7,111,130	1,153,991
Food Service Operations	-	-	-	-	-	-	-	-	-	-
Operating grants & contributions	17,755,630	17,834,656	-	-	-	-	-	-	-	-
Instruction	-	-	11,495,285	11,204,781	16,291,986	12,611,807	11,448,200	11,940,839	15,348,629	15,693,243
Supporting Services	-	-	-	-	-	-	-	-	-	-
Student Support	-	-	2,704,116	4,208,638	4,696,619	3,043,335	3,702,541	6,654,553	6,673,791	6,664,695
Instructional Staff Support	-	-	3,304,124	5,142,480	5,738,737	3,718,610	4,524,086	1,640,261	1,823,779	1,880,095
School Administration	-	-	525,782	818,317	913,199	591,739	719,913	557,558	502,337	210,654
Business Services	-	-	31,990	49,789	55,562	36,003	43,802	-	-	-
Operations & Maintenance	-	-	110,667	172,240	192,211	124,550	151,528	25,679	518,735	547,250
Student Transportation	-	-	993,083	1,545,618	1,724,828	1,117,661	1,359,754	1,217,209	1,323,357	1,410,854
Other Support	-	-	48,280	75,144	83,856	54,337	66,107	51,191	8,870,977	-
Food Service Operations	-	-	-	-	-	-	-	-	-	8,133,715
Capital grants & contributions	-	-	-	-	-	-	-	-	-	-
Supporting Services	-	-	-	-	-	-	-	-	828,129	1,286,434
Other Support	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 20,865,910	\$ 18,711,402	\$ 22,504,920	\$ 27,147,528	\$ 34,040,871	\$ 25,891,446	\$ 27,473,224	\$ 29,583,990	\$ 44,424,114	\$ 43,327,958
Business-Type Activities:										
Charges for services	\$ 1,465,804	\$ 1,406,489	\$ 1,319,275	\$ 1,369,357	\$ 1,410,357	\$ 1,192,002	\$ 1,139,685	\$ 1,087,782	\$ -	\$ -
Operating grants & contributions	4,319,887	4,581,178	5,158,087	5,683,319	6,192,086	6,141,781	7,067,102	7,901,283	-	-
Total Business-Type Activities	\$ 5,785,691	\$ 5,987,667	\$ 6,477,362	\$ 7,052,676	\$ 7,602,443	\$ 7,333,783	\$ 8,206,787	\$ 8,989,065	\$ -	\$ -
Total Primary Government Revenues	\$ 26,651,601	\$ 24,699,069	\$ 28,982,282	\$ 34,200,204	\$ 41,643,314	\$ 33,225,229	\$ 35,680,011	\$ 38,573,055	\$ 44,424,114	\$ 43,327,958
Net (Expense) Revenue										
Governmental activities	\$ (120,093,136)	\$ (125,610,655)	\$ (126,105,196)	\$ (130,479,327)	\$ (122,638,745)	\$ (127,474,185)	\$ (137,843,048)	\$ (142,864,281)	\$ (153,900,420)	\$ (169,091,574)
Business-type activities	(145,613)	(619,494)	(858,050)	30,336	801,307	98,123	342,440	650,296	-	-
Total Primary Government Net Expense	\$ (120,238,749)	\$ (126,230,149)	\$ (126,963,246)	\$ (130,448,991)	\$ (121,837,438)	\$ (127,376,062)	\$ (137,500,608)	\$ (142,213,985)	\$ (153,900,420)	\$ (169,091,574)

Notes:
 - Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities
 - Comparable data is not available for years prior to 2009.

Total Primary Government Program Revenues

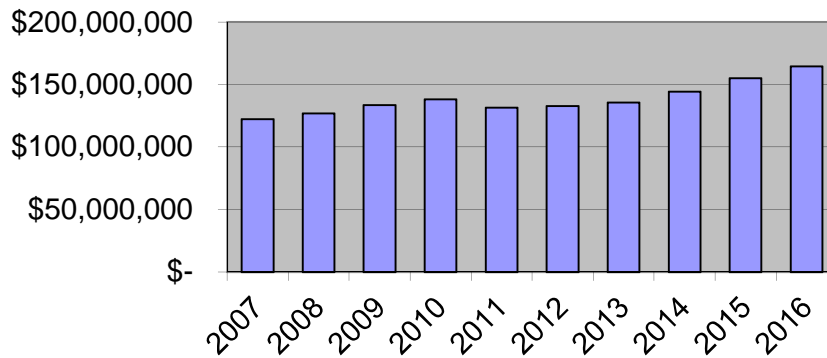




Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues										
Governmental Activities:										
Property taxes	\$ 37,665,371	\$ 36,477,221	\$ 37,320,028	\$ 37,542,000	\$ 35,201,582	\$ 35,961,514	\$ 37,170,624	\$ 36,760,286	\$ 36,931,969	\$ 40,876,489
Specific ownership taxes	3,827,984	3,627,747	3,200,356	2,656,089	2,383,024	2,437,108	2,795,387	2,983,658	3,019,784	2,551,459
State equalization	77,524,558	83,479,091	90,692,761	96,144,664	91,422,669	91,912,020	93,313,858	102,114,143	112,570,176	117,590,043
Investment earnings	1,381,810	962,278	440,044	64,665	388,004	218,001	72,320	247,234	140,996	238,304
Other revenues	1,801,269	2,324,750	1,977,736	1,799,389	1,974,170	2,193,806	2,232,838	2,245,681	2,375,352	3,113,100
Total Governmental Activities	\$ 122,200,992	\$ 126,871,087	\$ 133,630,925	\$ 138,206,807	\$ 131,369,449	\$ 132,722,449	\$ 135,585,027	\$ 144,351,002	\$ 155,038,277	\$ 164,369,395
Business-Type Activities:										
Investment earnings	\$ 80,193	\$ 60,114	\$ 4,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution of assets	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	\$ 80,193	\$ 60,114	\$ 4,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 122,281,185	\$ 126,931,201	\$ 133,635,728	\$ 138,206,807	\$ 131,369,449	\$ 132,722,449	\$ 135,585,027	\$ 144,351,002	\$ 155,038,277	\$ 164,369,395
Change in Net Position										
Governmental Activities	2,107,856	1,260,432	7,525,729	7,727,480	8,730,704	5,248,264	(2,258,021)	1,486,721	1,137,857	(4,722,179)
Business-Type Activities	(65,420)	(559,380)	(853,247)	30,336	801,307	98,123	342,440	650,296	-	-
Total Primary Government	\$ 2,042,436	\$ 701,052	\$ 6,672,482	\$ 7,757,816	\$ 9,532,011	\$ 5,346,387	\$ (1,915,581)	\$ 2,137,017	\$ 1,137,857	\$ (4,722,179)

Total Primary Government General Revenues



Schedule 3

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 211,934
Restricted	-	-	-	6,313,572
Committed	-	-	-	6,469,942
Assigned	-	-	-	-
Unassigned	-	-	-	8,644,525
Reserved	5,002,624	4,154,226	3,425,188	-
Unreserved	10,065,609	9,750,591	14,162,205	-
Total general fund	<u>\$ 15,068,233</u>	<u>\$ 13,904,817</u>	<u>\$ 17,587,393</u>	<u>\$ 21,639,973</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:				
Debt Service Fund	-	-	-	9,767,284
Food Service Fund	-	-	-	-
Capital Projects Funds				
Assigned, reported in:				
Capital Projects Funds	-	-	-	4,470,475
Reserved	-	-	-	-
Unassigned, reported in:				
Special Revenue Funds	2,432,021	2,695,699	3,095,261	-
Debt Service Funds	8,808,043	9,430,419	9,540,073	-
Capital Projects Funds	923,702	424,299	-	-
Total all other governmental funds	<u>\$ 12,163,766</u>	<u>\$ 12,550,417</u>	<u>\$ 12,635,334</u>	<u>\$ 14,237,759</u>

NOTES:

-Other governmental funds from fiscal year 2004 through fiscal year 2013 include: Debt Service - Bond Redemption Fund; Special Revenue - Designated Special Purpose Grant Fund, Platte Valley Youth Detention Center Fund, and Building Corporation Fund (*fund dissolved in 2009*); Capital Projects - Capital Projects Fund and Building Corporation Fund (*fund dissolved in 2009*); Internal Service Fund - Copier Services Fund (*fund dissolved in 2014*).

- GASB 54 was implemented in the District's financial statements in 2010.

Schedule 3

Schedule 3 (continued)

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 238,145	\$ 1,250,263	\$ 137,747	\$ 105,766	\$ 159,198	\$ 176,932	
6,101,639	4,959,457	5,862,437	5,146,506	5,537,083	6,750,584	
6,485,363	5,499,944	4,220,860	4,408,802	4,774,086	5,064,081	
-	-	-	-	-	-	
14,683,873	17,787,702	13,529,509	11,129,046	10,719,452	10,950,957	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 27,509,020</u>	<u>\$ 29,497,366</u>	<u>\$ 23,750,553</u>	<u>\$ 20,790,120</u>	<u>\$ 21,189,819</u>	<u>\$ 22,942,554</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,411.00	
9,264,107	9,880,107	10,970,934	11,638,635	12,093,175	12,572,191	
-	-	-	-	2,465,726	1,919,823	
				958,858	-	
4,719,745	4,093,696	1,038,513	2,658,459	2,314,900	1,706,167	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 13,983,852</u>	<u>\$ 13,973,803</u>	<u>\$ 12,009,447</u>	<u>\$ 14,297,094</u>	<u>\$ 17,832,659</u>	<u>\$ 16,433,592</u>	

Schedule 4

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Local sources	\$ 48,018,943	\$ 45,670,100	\$ 46,418,973	\$ 46,386,898
State sources	83,259,272	89,418,149	97,647,432	102,663,129
Federal sources	11,810,469	11,669,569	12,069,441	16,304,308
Total Revenues	\$ 143,088,684	\$ 146,757,818	\$ 156,135,846	\$ 165,354,335
Expenditures				
Governmental Activities				
Instruction	\$ 84,921,726	\$ 73,272,323	\$ 76,039,639	\$ 79,217,046
Supporting services	45,453,361			
Student Support Services	-	7,102,761	6,522,400	8,418,861
Instructional Staff Support Services	-	9,382,370	8,582,100	10,568,750
General Administration Services	-	761,763	793,607	1,099,030
School Administration Services	-	7,997,830	8,464,854	9,270,699
Business Services	-	1,621,532	1,438,794	1,984,073
Operations & Maintenance	-	11,790,226	11,897,842	12,021,015
Student Transportation	-	3,767,127	3,787,553	3,992,743
Other Support Services	-	6,293,753	5,769,440	5,831,767
Food Service Operations	-	-	-	-
Payments to Charter Schools				
Union Colony Preparatory School	-	-	2,665,406	2,675,658
Union Colony Elementary School	-	-	-	-
University Schools	-	-	6,798,232	7,228,223
Frontier Academy	-	-	6,986,980	7,425,661
West Ridge Academy	-	-	-	-
Salida del Sol Academy	-	-	-	-
Debt Service				
Principal	6,075,933	5,210,000	5,445,000	5,285,000
Interest and fiscal charges	4,876,112	4,603,916	4,386,420	4,170,100
Capital Outlay	4,552,554	1,616,498	2,493,349	510,704
Total Expenditures	\$ 145,879,686	\$ 133,420,099	\$ 152,071,616	\$ 159,699,330
Other Financing Sources (Uses):				
Other Financing Sources - Capital Leases	\$ -	\$ -	\$ -	\$ -
Transfers in	3,611,465	5,823,561	3,566,986	3,399,405
Transfers out	(3,611,465)	(19,191,268)	(3,863,723)	(3,399,405)
Sale of bonds	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Premium on bonds	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ (13,367,707)	\$ (296,737)	\$ -
Net Change in Fund Balances	(2,791,002)	(29,988)	3,767,493	5,655,005
Fund Balance - Beginning	30,023,001	27,231,999	26,455,234	30,222,727
Prior Period Adjustment	-	(746,777)	-	-
Fund Balance - Ending	\$ 27,231,999	\$ 26,455,234	\$ 30,222,727	\$ 35,877,732
Debt Service as a percentage of noncapital expenditures	7.75%	7.45%	6.57%	5.94%

NOTES:

- Beginning in Fiscal Year Ending June 30, 2009, payments to charter schools are reflected as an expenditure. Prior to 2009, these payments were reflected as transfers.
- Expenditures allocated by the program function were not available prior to 2008.

Schedule 4 (continued)

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 44,450,584	\$ 45,823,435	\$ 48,306,892	\$ 48,477,271	\$ 52,385,632	\$ 55,321,632	
97,937,817	98,595,275	101,061,902	111,780,453	125,372,483	131,238,597	
22,843,590	14,005,975	13,360,726	13,118,565	21,380,256	20,918,081	
<u>\$ 165,231,991</u>	<u>\$ 158,424,685</u>	<u>\$ 162,729,520</u>	<u>\$ 173,376,289</u>	<u>\$ 199,138,371</u>	<u>\$ 207,478,310</u>	
\$ 77,271,592	\$ 76,956,028	\$ 81,645,951	\$ 81,965,892	\$ 84,175,947	\$ 89,279,191	
9,830,344	8,039,765	7,974,868	8,171,791	8,684,037	9,059,895	
9,762,730	9,614,098	10,884,909	11,034,277	10,555,613	10,918,153	
1,069,410	1,171,234	1,312,043	1,378,394	1,246,199	1,231,221	
8,384,757	8,287,435	9,178,284	9,423,385	9,735,472	10,240,692	
1,922,579	1,768,640	2,117,456	2,043,866	2,348,990	2,378,271	
11,080,733	10,378,642	10,766,561	11,751,577	11,455,371	12,078,126	
4,009,486	3,962,403	4,369,599	4,734,647	4,616,143	4,472,481	
6,907,034	5,755,904	6,098,723	6,688,570	16,627,231	8,986,632	
-	-	-	-	-	9,271,809	
2,715,931	2,639,790	2,709,003	3,201,182	3,335,913	3,477,013	
-	-	2,327,815	2,654,287	2,781,233	2,938,808	
7,862,054	7,859,374	8,098,559	11,182,608	11,821,606	12,424,608	
7,760,357	7,836,189	8,419,720	8,989,978	9,739,522	10,447,459	
-	1,064,198	1,203,087	1,116,903	1,441,707	4,974,254	
-	-	-	-	4,203,926	1,534,996	
5,540,000	5,745,000	6,020,000	6,612,358	6,973,183	7,532,597	
3,934,663	3,694,475	3,525,653	3,343,403	3,266,147	1,694,771	
1,435,181	1,867,113	3,806,178	931,915	4,760,412	4,183,664	
<u>\$ 159,486,851</u>	<u>\$ 156,640,288</u>	<u>\$ 170,458,409</u>	<u>\$ 175,225,033</u>	<u>\$ 197,768,652</u>	<u>\$ 207,124,641</u>	
\$ -	\$ 193,900	\$ 17,720	-	-	-	
2,340,000	1,303,214	258,669	1,121,503	976,385	973,018	
(2,470,000)	(1,303,214)	(258,669)	(1,121,503)	(976,385)	(973,018)	
-	-	-	-	48,085,000.00	-	
-	-	-	-	(48,075,987.00)	-	
-	-	-	-	243,420.00	-	
<u>\$ (130,000)</u>	<u>\$ 193,900</u>	<u>\$ 17,720</u>	<u>\$ -</u>	<u>\$ 252,433</u>	<u>\$ -</u>	
5,615,140	1,978,297	(7,711,169)	(1,848,744)	1,622,152	353,669	
35,877,732	41,492,872	43,471,169	35,760,000	37,400,326	39,022,478	
-	-	-	1,175,958	-	-	
<u>\$ 41,492,872</u>	<u>\$ 43,471,169</u>	<u>\$ 35,760,000</u>	<u>\$ 35,087,214</u>	<u>\$ 39,022,478</u>	<u>\$ 39,376,146</u>	
5.99%	6.10%	5.73%	5.71%	5.31%	4.50%	

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Other Property (2)	Less: Tax-Exempt Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (1)	Value as a Percentage of Actual Value
2007	21,276,000	357,467,950	271,843,260	27,399,150	88,008,020	140,108,250	927,671,110	40.760	7,018,196,394	13.22%
2008	23,318,950	369,317,320	306,183,180	28,050,860	144,052,770	155,664,620	1,007,525,550	36.922	7,400,996,716	13.61%
2009	22,775,660	398,220,390	353,155,080	42,285,150	198,541,931	172,484,810	1,014,978,211	36.600	6,782,985,086	14.96%
2010	22,433,530	399,211,640	346,671,750	43,026,600	134,696,482	179,897,780	946,040,002	36.634	6,745,577,164	14.02%
2011	19,510,210	377,264,970	334,133,750	44,419,870	178,482,850	189,437,850	953,811,650	37.104	6,488,639,062	14.70%
2012	18,643,570	378,344,940	367,535,260	49,471,250	159,603,700	211,498,000	973,598,720	37.856	6,634,517,334	14.67%
2013	15,485,810	373,442,370	325,115,070	103,014,450	140,546,959	211,033,880	957,604,659	38.112	6,601,276,161	14.51%
2014	15,123,320	376,025,190	328,467,070	157,926,390	103,351,260	212,454,100	980,893,230	38.175	6,869,243,365	14.28%
2015	17,747,030	467,662,270	343,008,820	153,114,190	174,535,840	230,337,570	1,156,068,150	37.880	8,160,107,459	14.17%
2016	15,798,590	478,591,930	345,298,270	193,592,100	132,039,500	233,895,640	1,165,320,390	36.003	8,415,594,305	13.85%

Source: Weld County Assessor's Office.

Notes:

- Preliminary assessed values as of August of each tax year are presented for each property category.
- (1) Final assessed values as of December may not agree with the August preliminary values. Final assessed values provided by the Weld County Assessor's Office.
- (2) Other Property includes agricultural property, natural resources, oil and gas, and state assessed property.

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Tax Years**
(rate per \$1,000 of assessed value)

Collection Year	Weld County School District 6			Overlapping Rates (2)			Total District & Overlapping Rates
	General Fund	Bond Redemption Fund	Total District	Total Cities and Towns	Total County	Total Special Districts (1)	
2007	30.319	10.441	40.760	53.651	16.804	48.508	159.723
2008	27.120	9.802	36.922	70.079	16.804	91.188	214.993
2009	27.101	9.499	36.600	75.265	16.804	114.555	243.224
2010	27.187	9.447	36.634	73.273	16.804	107.330	234.041
2011	27.665	9.439	37.104	78.978	16.804	129.745	262.631
2012	27.244	10.612	37.856	80.597	16.804	140.684	275.941
2013	27.204	10.908	38.112	70.560	16.804	130.927	256.403
2014	27.027	11.148	38.175	74.918	16.804	181.092	310.989
2015	27.165	10.715	37.880	74.501	15.800	187.928	316.109
2016	27.440	8.563	36.003	74.584	15.800	286.046	412.433

Source: Weld County Assessor's Office

Notes:

(1) This represents the gross millage of all special taxing entities within the District boundaries. The total is not representative of the mill levy assessed to an individual taxpayer.

(2) Overlapping rates are those of local and county governments that apply to property owners within the Weld County School District boundaries. Not all overlapping rates apply to all District property owners; for example, although the county property taxes apply to all District property owners, only the city in which the property owner resides would apply.

Schedule 7

**Principal Property Tax Payers
June 30, 2016**

Taxpayer	2016			2007		
	Rank	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total Taxable Assessed Value
Atmos Energy Corp	10	8,759,770	0.75%			
Comcast of Colorado LLC				7	6,089,410	0.79%
DCP Midstream LP	9	10,273,610	0.88%			
Extraction Oil & Gas, LLC	2	74,943,200	6.43%			
Greeley Mall / GKD Fund LLC				4	7,215,600	0.94%
JBS USA LLC	8	12,442,630	1.07%			
Kerr McGee Gathering, LLC				1	42,039,520	5.49%
Leprino Foods Company	1	95,319,000	8.18%			
Merit Energy				6	\$6,752,870	0.88%
Monfort of Colorado				10	\$6,006,450	0.78%
Noble Energy	3	55,995,580	4.81%	2	37,803,920	4.94%
Petroleum Development Corp	4	44,005,810	3.78%	5	6,947,730	0.91%
Public Service Co. of Colorado (Xcel)	5	23,062,930	1.98%			
Qwest Corp	6	14,986,100	1.29%	3	11,562,890	1.51%
Swift Foods Company				8	6,025,880	0.79%
Synergy Resources Corporation	7	14,497,950	1.24%			
Wal-Mart Real Estate Business Trust				9	6,006,450	0.78%
Remaining Assessed Valuation		\$ 811,033,810	69.60%		\$ 629,543,660	82.19%
Total Assessed Valuation		\$ 1,165,320,390	100.00%		\$ 765,994,380	100.00%

Source: Weld County Assessor's Office

**Property Tax Levies and Collections,
Last Ten Fiscal Years**

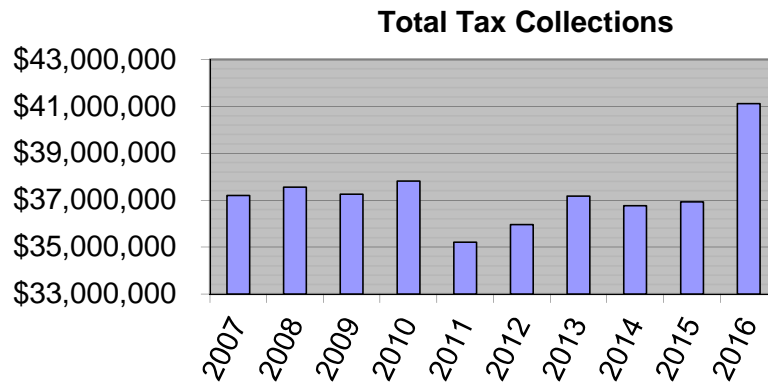
Fiscal Year Ended June 30	Taxes Levied For the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (2)
2007	37,977,001	37,174,273	97.89%	17,683	37,191,956	97.93%
2008	37,812,958	37,513,420	99.21%	44,180	37,557,600	99.32%
2009	37,199,858	37,156,519	99.88%	93,866	37,250,385	100.14%
2010	37,540,638	37,337,305	99.46%	468,979	37,806,284	100.71%
2011	35,266,137	34,615,075	98.15%	586,507	35,201,582	99.82%
2012	36,066,295	35,679,760	98.93%	281,754	35,961,514	99.71%
2013	38,535,765	36,935,393	95.85%	235,231	37,170,624	96.46%
2014	38,327,647	36,704,263	95.76%	56,023	36,760,286	95.91%
2015	40,873,515	36,749,739	89.91%	182,227	36,931,966	90.36%
2016	45,435,344	41,085,749	90.43%	27,509	41,113,258	90.49%

Source: School District financial records and Weld County Treasurer's Office

Notes:

(1) The current tax collections and delinquent tax collected amounts for the 2008 collection year include actual collections through June 30, 2016 only.

(2) Property tax collections include delinquent taxes which may make total collections exceed current year levy.



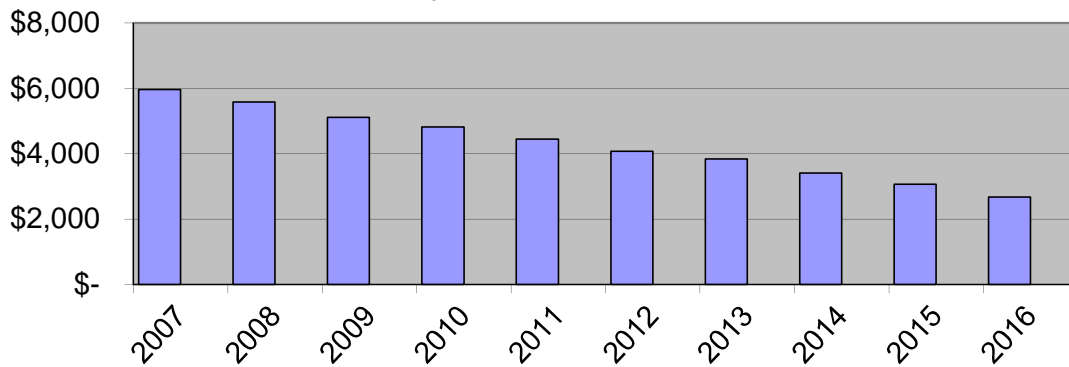
**Ratios of Outstanding Debt by Type,
Last Ten Tax Years**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita	Per Student
	General Obligation Bonds	Capital Leases				
2007	103,185,000	-	103,185,000	4.35%	1,146	5,963
2008	97,975,000	-	97,975,000	3.27%	892	5,582
2009	92,530,000	-	92,530,000	3.02%	872	5,115
2010	87,245,000	-	87,245,000	3.20%	761	4,821
2011	81,705,000	344,205	82,049,205	2.51%	715	4,451
2012	75,960,000	441,462	76,401,462	2.66%	658	4,075
2013	78,117,991	324,273	78,442,264	2.39%	689	3,838
2014	71,505,633	183,675	71,689,308	2.02%	612	3,408
2015	66,652,450	34,152	66,686,602	1.69%	565	3,065
2016	59,119,853	2,846	59,122,699	1.81%	491	2,673

Notes:

- Details regarding the District's outstanding debt can be found in the notes to the financial statements.
- Lease revenue bonds are included in the governmental activities general obligation bonds.
- Personal income, population, and student data may be found at Schedule 13.

Total Primary Government Debt Per Student



Schedule 10

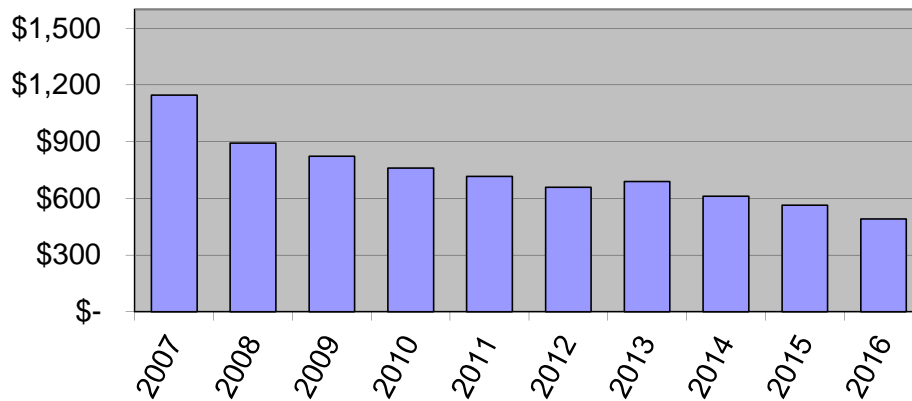
**Ratios of General Bonded Debt Outstanding
Last Ten Tax Years**

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
2007	103,185,000	1.47%	1,146	5,963
2008	97,975,000	1.32%	892	5,582
2009	92,530,000	1.36%	822	5,115
2010	87,245,000	1.29%	760	4,821
2011	81,705,000	1.26%	714	4,432
2012	75,960,000	1.14%	654	4,051
2013	78,117,991	1.19%	689	3,838
2014	71,505,633	1.04%	612	3,408
2015	66,652,450	0.82%	564	3,063
2016	59,119,853	0.70%	491	2,673

Notes:

- Details regarding the District's outstanding debt can be found in the notes to the financial statements.
- See Schedule 5 for property value data.
- Personal income and population data may be found at Schedule 13.

General Obligation Debt Per Capita



**Direct and Overlapping Governmental Activities Debt
As of June 30, 2016**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to The District	Estimated Share of Overlapping Debt Outstanding
Overlapping Debt:			
Central Colorado Water	\$ 27,885,000	3.81%	\$ 1,062,419
Central Colorado Water Subdistrict	14,076,291	3.60%	506,746
Central Colorado Water Well	12,761,662	0.26%	33,180
City Center West Residential Metropolitan District	4,190,000	0.28%	11,732
Eaton Fire Protection District	691,704	7.84%	54,230
Evans Fire Protection District	520,000	9.23%	47,996
High Plains Library	12,535,000	100.00%	12,535,000
Kersey, Town of	1,152,343	1.00%	11,523
Milliken Fire	1,292,442	1.35%	17,448
Milliken, Town of	1,665,000	0.04%	666
Northern Colorado Water	3,929,311	100.00%	3,929,311
North Weld County Water District	16,625,000	12.00%	1,995,000
Platte Valley Fire Protection	8,967,000	1.00%	89,670
Total Overlapping Debt	<u>106,290,753</u>		<u>20,294,921</u>
Direct Debt:			
Weld County School District 6 direct debt	59,119,853	100%	59,119,853
Capital Leases	2,846	100%	2,846
Total District Direct Debt	<u>\$ 59,122,699</u>		
		Total Direct and Overlapping Debt	<u>\$ 79,417,620</u>

Source: Debt outstanding provided by each individual taxing district.

Notes:

- Includes only general obligation debt supported by general property taxes.
- The information related to the estimated percentage applicable to the district was provided by the Weld County Assessor's Office. These rates were in existence at June 30, 2016.

Legal Debt Margin Information

Legal Debt Margin Calculation for Fiscal Year 2016

	Assessed Value	Actual Value
Assessed or estimated actual value	\$ 1,165,320,390	\$ 8,415,594,305
Legal debt limit percentage	25%	6%
Legal debt limit (greater of the two amounts)	<u>\$ 291,330,098</u>	<u>\$ 504,935,658</u>
Amount of debt applicable to debt limit:		
Total bonded debt		59,119,853
Less: Debt Service Fund available		<u>12,572,192</u>
Total amount of debt applicable to debt limit		<u>\$ 46,547,661</u>
Legal Debt Margin		<u><u>\$ 458,387,997</u></u>

Source: Weld County School District 6 Finance Department

Ten Year Summary

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2007	349,604,800	94,124,020	255,480,780	26.9%
2008	444,059,803	88,937,137	355,122,666	20.0%
2009	406,979,105	82,989,927	323,989,178	20.4%
2010	404,734,630	77,477,716	327,256,914	19.1%
2011	389,318,344	72,440,893	316,877,451	18.6%
2012	398,071,040	66,079,893	331,991,147	16.6%
2013	396,076,570	67,147,057	328,929,513	17.0%
2014	412,154,602	60,733,506	351,421,096	14.7%
2015	489,606,448	54,254,644	435,351,804	11.1%
2016	504,935,658	46,547,661	458,387,997	9.2%

Source: Weld County School District 6 records

Note:

- Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 25 percent of assessed value or 6 percent of actual value.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

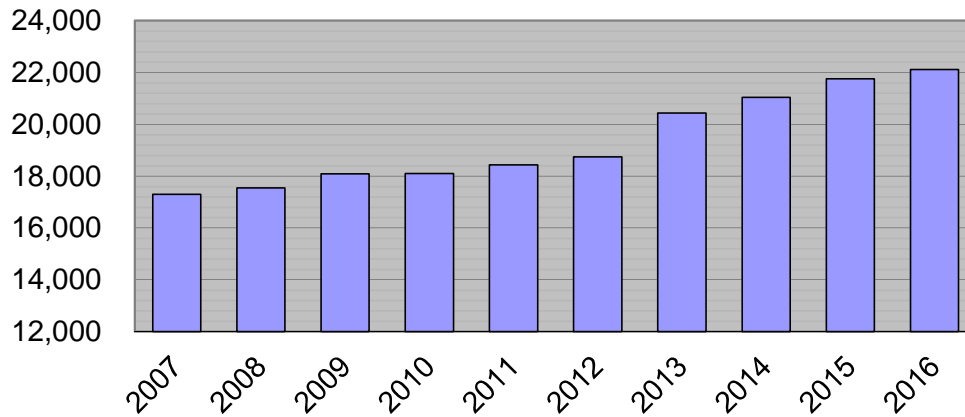
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	FTE Student Enrollment	Unemployment Rate
2007	90,078	2,367,250	26,280	29.9	17,304	3.90%
2008	109,834	2,991,658	27,238	29.9	17,553	6.30%
2009	112,530	3,065,092	27,238	30.1	18,089	8.60%
2010	114,832	2,731,623	23,788	32.1	18,098	9.80%
2011	114,468	3,262,681	28,503	32.6	18,437	9.20%
2012	116,178	2,873,314	24,732	33.6	18,749	8.30%
2013	114,119	3,288,567	28,817	33.8	20,440	5.40%
2014	117,093	3,551,150	29,986	33.9	21,037	7.10%
2015	118,079	3,943,012	33,393	34.0	21,760	3.80%
2016	120,459	3,258,055	27,047	33.8	22,120	(1)

Sources: Upstate Colorado Economic Development and State of Colorado Division of Local Government, State Demography Office.

Notes:

(1) Figures not available at time of publication.

Student Enrollment



Schedule 14

**Principal Employers
Current Year and Ten Years Ago**

Employer	2016			2007		
	Rank	Number of Employees	Percentage of Total City Employment	Rank	Number of Employees	Percentage of Total City Employment
Aims Community College				10	605	1.28%
Banner Health	2	3,450	5.31%			
Bonnell Good Samaritan Center				9	660	1.39%
City of Greeley	8	857	1.32%	4	1,490	3.15%
Halliburton Energy Services	10	688	1.06%			
JBS Swift and Company (<i>known as Swift & Company in 2006</i>)	1	4,620	7.11%	1	2,960	6.25%
North Colorado Medical Center				2	2,700	5.70%
Startek USA				7	906	1.91%
State Farm Insurance Companies	7	1,400	2.16%	5	1,478	3.12%
TeleTech	9	830	1.28%			
University of Northern Colorado	5	1,442	2.22%			
Vestas	3	2,400	3.70%			
Wal-Mart Super Center				8	856	1.81%
Weld County Government	6	1,405	2.16%	6	1,400	2.96%
Weld County School District 6	4	1,923	2.96%	3	2,037	4.30%
Total Principal Employers		<u>19,015</u>	29.28%		<u>15,092</u>	31.88%
Total City of Greeley Labor Force		<u>64,951</u>			<u>47,347</u>	

Source: Upstate Colorado Economic Development and Colorado Department of Labor and Employment

Notes:

- Total employee data is aggregate and gathered from various sources for the reporting purposes for Upstate Colorado Economic Development. This data differs slightly than the employee data recorded in Schedule 15 as that data is generated directly from district records.

**Full-Time/Part-Time Employees by Function/Program
Last Ten Fiscal Years**

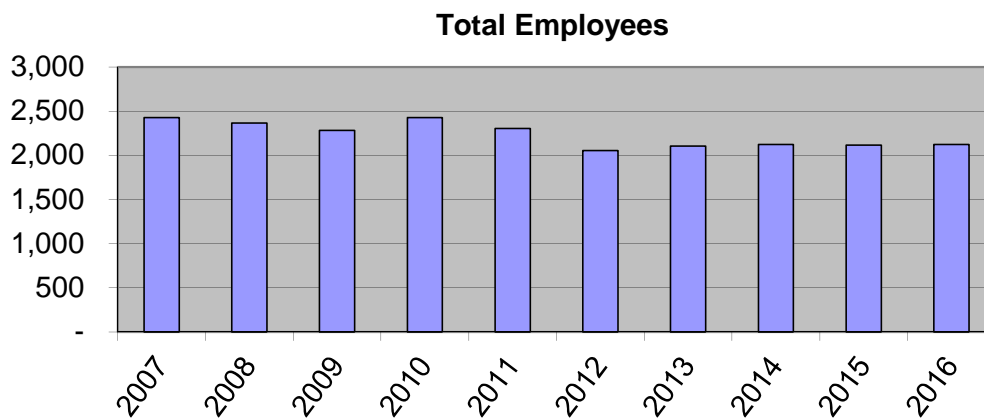
Function/Program	2007			2008			2009			2010			2011		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Teachers	1,016	120	1,136	1,005	145	1,150	1,009	94	1,103	1,055	95	1,150	902	205	1,107
Paraprofessionals	262	100	362	206	132	338	256	90	346	261	110	371	226	121	347
Administration	81	10	91	91	9	100	84	6	90	95	10	105	81	19	100
Other Professionals	126	71	197	121	57	178	116	44	160	142	42	184	138	54	192
School Support	378	149	527	372	226	598	354	228	582	353	262	615	327	231	558
Total	1,863	450	2,313	1,795	569	2,364	1,819	462	2,281	1,906	519	2,425	1,674	630	2,304

Function/Program	2012			2013			2014			2015			2016		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Teachers	1,078	46	1,124	1,077	41	1,118	1,073	41	1,114	1,054	46	1,100	1,076	44	1,120
Paraprofessionals	89	219	308	29	202	231	31	193	224	40	183	223	35	198	233
Administration	68	-	68	72	-	72	75	-	75	80	-	80	82	-	82
Other Professionals	56	1	57	78	1	79	79	-	79	93	1	94	85	-	85
School Support	278	217	495	343	262	605	346	284	630	345	273	618	356	245	601
Total	1,569	483	2,052	1,599	506	2,105	1,604	518	2,122	1,612	503	2,115	1,634	487	2,121

Source: Weld County School District 6 records.

Notes:

- Information provided is as of December 31 of each respective year.
- Total employee data is directly from the District's employee records; whereas, Schedule 14 is aggregate data gathered from various sources by the reporting entity.



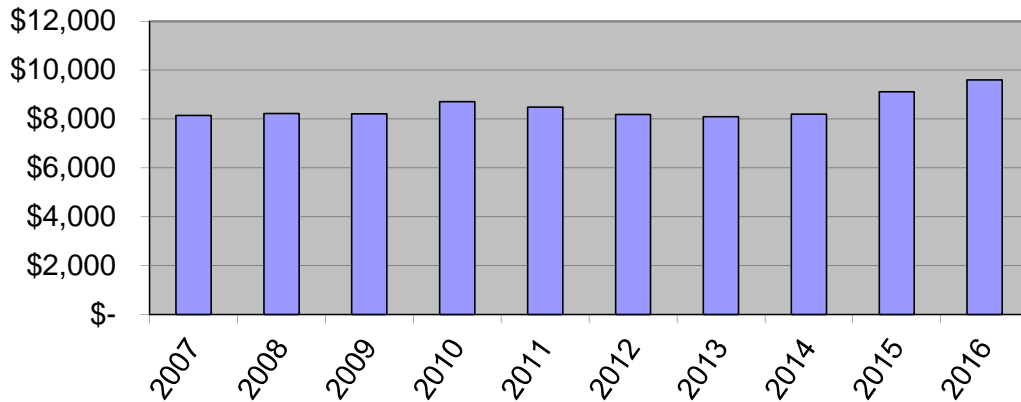
**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities Expenses	FTE Enrollment	Cost Per Pupil	Percentage Change	Full-Time Teaching Staff	Pupil FTE/Teacher Ratio	Students Receiving Free or Reduced Meals	Percent Students Receiving Free or Reduced Meals
2007	140,959,046	17,304	8,146	7.19%	1,016	17.0	9,407	54.36%
2008	144,322,057	17,553	8,222	0.93%	1,005	17.5	9,248	52.69%
2009	148,610,116	18,089	8,215	-0.08%	1,009	17.9	9,537	52.72%
2010	157,626,855	18,098	8,710	6.03%	1,055	17.2	10,984	60.69%
2011	156,499,616	18,437	8,488	-2.54%	902	20.4	11,817	64.09%
2012	153,365,631	18,749	8,180	-3.63%	1,078	17.4	11,849	63.20%
2013	165,316,272	20,440	8,088	-1.12%	1,077	19.0	12,328	60.31%
2014	172,448,271	21,037	8,197	1.35%	1,073	19.6	13,421	63.80%
2015	198,324,534	21,760	9,114	11.18%	1,054	20.6	13,365	61.42%
2016	212,419,532	22,120	9,603	5.36%	1,076	20.6	14,450	65.33%

Notes:

- Student enrollment is based on the full time equivalent (FTE), which is adjusted for half-day kindergarten and preschool programs at one half time. Student enrollment is as of the October count date of each year, as audited by the Colorado Department of Education.

Cost Per Pupil



**School Building Information
Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Capacity	% of Capacity Used	Square Footage
Elementary Schools													
A.K. Heiman	638	685	699	728	749	690	661	669	702	713	600	118.83%	75,632
Cameron	425	388	404	378	-	-	-	-	-	-	480	-	-
Centennial	603	657	774	677	733	651	609	622	591	636	648	98.15%	53,347
Chappelow	674	636	681	636	658	674	677	708	717	687	696	98.71%	68,193
Dos Rios	542	528	553	534	490	469	483	440	533	559	576	97.05%	52,708
East Memorial	502	518	486	501	580	559	575	498	-	-	528	-	52,396
Jackson	353	380	401	473	566	456	419	461	480	464	552	84.06%	51,795
Jefferson	341	386	413	427	-	-	-	-	-	-	504	-	-
Madison	441	510	541	501	492	503	527	504	506	504	576	87.50%	52,325
Maplewood	-	-	-	-	548	627	595	649	633	597	864	69.10%	79,908
Martinez	542	508	521	553	558	606	578	612	594	574	672	85.42%	62,619
McAuliffe	582	545	559	553	594	717	580	546	539	501	576	86.98%	53,189
Meeker	548	599	609	612	627	603	461	414	457	484	600	80.67%	44,375
Monfort	529	570	590	625	609	538	509	508	511	481	648	74.23%	55,075
Romero	458	477	484	576	658	614	665	722	984	1,039	600	173.17%	72,400
Scott	459	494	557	546	585	631	480	440	481	492	648	75.93%	57,978
Shawsheen	520	476	483	493	455	452	429	446	388	396	552	71.74%	38,635
Winograd	298	463	512	504	568	598	629	623	684	698	672	103.87%	75,984
Total	8,455	8,820	9,267	9,317	9,470	9,388	8,877	8,862	8,800	8,825	10,992	80.29%	946,559
Middle Schools													
Brentwood	578	535	561	610	654	674	632	571	442	438	744	58.87%	69,815
Franklin	625	489	454	440	745	698	759	776	803	645	744	86.69%	72,840
Heath	782	797	810	803	793	700	652	654	609	740	960	77.08%	92,949
Prairie Heights	707	603	614	596	678	761	648	624	632	752	650	115.69%	103,395
Maplewood	457	403	371	381	-	-	-	-	-	-	864	-	-
Adelante	-	-	-	-	-	-	-	-	-	-	150	-	6,344
Total	3,149	2,827	2,810	2,830	2,870	2,833	2,691	2,625	2,486	2,575	4,112	62.62%	345,343
High Schools													
Central	1,285	1,359	1,353	1,406	1,418	1,382	1,440	1,414	1,464	1,410	1,464	96.31%	198,466
Early College Academy	-	-	-	-	-	-	-	-	-	140	600	23.33%	29,300
Northridge	1,220	1,193	1,131	1,085	1,019	990	932	1,038	1,086	1,160	1,656	70.05%	195,000
West	1,375	1,481	1,464	1,461	1,457	1,503	1,449	1,506	1,554	1,551	1,416	109.53%	177,307
Jefferson	-	-	-	-	301	261	275	256	247	279	504	55.36%	47,767
Trademark	100	101	115	206	-	-	-	-	-	-	150	0.00%	-
Total	3,980	4,134	4,063	4,158	4,195	4,136	4,096	4,214	4,351	4,540	5,790	78.41%	647,840
Other													
Carson/Littler	10	5	18	9	9	-	-	-	-	-	N/A	N/A	-
Colorado High	99	106	107	115	-	-	-	-	-	-	N/A	N/A	-
Eng@ge	-	-	-	-	-	3	78	98	137	99	N/A	N/A	-
GAP	-	-	68	105	121	113	124	120	128	130	N/A	N/A	5,467
Home School	130	141	126	147	106	105	-	-	-	-	N/A	N/A	-
IBAC	-	-	-	-	-	10	18	14	-	-	N/A	N/A	-
Night School	2	2	2	-	-	-	-	-	-	-	N/A	N/A	-
Out/District	42	37	37	-	-	-	-	-	-	-	N/A	N/A	-
Platte Valley	109	105	56	34	51	47	41	33	33	31	150	20.67%	-
PS 100/200	104	113	150	144	148	238	658	648	657	674	244	276.23%	-
Transitional	25	28	25	16	15	22	29	31	27	10	N/A	N/A	-
Weld Opportunity	80	63	88	-	-	-	-	-	-	-	80	0.00%	-
Total	601	600	677	570	450	538	948	944	982	944	474	199.16%	5,467
Non-District Owned Sites													
Frontier Academy Charter	1,017	1,049	1,080	1,108	1,266	1,367	1,459	1,502	1,559	1,593	835	190.78%	-
Salida Del Sol	-	-	-	-	-	-	-	-	644	705	725	97.24%	-
Union Colony Preparatory	206	356	398	388	408	419	428	492	488	485	405	119.75%	-
Union Colony Elementary	-	-	-	-	-	-	377	446	441	438	600	73.00%	-
University Schools	995	1,022	1,042	1,071	1,192	1,283	1,319	1,765	1,781	1,782	912	195.39%	-
WestRidge	-	-	-	-	-	187	213	187	228	233	200	116.50%	-
Total	2,218	2,427	2,520	2,567	2,866	3,256	3,796	4,392	5,141	5,236	3,677	142.40%	-
Total for District	18,403	18,808	19,337	19,442	19,851	20,151	20,408	21,037	21,760	22,120	25,045	88.32%	-

Source: Weld County School District 6 Finance Department

Teacher Salary Information
Last Ten Fiscal Years

Education	2006-2007			2007-2008			2008-2009			2009-2010		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	12.5	\$ 916,755	\$ 73,340	14.6	\$ 1,146,178	\$ 78,398	12.0	\$ 939,315	\$ 78,276	11.0	\$ 865,772	\$ 78,707
Ldrshp 2	3.0	221,625	73,875	8.1	642,639	78,948	7.1	569,152	80,162	4.0	330,792	82,698
Ldrshp 3	-	-	-	-	-	-	5.1	414,816	81,336	6.0	479,068	79,845
BA	155.4	5,087,557	32,738	151.4	5,190,857	34,288	170.9	5,995,783	35,084	4.0	318,690	79,673
BA12	90.7	3,383,261	37,302	81.4	3,112,764	38,259	75.3	3,023,279	40,150	209.8	7,285,241	34,718
BA24	75.1	2,982,886	39,719	76.9	3,276,644	42,620	82.7	3,586,494	43,368	72.4	2,849,019	39,329
BA36	53.3	2,283,902	42,850	37.7	1,743,187	46,214	47.0	2,162,989	46,021	77.3	3,287,094	42,540
BA48	40.4	1,977,012	48,936	44.4	2,260,778	50,884	33.0	1,764,411	53,467	46.5	2,195,221	47,209
BA60	79.5	4,269,316	53,702	76.8	4,420,753	57,547	82.9	4,965,301	59,895	31.1	1,572,552	50,489
EDS	27.5	1,471,996	53,527	24.3	1,367,359	56,247	19.8	1,217,521	61,491	82.3	4,900,545	59,511
MA	132.1	5,631,036	42,627	121.2	5,340,323	44,069	114.3	5,174,898	45,275	162.0	7,101,921	43,828
MA12	78.4	3,741,746	47,726	96.3	4,701,389	48,830	92.0	4,671,742	50,780	85.1	4,313,216	50,656
MA24	56.0	2,991,771	53,424	62.7	3,326,719	53,066	50.3	2,814,204	55,948	49.8	2,742,035	55,050
MA36	67.1	3,844,488	57,295	50.1	3,035,956	60,622	52.9	3,031,844	57,313	52.6	2,959,300	56,260
MA48	54.5	3,347,351	61,419	56.9	3,637,149	63,967	62.6	4,204,332	67,162	47.8	3,140,760	65,775
MA60	155.5	10,000,178	64,310	146.3	9,797,987	66,995	134.2	9,261,999	69,016	141.7	9,668,021	68,229
PHD	8.4	424,845	50,577	7.9	423,683	53,904	7.2	409,670	56,899	31.5	1,848,720	58,612
TOTAL	1089.4	\$ 52,575,725	\$ 48,261	1056.9	\$ 53,424,365	\$ 50,548	1049.3	\$ 54,207,750	\$ 51,661	1114.9	\$ 55,857,967	\$ 50,101

Education	2010-2011			2011-2012			2012-2013			2013-2014		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	7.0	\$ 579,854	\$ 82,836	4.0	\$ 304,624	\$ 76,156	2.0	\$ 166,342	\$ 83,171	1.0	\$ 85,333	\$ 85,333
Ldrshp 2	8.0	681,403	85,175	7.0	555,299	79,328	3.0	246,406	82,135	3.0	260,464	86,821
Ldrshp 3	2.0	162,396	81,198	2.0	162,396	81,198	1.0	84,256	84,256	-	-	-
Ldrshp 4	0.0	-	-	0.0	-	-	0.0	-	-	3.0	263,860	87,953
Ldrshp 5	0.0	-	-	0.0	-	-	0.0	-	-	3.0	266,531	88,844
Ldrshp 6	0.0	-	-	0.0	-	-	0.0	-	-	-	-	-
BA	5.0	412,128	82,426	4.0	330,415	82,604	4.0	342,905	85,726	237.7	8,733,549	36,742
BA12	208.4	7,001,700	33,597	236.3	7,916,575	33,504	236.8	8,549,374	36,104	80.7	3,431,236	42,518
BA24	66.2	2,571,049	38,838	64.5	2,468,153	38,266	80.8	3,237,298	40,066	63.3	2,845,339	44,950
BA36	70.0	2,962,347	42,319	74.1	3,056,810	41,252	62.1	2,720,425	43,807	48.7	2,446,504	50,236
BA48	38.0	1,788,443	47,064	45.5	2,105,799	46,281	47.3	2,255,736	47,690	18.5	1,042,713	56,363
BA60	27.0	1,385,235	51,305	24.0	1,181,708	49,238	24.0	1,260,291	52,512	60.5	3,679,787	60,823
MA	158.3	6,611,360	41,765	154.4	6,429,100	41,633	196.4	8,558,230	43,576	198.3	8,917,086	44,968
MA12	83.2	4,172,994	50,156	74.4	3,645,374	48,967	65.5	3,258,118	49,742	69.9	3,667,329	52,465
MA24	54.1	2,840,351	52,502	54.2	2,826,869	52,112	70.2	3,795,649	54,069	67.6	3,774,176	55,831
MA36	43.8	2,564,427	58,549	45.3	2,590,910	57,194	41.2	2,461,404	59,743	50.8	3,028,173	59,610
MA48	33.8	2,191,339	64,833	43.0	2,651,365	61,660	38.4	2,428,123	63,232	36.4	2,366,377	65,010
MA60	148.8	10,034,581	67,437	141.6	9,443,598	66,716	130.2	9,013,641	69,229	117.3	8,574,697	73,101
PHD/EDS	112.3	6,601,462	58,784	105.0	6,073,753	57,793	103.3	6,154,899	59,583	41.8	2,606,102	62,347
TOTAL	1065.9	\$ 52,561,069	\$ 49,311	1079.3	\$ 51,742,748	\$ 47,943	1106.2	\$ 54,533,097	\$ 49,298	1101.5	\$ 55,989,256	\$ 50,830

Education	2014-2015			2015-2016		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	-	-	-	4.00	356,257	89,064
Ldrshp 2	1.0	90,018	90,018	-	-	-
Ldrshp 3	1.0	87,743	87,743	-	-	-
Ldrshp 4	1.0	91,192	91,192	1.0	93,015	93,015
Ldrshp 5	2.0	177,776	88,888	-	-	-
Ldrshp 6	3.0	272,287	90,762	3.0	277,729	92,576
Ldrshp 7	-	-	-	1.0	91,847	91,847
BA	246.2	9,359,538	38,016	277.7	10,261,096	36,950
BA12	66.1	2,819,752	42,659	71.4	3,020,067	42,298
BA24	60.7	2,806,596	46,237	49.8	2,276,474	45,712
BA36	49.3	2,521,832	51,153	38.2	2,003,131	52,438
BA48	16.2	919,101	56,735	25.0	1,367,753	54,710
BA60	55.0	3,495,168	63,549	53.0	3,315,815	62,563
MA	215.8	9,885,011	45,806	241.6	10,871,442	44,998
MA12	77.9	4,084,159	52,428	81.4	4,274,748	52,515
MA24	57.4	3,257,645	56,753	46.1	2,613,121	56,684
MA36	46.1	2,767,274	60,028	44.5	2,785,711	62,600
MA48	41.7	2,756,805	66,110	37.6	2,334,264	62,081
MA60	113.6	8,282,740	72,911	113.6	8,175,707	71,969
PHD/EDS	31.4	2,078,923	66,208	38.1	2,305,293	60,506
TOTAL	1085.4	\$ 55,753,561	\$ 51,367	1127.0	\$ 56,423,470	\$ 50,065

Source: Weld County School District Business Services and Human Resources Departments

- Notes:
- Represents full-time, licensed classroom teachers as quantified by Weld County School District 6.
 - Salaries listed as base salary for each classification.

Schedule 19

**Miscellaneous Statistics
Last Ten Fiscal Years**

Fiscal Year	General Fund Expenditures (1)	FTE Student Enrollment	General Fund Expenditures Per Pupil	Percentage Increase (Decrease)	Inflation Rate
2007	116,245,377	17,304	6,718.03	6.93%	2.19%
2008	105,793,200	17,553	6,027.07	-10.29%	3.40%
2009	123,570,652	18,089	6,831.26	13.34%	-0.70%
2010	128,681,404	18,098	7,110.26	4.08%	1.90%
2011	126,966,355	18,437	6,886.50	-3.15%	1.78%
2012	128,090,698	18,749	6,831.87	-0.79%	2.1%
2013	140,695,331	20,440	6,883.33	0.75%	2.77%
2014	146,960,075	21,037	6,985.79	1.49%	2.78%
2015	159,123,315	21,760	7,312.65	4.68%	2.79%
2016	168,802,700	22,120	7,631.23	4.36%	(2)

Source: Weld County School District 6 Finance Department and U.S. Department of Labor, Bureau of Labor Statistics

Notes:

- (1) The General Fund expenditures include the General Operating Fund, Dental Fund, Poudre Learning Center Fund, Risk Management Fund, and Colorado Preschool Fund.
(2) 2016 inflation rate not yet available as of October 2016.



Single Audit Section

The Single Audit Act Amendments of 1996 mandate independent financial and compliance audits of federal award programs. In addition to the required independent auditor's reports, the schedules of expenditures of federal awards and summary of findings and questioned costs are provided to support the requirements for compliance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Weld County School District No. 6
Greeley, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weld County School District 6, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Weld County School District 6's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Weld County School District 6's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weld County School District 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Weld County School District 6's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weld County School District 6's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 18, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Weld County School District No. 6
Greeley, Colorado

Report on Compliance for Each Major Federal Program

We have audited Weld County School District 6's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Weld County School District 6's major federal programs for the year ended June 30, 2016. Weld County School District 6's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Weld County School District 6's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Weld County School District 6's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Weld County School District 6's compliance.

Opinion on Each Major Federal Program

In our opinion, Weld County School District 6 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Weld County School District 6 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Weld County School District 6's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weld County School District 6's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 18, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	5334	\$ 451,031
Passed through Colorado Department of Education			
21st Century Community Learning Centers	84.287	5287	795,194
McKinney-Vento: Education for Homeless Children	84.196A	5196	11,435
Advanced Placement for Disadvantaged Students	84.330	5330	8,036
High School Graduation Initiative	84.360	5360	37,653
Race to the Top: Phase 3	84.412	5412	16,289
Department of Education Title I Cluster			
Title I, Part A: Improving Basic Programs	84.010	4010	5,047,980
Title I, Part A: Diagnostic Review	84.010	5010	50,000
Title I, Part D: Alternative Homes for Youth	84.010A	7010	13,775
Total of Department of Education Title I Cluster			<u>5,111,755</u>
Title II, Part A: Improving Teacher Quality	84.367	4367	626,417
Title III, Part A: English Language Acquisition	84.365	4365	202,320
Title V, Part B: Public Charter School Grant	84.282	5282	218,742
Special Education Cluster			
IDEA Part B	84.027	4027	3,505,285
IDEA Preschool	84.173	4173	87,540
Indicator 14	84.027A	5027	4,305
Total of Special Education Cluster			<u>3,597,130</u>
Passed through Colorado Department of Human Services			
Rehabilitation: School to Work Alliance Program	84.126	5126	199,873
Passed through Colorado Community College and Occupational Education System			
Carl Perkins: Career and Technical Education	84.048	4048	171,029
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>11,446,904</u>
U.S. Department of Agriculture			
Passed through Colorado Department of Education			
NSLP Equipment Assistance	10.579	5579	340
Fresh Fruit/Vegetable	10.582	4582	241,566
Child Nutrition Cluster			
School Breakfast Program	10.553	4553	2,470,354
National School Lunch Program	10.555	4555	4,647,662
Summer Food Service Program for Children	10.559	4559	122,738
Donated Commodities	10.555		562,045
Total of Child Nutrition Cluster			<u>7,802,799</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>8,044,705</u>
U.S. Department of Transportation			
Passed through Regional Air Quality Council			
Highway Planning and Construction	20.205	7205	39,445
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>39,445</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$ 19,531,054</u></u>

* All numbers are based upon actual verified amounts.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

NOTE 1 – BASIS OF PRESENTATION

In the accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of 2 *CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2 – NONCASH FEDERAL AWARDS

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program. Commodities are recorded under CFDA #10.555 on the Schedule of Federal Awards. The commodities, in the amount of \$562,045, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools.

NOTE 3 – INDIRECT COSTS

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**WELD COUNTY SCHOOL DISTRICT #6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Numbers)

84.010
84.027 and 84.173

Name of Federal Program or Cluster

Title I
Special Education – Grants to States (IDEA, Part B)
and Special Education – Preschool Grants (IDEA
Preschool)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ \$750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**WELD COUNTY SCHOOL DISTRICT #6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.



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: 3120 - GREELEY 6
 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	20,836,664		130,830,036		129,236,652		22,430,047
18 Risk Mgmt Sub-Fund of General Fund	211,008		1,723,258		1,633,836		300,430
19 Colorado Preschool Program Fund	142,147		2,205,004		2,135,074		212,077
Sub-Total	21,189,818		134,758,298		133,005,562		22,942,554
11 Charter School Fund	13,547,261		46,639,542		42,888,927		17,297,876
20,26-29 Special Revenue Fund	3		1,445,792		1,445,792		3
21 Food Service Spec Revenue Fund	2,465,728		9,280,774		9,591,266		2,155,236
22 Govt Designated Purpose Grants Fund	0		15,112,394		15,112,394		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	12,093,178		9,706,385		9,227,368		12,572,195
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	3,273,757		1,377,530		2,945,121		1,706,166
Totals	52,569,745		218,320,716		214,216,433		56,674,030
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	114,352		10,726		12,098		112,980
74 Pupil Activity Agency Fund	1,145,303		1,697,238		1,692,234		1,150,307
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	1,259,655		1,707,964		1,704,331		1,263,287
FINAL							

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

