



# Comprehensive Annual Financial Report **2017**

For the fiscal  
year ended  
June 30, 2017

Fort Collins, Colorado



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**Poudre School District, Fort Collins, Colorado**

# **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2017**

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

**Published December 12, 2017**

**2017 Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017  
Table of Contents**

	<u>Page</u>
<b><u>Introductory Section</u></b>	
Letter of Transmittal .....	1-5
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	6
ASBO Certificate of Excellence in Financial Reporting .....	7
Organizational Chart .....	8
List of Elected and Appointed Officials.....	9
<b><u>Financial Section</u></b>	
<b>Independent Auditors' Report</b> .....	11-13
<b>Management's Discussion and Analysis</b> .....	15-25
<b>Basic Financial Statements</b>	
Government-Wide Statement of Net Position .....	27
Government-Wide Statement of Activities.....	28
Fund Financial Statements	
Governmental Funds Balance Sheet .....	29
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	30
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances .....	31
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities.....	32
Proprietary Funds Statement of Net Position.....	33
Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position .....	34
Proprietary Funds Statement of Cash Flows .....	35
Private-Purpose Trust Fund Statement of Fiduciary Net Position.....	36
Private-Purpose Trust Fund Statement of Changes in Fiduciary Net Position .....	37
Discretely Presented Component Units Statement of Net Position .....	38
Discretely Presented Component Units Statement of Activities.....	39
Notes to Basic Financial Statements .....	40-64
<b>Required Supplementary Information</b>	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis) .....	66-67
Reconciling Schedule of Actual Revenues, Expenditures and Changes in Fund Balances—GAAP Basis to Non-GAAP Budgetary Basis .....	68-69
Major Special Revenue Fund	
Designated Special Purpose Grants Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual .....	70

**2017 Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017  
Table of Contents  
(Continued)**

	<u>Page</u>
<b>Required Supplementary Information (Continued)</b>	
Notes to Budgetary Comparison Schedule .....	71
Schedule of the District’s Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plan .....	72
Schedule of the District Contributions – Defined Benefit Pension Plan .....	73
 <b>Supplementary Information</b>	
Fund Information .....	75
Debt Service Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual .....	76
Capital Projects Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual .....	77
Nonmajor Special Revenue Funds	
Combining Balance Sheet .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	79
Food Service—Special Service Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual .....	80
Public School Activities—Special Service Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual .....	81
Internal Service Funds	
Combining Statement of Net Position .....	82
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	83
Employee Self-Insurance—Internal Service Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position—Budget and Actual .....	84
Warehouse—Internal Service Fund—Schedule of Revenues, Expenses and Changes in Fund Net Position—Budget and Actual .....	85
Combining Statement of Cash Flows .....	86
Private-Purpose Trust Fund—Schedule of Changes in Fiduciary Net Position— Budget and Actual .....	87

**2017 Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017  
Table of Contents  
(Continued)**

**Statistical Section**

Statistical Section .....	89
---------------------------	----

**Table**

I Net Position by Component .....	90-91
II Changes in Net Position .....	92-95
III Fund Balance, Governmental Funds .....	96-97
IV Changes in Fund Balance, Governmental Funds .....	98-101
V Property Tax Levies and Collections .....	102
VI Property Tax Rates (Mills)—All Direct and Overlapping Governments .....	103
VII Assessed Value and Estimated Actual Value of Taxable Property .....	104
VIII Principal Property Taxpayers .....	105
IX Revenues by Source, Governmental Funds .....	106-107
X Ratios of Debt Outstanding and Outstanding Debt by Type .....	108
XI Legal Debt Margin Information .....	109
XII Direct and Overlapping Governmental Activities Debt .....	110
XIII Demographic Information .....	111
XIV Major Employers .....	112
XV Building Statistics .....	113-115
XVI Full-Time Equivalent District Employees .....	116
XVII Certified Staff Data .....	117
XVIII Free and Reduced Student Lunch Participation by School .....	118

**Colorado State Mandated Schedule Section**

Auditors Electronic Financial Data Integrity Check Figures .....	119
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# Introductory Section

Letter of Transmittal

GFOA Certificate of Achievement for  
Excellence in Financial Reporting

ASBO Certificate of Excellence in Financial  
Reporting

Organizational Chart

List of Elected and Appointed Officials





December 12, 2017

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

Colorado law requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. Pursuant to that requirement, we present the Comprehensive Annual Financial Report of Poudre School District for the fiscal year ended June 30, 2017.

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

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited Poudre School District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Poudre School District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering unmodified opinions that the financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Poudre School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's Single Audit Report for the fiscal year ended June 30, 2017.

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

## **Profile of the District**

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

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

Student enrollment has increased slightly in the last five years with an average growth rate of 1.2%; K-12 enrollment was 28,740 (including charter schools) for the 2016-17 school year and is projected to increase another .35% to approximately 28,850 students. Approximately 12,500 of these students were transported by the District's bus services each day, and an estimated 11,038 students per day ate the regular school lunch provided by the District's food services. The District employed approximately 3,355 full-time equivalent units. Teachers average 12 years' experience and 64 percent hold master's degrees and above. More than 20,000 parents and community members directly support student education by serving on School Accountability Committees, the District Accountability Committee, the District Advisory Board, or by volunteering.

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

Poudre School District (referred to as the primary government in some portions of this document) provides a full range of educational programs and services authorized by Colorado State Statutes. Included are basic kindergarten through twelfth-grade (K-12) education as well as preschool, special, vocational, gifted and talented, bilingual education and numerous services and programs. The District's standards-based curriculum challenges all students to achieve at high levels, meeting or exceeding the state's educational requirements. While the District's K-12 curriculum is delivered in its neighborhood school system, the District offers a variety of programs that meet academic standards through alternative curricula and instructional delivery methods. The District's "School Choice" program allows families to select schools that meet their children's educational needs. These offerings include International Baccalaureate, Core Knowledge Curriculum, Bilingual Immersion, Expeditionary Learning, elementary focus schools, non-traditional/non-graded, advanced placement, post-secondary college credit, alternative secondary, and online programs. Component units are included in the District's reporting entity because of the nature and significance of their operational or financial relationship with the District. Included as component units are four charter schools (Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori). For more information related to these component units, refer to the Notes to Basic Financial Statements.

## **Achievement**

Poudre School District prides itself on providing an outstanding education to our students. The mission of the District is "Educate...Every Child, Every Day" while the vision states "Poudre School District exists to support and inspire every child to think, to learn, to care, and to graduate prepared to be successful in a changing world." Following are some highlights related to achievement during the 2016-17 school year.

- District graduates earned millions of dollars in scholarships with multiple students attending prestigious universities or U.S. military academies.

- PSD has an amazing number of students who have been selected as prestigious scholars including 16 National Merit Scholar Finalists, one Boettcher Scholar, and three Daniels Fund scholars. In addition, 96% of the International Baccalaureate (IB) senior class earned full IB diplomas, compared to the national average of 70%, and another 485 students were recognized as Advanced Placement (AP) scholars.
- District-wide averages for students who met or exceeded expectations on standardized tests remain well ahead of state averages.
- Dropout rate was 1.7% in 2015-16, considerably less than the state average of 2.3%.
- The graduation increased 2.8% in 2015-16, from 78.6% to 81.4%
- 11th and 12th grade students consistently perform higher than students statewide on college entrance exams. All 11<sup>th</sup> graders took the SAT for the first time and outpaced their state counterparts on both overall score and meeting benchmarks. Scores from the Pre-SAT test, administered to 10th grade students during spring 2017 for the second time, showed that PSD students far exceeded the state average.
- Numerous students across the District were awarded local, regional, state or national recognition.
- 16 PSD schools were selected for CDE academic excellence awards

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

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

### **Economic Condition and Outlook**

As in the past several years, 2017 has seen continued moderate expansion of both the U.S. and Colorado economies. If this expansion continues for at least two more years as anticipated, it will become the longest expansion in U.S. history. However, even though the length of this expansion is remarkable, it has been relatively weak in comparison to other expansionary periods. While the U.S. economy is currently expanding, there are several important issues to note. The ongoing demographic change caused by the retirement of baby boomers is acting as a growth constraint due to slow wage growth and low inflation. Additionally, the Federal Reserve has indicated its intention to modify monetary policy in the near future. If the Federal Reserve chooses to make monetary policy changes at this point of the economic expansion, there are risks that suggest a recession may be possible.

Like many previous periods, economic growth in Colorado continues to be among the strongest in the nation. Notable factors include the state's low unemployment rate, high consumer confidence, and diverse business structure. As discussed in prior years, this diversity enables Colorado to better weather economic disruptions than states more dependent upon specific industries.

Northern Colorado economic conditions continue to be among the strongest in the state. After a period of declining oil prices, the energy sector has seen increased investment in 2017 due to stabilizing oil prices. Additionally, job gains, construction activity, and low regional unemployment continue to help the region. Even with the rapid escalation on home prices in the region, it is still more affordable than Metro Denver, making it a desirable location to both commuters and new residents alike.

### **Budget Impact**

The primary source of revenue provided to the District is defined in the current provisions of the Colorado Public School Finance Act of 1994, as amended annually. Funding provided from this Act is provided by a combination of local property tax, specific ownership tax, primarily from vehicle registrations, and state equalization aid. In November 2000, voters approved State Constitutional Amendment 23. Amendment 23 requires K-12 funding to increase by inflation plus 1% from 2001-2011 and by inflation after that. However, because of the past economic

downturn and Colorado's resulting budget challenges, increases that would otherwise be applied as defined under Amendment 23 will not be fully implemented through 2017-18. In June 2014 a lawsuit was filed against the State (Dwyer vs. State of Colorado) with the argument that reductions applied to K-12 funding are unconstitutional under Amendment 23. However, in September of 2015 the Colorado Supreme Court ruled that these reductions are constitutional. There are currently no Colorado school finance lawsuits outstanding.

Colorado's funding challenges have weighed heavily on all school districts in the State requiring an initial reduction of \$382 million below the amount that should be funded for K-12 education for fiscal year 2010-11. In fiscal year 2011-12 the legislature introduced a "negative factor" to Colorado's School Finance Formula. This "negative factor" quantifies the gap between the amounts that would otherwise be provided under Amendment 23 and the actual amount provided to school districts in Colorado through the School Finance Formula. Between fiscal years 2011-12 and 2013-14, the "negative factor" further advanced to over \$1.0 billion. In 2014-15 and 2015-16 the State Legislature took action to reduce the "negative factor." As of 2016-17, the total "negative factor" statewide was \$829 million. In the spring of 2017, the legislature formally renamed the "negative factor" the Budget Stabilization factor.

The Governor's office has presented the proposed State Budget which will be used to begin budget discussions for the 2018 Legislative Session. The Governor's budget proposal anticipates full funding for inflation and student growth, plus a reduction the Budget Stabilization factor of \$70 million. These changes together represent an average per pupil funding increase of \$343.40, a 4.5% increase over 2017-18. It is expected that the current gap in funding will remain into the foreseeable future, without a structural change to the State's budget and how K-12 education is funded in Colorado.

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

### **Long-Term Financial Planning**

In addition to monitoring economic outlooks and state budget concerns over the long term, the District also maintains a long range plan that helps guide the District's direction. The District's long range plan typically updated every 7 to 10 years, with minor adjustments being made in the interim. The current master plan was approved the Board of Education in 2016.

One benefit of this plan is that it drives the capital planning and long term financing methods of the District. The current plan calls for a new elementary school, two new 6-12 grade combination schools, athletic complex, transportation facility, plus numerous deferred maintenance projects at District facilities.

In November 2016, voters approved a \$375 million bond package to finance these improvements. When completed, these improvements should sustain the District until the next long range plan is developed.

### **Major Initiatives**

The Board of Education outlines the overarching goals for the District through its District Ends Policy. The Board of Education created the District Ends with input from all community stakeholders including administrators, classified staff, teachers, parents and business leaders. The District Ends are monitored annually and were last revised in August 2015. The Superintendent is charged with implementing programs to fulfill these goals and objectives. The Policy outlines PSD's four major goals, which seek to ensure that all students have a well-rounded education that prepares them to succeed in a changing world.

1. Foundations for Success: Colorado Academic Standards/Wellness
2. Success in a changing world: Post-Secondary Readiness
3. Above and Beyond: Individual levels of excellence for students
4. Connections: Academically and Socially connected to the school community

These goals form the basis for the major initiatives of the District. Currently, these initiatives include incorporating 21st century skills into the District's curriculum. These skills are necessary for students to succeed beyond high school either in a post-secondary institution or in the competitive workforce.

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

### **Audit Committee**

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

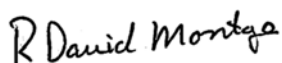
Based on recommendation from the Audit Committee, the District created an internal audit function. The scope and focus of the internal auditor's services concerns those activities that may have a direct impact on the District's compliance with accounting and financial standards, regulations, procedures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

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Poudre School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the nineteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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



R. David Montoya  
Executive Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Poudre School District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

**Poudre School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in cursive script, appearing to read 'Anthony N. Dragona', written over a horizontal line.

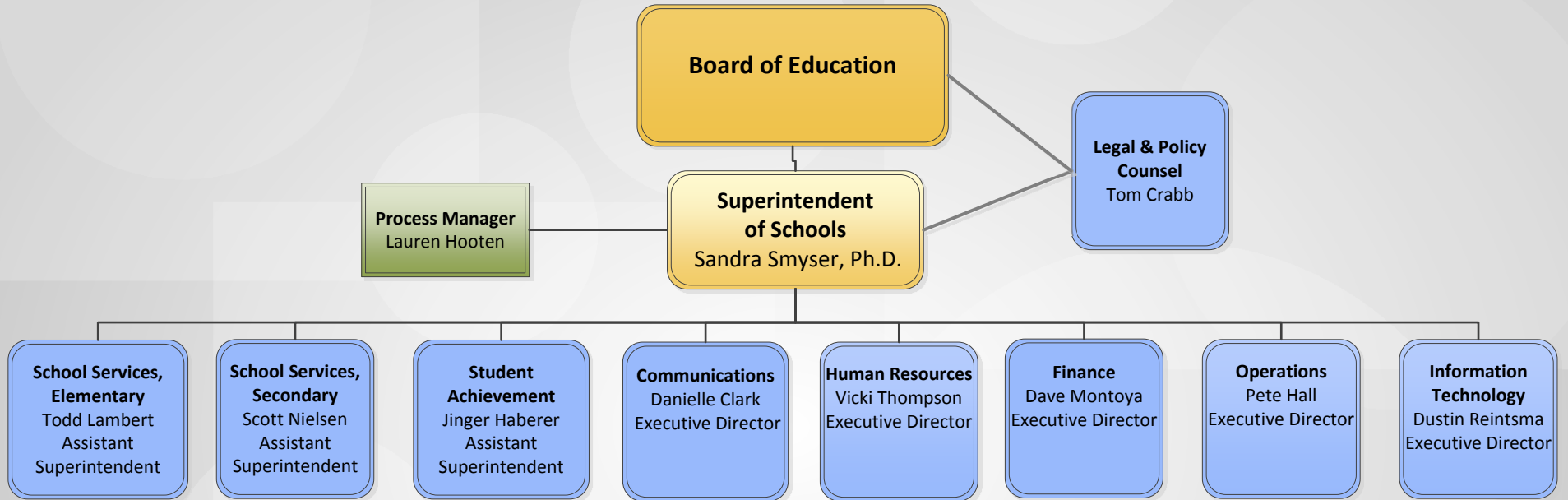
Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in cursive script, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE  
Executive Director

# Poudre School District Organizational Chart

## 2016-2017 School Year



**Poudre School District  
List of Elected and Appointed Officials  
June 30, 2017**

**Elected Officials - Board of Education**

**Term Expires**

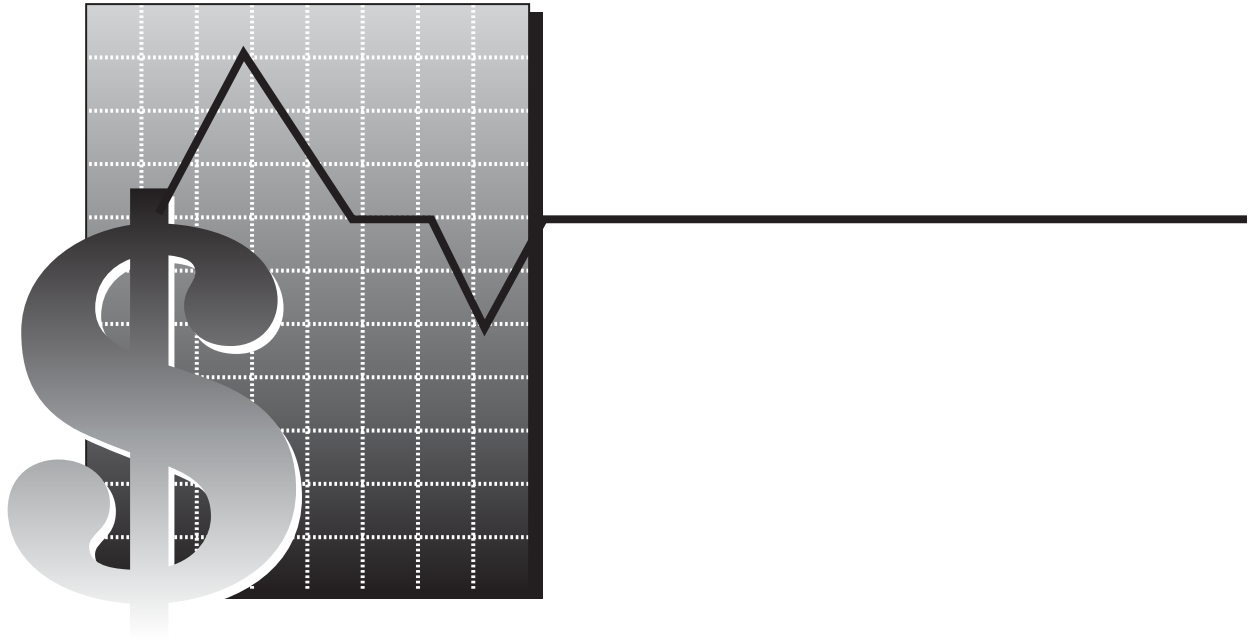
President	Cathy Kipp	2019
Vice President	David Trask	2017
Director	Christophe Febvre	2017
Director	Susan Gutowsky	2019
Director	Carolyn Reed	2017
Director	Rob Petterson	2019
Director	Nate Donovan	2019

**Appointed Officials**

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

**Superintendent's Cabinet**

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





# Financial Section

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information





# CliftonLarsonAllen

## INDEPENDENT AUDITORS' REPORT

Board of Education  
Poudre School District  
Fort Collins, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Poudre School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 15-25, the analysis and budgetary comparison information on pages 66-71, and the District's proportionate share of the net pension liability and schedule of employer contributions on pages 72-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the Auditor's Electronic Financial Data Integrity Check Figures as listed in the tables of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the Auditor's Electronic Financial Data Integrity Check Figures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the Auditor's Electronic Financial Data Integrity Check Figures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

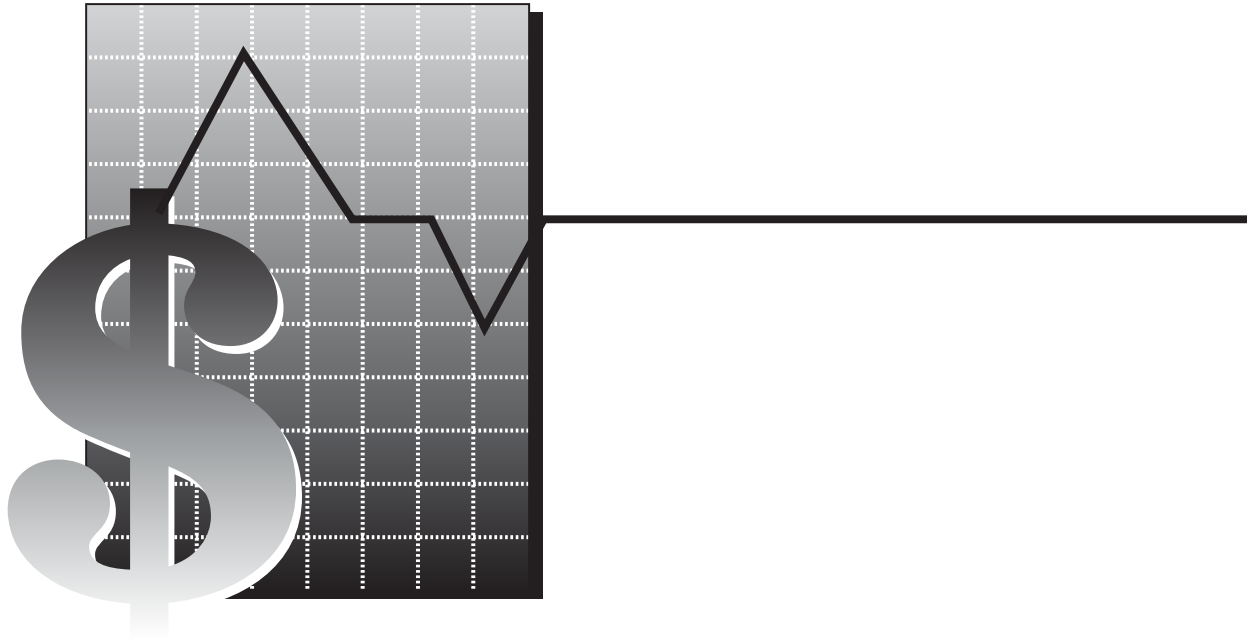
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
December 12, 2017





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## **Management's Discussion and Analysis**

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



## **Poudre School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017**

This section of Poudre School District's (District) Comprehensive Annual Financial Report offers readers of the District's financial statements a narrative overview and analysis of the financial activities of Poudre School District for the fiscal year ended June 30, 2017. Information in the Management's Discussion and Analysis is focused on the primary government unless specifically noted. We encourage readers to consider the information presented here in conjunction with additional information furnished by the letter of transmittal at the beginning of this report and the District's financial statements, which follow this section.

### **Financial Highlights**

- The District's total net position of governmental activities decreased \$160.7 million to a deficit of \$464.7 million, which represents a 53% decrease from the prior year. This decrease is due to the pension expense recognized in fiscal year 2017. Pension expense represents the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions. Absent the requirement to include this activity, the District's net position would have experienced an increase of \$19.6 million.
- General revenues, primarily property taxes and state equalization, accounted for \$279.3 million in revenue or 83% of all current fiscal year revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and restricted investment earnings accounted for \$57.9 million or 17% of total current fiscal year revenues.
- Among major funds, the General Fund had \$260.7 million in current fiscal year revenues, which primarily consisted of property taxes and state aid, and \$262.3 million in expenditures. The General Fund's fund balance decreased \$1.5 million over the prior year primarily due to less than anticipated equalization revenues due to less than projected student enrollment.
- The fund balance of the Capital Projects Fund decreased from \$24.4 million to \$14.8 million due to the utilization of bond proceeds received in prior years to fund school improvement projects.
- The District retired debt totaling \$28.1 million during the fiscal year through the payment of scheduled principal.

### **Overview of the Financial Statements**

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

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

The *statement of net position* presents information on all the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

position of the District is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as the condition of school buildings and other facilities, need to be considered.

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

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

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

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

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

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

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

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

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

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

***Notes to Basic Financial Statements***

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

***Other Information***

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

**Financial Analysis of the District as a Whole**

Net position may serve over time as a useful indicator of a government's financial position. Prior to the implementation of GASB 68 in fiscal year 2015, the District's net position reflected positive balances in all three categories of net position. At the end of the 2017 fiscal year, the District's net position reflected positive balances in net investment in capital assets and restricted, however, unrestricted net position was a deficit of \$621.5 million. This resulted in a total deficit net position of \$464.7 million, a decrease of \$160.7 million.

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

The following table provides a summary of the District's net position at June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016	Percent Change
Current assets	\$ 148,569,610	\$ 163,460,656	(9.1%)
Capital assets, net	261,572,023	261,887,195	(0.1%)
<b>Total assets</b>	<u>410,141,633</u>	<u>425,347,851</u>	(3.6%)
Deferred outflows of resources	<u>420,215,610</u>	<u>81,734,746</u>	414.1%
Current liabilities	30,899,963	35,445,223	(12.8%)
Long-term liabilities	1,259,207,460	767,521,928	64.1%
<b>Total liabilities</b>	<u>1,290,107,423</u>	<u>802,967,151</u>	60.7%
Deferred inflows of resources	<u>4,902,223</u>	<u>8,030,740</u>	(39.0%)
Net position			
Net investment in capital assets	89,615,195	69,088,476	29.7%
Restricted	67,269,078	62,861,134	7.0%
Unrestricted	(621,536,676)	(435,864,904)	(42.6%)
<b>Total net position</b>	<u>\$ (464,652,403)</u>	<u>\$ (303,915,294)</u>	(52.9%)

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

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

- The net addition of \$10.8 million in capital assets through various site improvements.
- The net addition of \$338.7 million in deferred outflows related to pensions.
- The principal retirement of \$28.1 million through scheduled bond payments and amortization of \$2.2 million in premium.
- The net increase in the net pension liability of \$521.9 million.

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

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

	Year Ended June 30, 2017	Year Ended June 30, 2016	Percent Change
<b>Revenues</b>	\$	\$	
Program Revenues			
Charges for services	23,278,889	20,326,124	14.5%
Operating grants and contributions	31,580,382	33,249,459	(5.0%)
Capital grants/restricted investment earnings	3,036,120	2,138,477	42.0%
<b>General revenues</b>			
Property taxes	152,692,336	149,368,884	2.2%
Equalization	112,176,713	110,657,525	1.4%
Other	14,477,155	12,976,644	11.6%
<b>Total revenues</b>	<u>337,241,595</u>	<u>328,717,113</u>	2.6%
<b>Expenses</b>			
Instruction	280,101,081	187,152,364	49.7%
Support services:			
Students	31,580,295	20,060,394	57.4%
Instructional staff	35,167,240	22,789,005	54.3%
General administration	5,197,005	3,312,293	56.9%
School administration	34,914,666	21,833,308	59.9%
Business	5,231,692	4,807,707	8.8%
Operations and maintenance of plant	33,043,216	24,089,053	37.2%
Student transportation	12,922,562	8,282,372	56.0%
Central	21,094,984	19,688,095	7.1%
Other	420,874	208,744	101.6%
Food service operations	12,044,275	9,904,744	21.6%
Other	2,326,453	3,085,632	(24.6%)
Debt service	6,606,717	7,654,857	(13.7%)
Charter school funding	17,327,644	16,683,753	3.9%
<b>Total expenses</b>	<u>497,978,704</u>	<u>349,552,321</u>	42.5%
<b>Change in net position</b>	(160,737,109)	(20,835,208)	(671.5%)
<b>Net position, beginning of year</b>	<u>(303,915,294)</u>	<u>(283,080,086)</u>	(7.4%)
<b>Net position, end of year</b>	\$ <u>(464,652,403)</u>	\$ <u>(303,915,294)</u>	(52.9%)

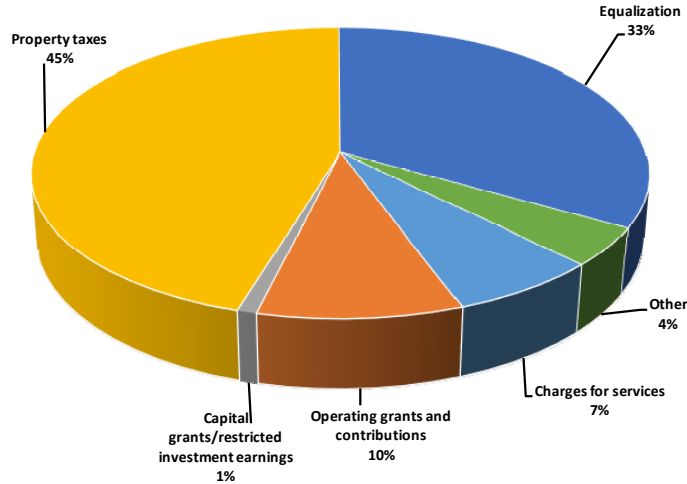
Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 45 cents and 33 cents respectively of every dollar raised. These revenues directly relate to the level of District enrollment. Another 10% came from grants and contributions, and the remainder came from fees charged for services and other miscellaneous sources.

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

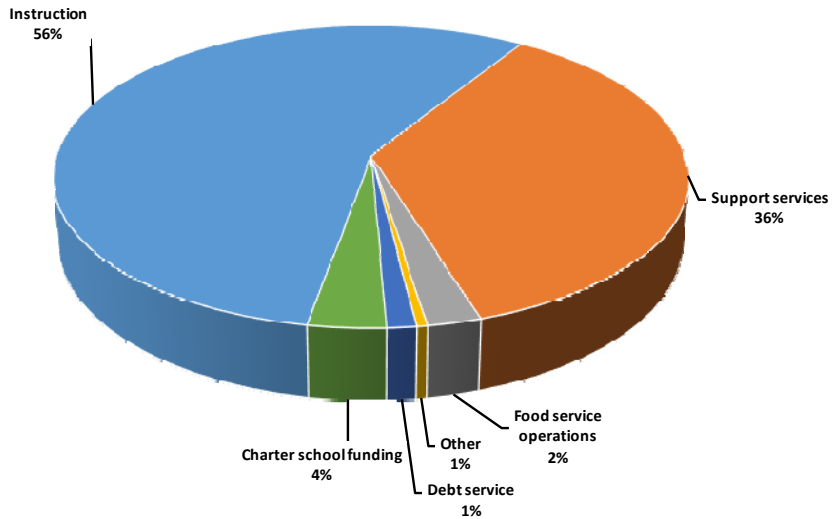
The following charts display revenues by source and expenses by program for the total school district.

# Poudre School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017 (Continued)

**Sources of Revenue for Fiscal Year 2017**



**Expenses for Fiscal Year 2017**



The decrease in net position for governmental activities in the 2017 fiscal year was approximately \$160.7 million. Key elements of the decrease in net position for governmental activities are as follows:

- The cost of all governmental activities in the 2017 fiscal year was \$498.0 million.
- Users of the District's programs financed some of the costs (\$23.3 million). Revenues in this category include items such as school meals, athletic fees; tuition for all-day kindergarten; and building rental income.

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

- Federal and state governmental grants, contributions by local governments, businesses and individuals and student fundraising profits subsidized certain programs amounting to \$31.6 million.
- District and state taxpayers financed most of the District's costs, with revenue from taxes (property taxes and specific ownership taxes) approximately \$166.4 million and state per-pupil formula revenue (Equalization) approximately \$112.2 million.
- Charges for services increased 14.5%. This increase relates to an increase in pupil activity fees to fund student related trips and activities.
- Capital grants and contributions/restricted investment earnings increased 42.0% over the prior fiscal year due to a significant increase in payments In lieu of Land (PILO) revenue.
- Other general revenues increased 11.6% over the prior year due to an increase in specific ownership taxes.
- Significant increases in expenses between the 2017 and the 2016 fiscal year occurred primarily due to the effect of \$210.1 million of pension expense recognized in fiscal year 2016, offset by \$29.8 million by the accrual accounting of District pension contributions.

**Financial Analysis of the District's Funds**

***Governmental Funds***

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

Overall fund balance in the District's governmental funds decreased approximately \$9.4 million, primarily due to the utilization of bond proceeds received in prior years to fund capital projects.

The General Fund is the principal operating fund of the District. The General Fund comprises 40.1% of the total fund balance. Approximately \$8.8 million or 20.5% of the General Fund's fund balance is unassigned. The decrease in fund balance of \$1.5 million to \$43.2 million was primarily due to less than anticipated equalization revenues due to less than projected student enrollment. The District's original budget anticipated a funded pupil count increase of 384.4, while the actual increase was 62.4, a difference of 297.2.

Among the other major funds, the Debt Service Fund had \$39.1 million in current fiscal year revenues, primarily comprised of property taxes, and \$36.9 million in debt service expenditures. The Debt Service Fund's fund balance increased \$2.2 million to \$44.5 million. The excess in revenues over expenditures was due to property tax collections to be utilized for scheduled payments of principal and interest in December 2017.

The fund balance in the Capital Projects Fund decreased \$9.6 million to \$14.8 million due to the utilization of bond proceeds collected in prior years for various site improvements. Revenues in the Designated Special Purpose Grants Fund were primarily comprised of Federal revenue (89.9%).

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

Fund balance in the Nonmajor Special Revenue Fund decreased \$583,231 due primarily to the utilization of fund balance in the Public School Activities Fund for student related trips and activities.

***Proprietary Funds***

Total net position in the internal service funds decreased \$333,506. The decrease was primarily due to a \$287,630 decrease in net position of the Employee Self-Insurance Fund.

**General Fund Budgetary Highlights**

The 2017 fiscal year budget was adopted in June 2016, with a revised (final) budget adopted in January 2017. The budgets for the District's General Fund for the 2017 fiscal year included assumptions related to key factors such as inflation, funded pupil count, and increases to employee compensation as a result of the annual negotiations process. There was a decrease in budgeted revenue of \$2.8 million between the original and final budget. The primary cause of this was due to the District not meeting funded pupil count estimates that were used in the development of the original budget. The District's original budget anticipated a funded pupil count increase of 384.4, while the actual increase was 62.4, a difference of 297.2. There was an increase of \$.5 million in appropriations between the original and final budget. The cause of this increase was slightly higher compensation costs than had been projected in the original budget. In response to the budgetary pressure exerted by the funded pupil count discrepancy, the District revised its fiscal year 2018 enrollment counts downward to reflect this trend.

On a budgetary basis, the projected fund balance presented in the final budget was approximately \$55.8 million, approximately \$1.4 million lower than actual results of \$57.2 million for the fiscal year. Actual General Fund revenue and other financing sources that occurred during the 2017 fiscal year were \$260.8 million and actual expenditures and other financing uses on a budgetary basis were approximately \$262.0 million. Of the \$1.1 million of expenditures in excess of revenue, \$0.7 million was one-time spending on the District's Long-Range Planning efforts, which was supported by reducing the District's reserve balance for long range planning.

District policy states that the District shall strive to maintain an appropriated reserve amount in its General Fund within the range of 3% to 5% of each fiscal year's expenditures and other financing uses. This reserve amount is intended to safeguard against unanticipated expenditures and/or unrealized revenues, as well as to help maintain a high credit rating for the District and reduce the need for short-term borrowing. In addition to this established reserve within the unassigned fund balance category, the Board also authorized a contingency reserve of 2% of General Fund expenditures and other financing uses through their annual budget resolution process.

The difference between the District's GAAP and non-GAAP fund balance is \$13,993,321. This amount relates to compensation earned as of June 30, 2017, but not paid until July 2017. In the budgetary basis fund balance, this amount is represented as assigned fund balance. The remainder of the District's fund balance (GAAP basis fund balance) is classified into non-spendable of \$85,080, restricted of \$17,453,772, assigned of \$16,825,357, and unassigned of \$8,849,931. Unassigned fund balance in the District's General Fund represents approximately 3.6% of non-GAAP basis expenditures and other financing uses. The ending unassigned fund balance is below the established range identified in District policy of 5% to 7% (3% to 5% appropriated reserve plus 2% Board-approved contingency reserve). The District has taken several steps to restore unassigned fund balance to required levels. In fiscal year 2017, the District recovered excess carryover from schools and departments that had previously been held in the assigned reserves for carryover budgets. In fiscal year 2018 the District is using revenue from the 2016 mill levy override as one method to increase unassigned reserves. Additionally, if enrollment comes in higher than projected, the District also has the ability to use a portion of of the new per pupil revenue to help restore unassigned reserves to appropriate levels.

**Poudre School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

**Capital Assets**

By the end of fiscal year 2017, the District had invested \$467.4 million in a broad range of capital assets, including land, intangible assets (water rights), buildings, site improvements, vehicles and other equipment. This amount represents a net increase prior to depreciation of approximately \$10.8 million primarily due to various capital projects for site renovations. Total depreciation expense for the year was approximately \$11.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Land	\$ 21,530,241	\$ 21,530,241
Construction in progress	4,017,315	9,076,019
Water rights	1,773,451	1,773,451
Buildings, net	216,547,035	212,333,130
Site improvements, net	8,010,384	8,384,480
Vehicles, net	3,879,789	2,472,293
Software, net	519,985	602,686
Other equipment, net	5,293,823	5,714,895
Total capital assets, net	<u>\$ 261,572,023</u>	<u>\$ 261,887,195</u>

Additional information about the District’s capital assets is presented in Note 4 to the basic financial statements.

**Long-Term Debt Activity**

At year-end, the District had approximately \$186.8 million in long-term debt outstanding, \$17.6 million due within one year. The District retired debt totaling \$30.3 million during the fiscal year through the payment of scheduled principal and amortization of premium. Outstanding long-term debt decreased approximately \$30.3 million or 14.0% resulting from the retirement of debt and amortization of premium.

Colorado Revised Statute (C.R.S.) 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specified formula. The District’s outstanding debt is below the limit. See Table XI in the Statistical Section of this document for detailed computations associated with the limit.

The District maintains an “Aa2” rating from Moody’s and an “AA+” from Fitch for general obligation debt.

Additional information about the District’s long-term debt is presented in Note 5 to the basic financial statements.

**Factors Bearing on the District’s Future**

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

- Fluctuations in student enrollment directly impact the financial resources the District uses to operate since the primary source of revenue is per pupil funding. District K-12 enrollment has been relatively stable for the past five years, with slight increases in the past few years. While the 2016-17 school year saw an increase, it was not nearly as substantial as the previous four years. The District is again anticipating enrollment growth for the 2017-18 school year, however, the District has revised this growth percentage downward based on 2016-17 school year actuals.

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

2016-17 school year saw an increase, it was not nearly as substantial as the previous four years. The District is again anticipating enrollment growth for the 2017-18 school year, however, the District has revised this growth percentage downward based on 2016-17 school year actuals. The growth is attributable to a number of factors, particularly the economy and desirability of living in the District. Additionally, enrollment data indicates that enrollment growth in the next several years will average approximately 1.1% per year.

- Under state law, the District may contract with individuals and organizations for the operation of schools, referred to as “charter schools,” within the District. For purposes of the Public School Finance Act, pupils enrolled in a charter school in the District are included in the pupil enrollment of the District. Such charter schools are financed in part from a portion of the District’s revenues received under the Public School Finance Act. The District is required to pay a charter school a certain percentage of per pupil revenues for each pupil enrolled in such charter school, less certain central administrative costs. The addition of new charter schools or expansion of existing charter schools could impact the District’s finances. Currently, there is one potential charter school going through the application process with the Board of Education. If approved, the school could open as early as the 2018-19 school year.
- The District continues to monitor the State’s financial status. While Colorado’s economic expansion continues to be moderate, structural problems with the State’s budget and growing costs in education and health services are continuing to put pressure on the state budget. The Governor’s budget proposal incorporates funding for inflation and enrollment growth for education, plus a \$70 million decrease to the Budget Stabilization factor. If approved, this would bring the Budget Stabilization factor total down to \$758 million, or 9.8% of formula funding. The District will monitor economic reports and forecast throughout the year to determine what potential impacts the State’s budget decisions will have on the District.
- As part of its ongoing work in planning for the future and accounting for growth in the region, the Board of Education unanimously approved submitting for voter consideration a bond and mill levy override package in August 2016. This package consisted of a \$375 million bond and an \$8 million mill levy override. The bond measure narrowly passed at 50.04% and the mill levy passed at 58.12%. This plan includes the building of two new middle/high schools, a new elementary school, a permanent addition to Zach Elementary, a new shared athletic complex, a new transportation maintenance facility and some deferred maintenance at all schools.
- Colorado’s public-school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. Appropriation decisions regarding the State’s share of Total Program Funding are made on an annual basis by the State legislature. It is possible that the General Assembly may cut public school funding as part of overall State spending cuts in the future. As a result, the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws (including but not 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, has been increasing employer contributions for a number of years. These increases will culminate in a rate of 20.15% in January 2018. The current rate of 19.65% will increase .5% effective January 2018, for a total of 20.15%. This is the last scheduled rate increase. 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. Additionally, the PERA board has recently recommended a

**Poudre School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

combination of changes to the plan, which include additional employer contributions. The District will monitor this recommendation and any related legislative changes and plan accordingly.

- Rising nationwide healthcare costs are a consideration as the District evaluates the benefits provided to employees. The District is cautious about how to manage increases in benefits costs that significantly exceed the increases in revenues from year to year. The District's Benefits Committee will continue to meet to discuss, analyze and recommend the level of benefits being offered to employees.
- The nation's economic situation continues to be a factor in the financial outlook of the District as it relates to federal funding resources. The District will continue to monitor potential impacts and incorporate anticipated changes into future years' operations.

In regard to the above-mentioned factors, preparation for the 2019 fiscal year budget has begun.

**Contacting the District's Financial Management**

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

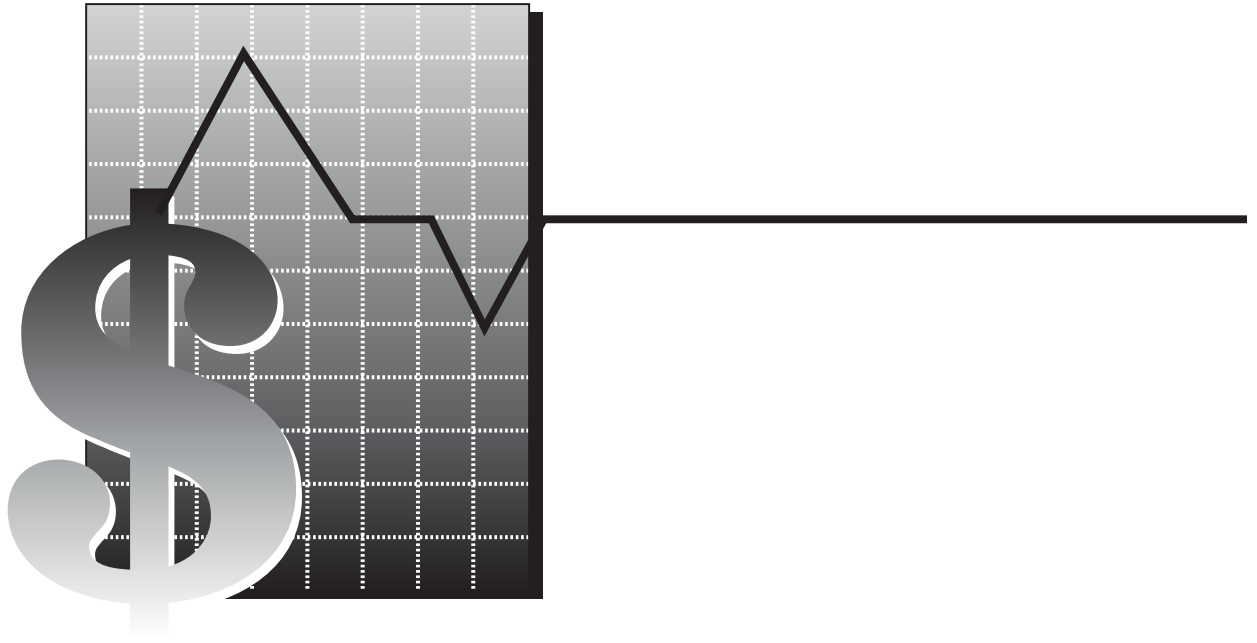
Complete financial statements for each discretely presented component unit (charter schools) are available at each school's administrative office.

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

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

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

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





## **Basic Financial Statements**

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



**Poudre School District**  
**Government-Wide Statement of Net Position**  
**June 30, 2017**

	<b>Primary Government Governmental Activities</b>	<b>Discretely Presented Component Units</b>
<b>ASSETS</b>		
Cash and investments (including restricted amounts)	\$ 134,339,113	\$ 9,204,678
Cash with Larimer County Treasurer	1,956,972	—
Accrued interest	26,129	—
Property taxes receivable	3,890,750	—
Receivable from grantor agencies	4,545,288	—
Accounts receivable	2,835,180	32,607
Due from component units	22,019	—
Due from primary government	—	4,326
Prepaid items and other assets	345,658	147,471
Inventory	608,501	—
Land	21,530,241	3,228,720
Construction in progress	4,017,315	47,382
Water rights	1,773,451	12,864
Other capital assets, net of accumulated depreciation:		
Buildings and site improvements	224,557,419	22,402,779
Vehicles	3,879,789	55,859
Software	519,985	—
Other equipment	5,293,823	514,072
	<hr/>	<hr/>
Total assets	410,141,633	35,650,758
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	419,370,667	23,175,917
Deferred charges on debt refunding	844,943	120,201
Total deferred outflows of resources	<hr/>	<hr/>
	420,215,610	23,296,118
<b>LIABILITIES</b>		
Accounts payable	11,076,820	238,767
Due to component units	4,326	—
Due to primary government	—	22,020
Accrued salaries and benefits	15,252,488	709,082
Accrued interest	334,723	487,169
Retirement severance payable	250,146	—
Unearned revenue	373,981	251,605
Estimated liability for unsubmitted claims	3,607,479	—
Noncurrent liabilities:		
Due within one year	17,760,000	619,065
Due in more than one year	1,241,447,460	80,081,742
	<hr/>	<hr/>
Total liabilities	1,290,107,423	82,409,450
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	4,839,782	300,007
Deferred credit on debt refunding	62,441	62,737
Total deferred inflows of resources	<hr/>	<hr/>
	4,902,223	362,744
<b>NET POSITION</b>		
Net investment in capital assets	89,615,195	1,563,830
Restricted for:		
Debt service	44,478,087	1,509,773
TABOR	8,505,000	560,838
School site acquisition, expansion and development	8,903,772	—
Construction/repair and replacement of facility	—	240,296
Public school activities	4,046,123	—
Food service activities	1,101,987	192,798
Payment of claims	234,109	—
Unrestricted	<hr/>	<hr/>
	(621,536,676)	(27,892,853)
Total net position	<hr/>	<hr/>
	\$ (464,652,403)	\$ (23,825,318)

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

**Poudre School District  
Government-Wide Statement of Activities  
For the Fiscal Year Ended June 30, 2017**

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants/Restricted Investment Earnings	Governmental Activities	Component Units
<b>Primary government:</b>						
Governmental activities:						
Instruction	\$ 280,101,081	\$ 10,116,912	\$ 18,080,298	\$ —	\$ (251,903,871)	
Support services:						
Students	31,580,295	—	2,478,300	—	(29,101,995)	
Instructional staff	35,167,240	189,014	1,785,237	—	(33,192,989)	
General administration	5,197,005	324,447	165,300	—	(4,707,258)	
School administration	34,914,666	—	58,798	—	(34,855,868)	
Business	5,231,692	92,300	528,447	—	(4,610,945)	
Operations and maintenance of plant	33,043,216	—	14,700	—	(33,028,516)	
Student transportation	12,922,562	59,687	1,680,280	—	(11,182,595)	
Central	21,094,984	8,196,984	185,019	—	(12,712,981)	
Other	420,874	—	94,350	—	(326,524)	
Food services operations	12,044,275	3,921,050	5,253,231	—	(2,869,994)	
Community services	469,803	378,495	210,699	—	119,391	
Education for adults	80,825	—	—	—	(80,825)	
Facilities acquisition and construction	373,434	—	—	3,036,120	2,662,686	
Unallocated depreciation	1,402,391	—	—	—	(1,402,391)	
Debt service	6,606,717	—	1,045,723	—	(5,560,994)	
Charter school funding	17,327,644	—	—	—	(17,327,644)	
<b>Total primary government</b>	<b>\$ 497,978,704</b>	<b>\$ 23,278,889</b>	<b>\$ 31,580,382</b>	<b>\$ 3,036,120</b>	<b>\$ (440,083,313)</b>	
<b>Component units</b>	<b>\$ 29,137,208</b>	<b>\$ 1,651,729</b>	<b>\$ 576,224</b>	<b>\$ 276,081</b>		<b>\$ (26,633,174)</b>
General revenues:						
Property taxes, levied for general purposes				\$ 114,781,585	—	
Property taxes, levied for debt services				37,910,751	—	
Specific ownership taxes				13,754,704	—	
Unrestricted earnings on investments				365,548	23,223	
Miscellaneous				356,903	1,215,872	
Equalization				112,176,713	—	
Charter school funding				—	15,945,370	
<b>Total general revenues</b>				<b>279,346,204</b>	<b>17,184,465</b>	
Change in net position				(160,737,109)	(9,448,709)	
Net position at beginning of year, restated				(303,915,294)	(14,376,609)	
Net position at end of year				<b>\$ (464,652,403)</b>	<b>\$ (23,825,318)</b>	

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

**Poudre School District  
Governmental Funds  
Balance Sheet  
June 30, 2017**

	General	Debt Service	Capital Projects	Designated Special Purpose Grants	Nonmajor Special Revenue	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments (including restricted amounts)	\$ 57,522,490	\$ 43,676,083	\$ 15,944,879	\$ —	\$ 6,405,352	\$ 123,548,804
Cash with Larimer County Treasurer	1,786,481	170,491	—	—	—	1,956,972
Accrued interest	25,698	—	431	—	—	26,129
Property taxes receivable	2,924,514	966,236	—	—	—	3,890,750
Receivable from grantor agencies	—	—	—	4,535,879	9,409	4,545,288
Accounts receivable	2,001,090	—	—	—	13,603	2,014,693
Prepaid items	85,080	—	—	—	1,444	86,524
Inventory	—	—	—	—	362,697	362,697
Due from component units	22,019	—	—	—	—	22,019
Due from other funds	3,873,013	—	—	—	—	3,873,013
<b>Total assets</b>	<b>\$ 68,240,385</b>	<b>\$ 44,812,810</b>	<b>\$ 15,945,310</b>	<b>\$ 4,535,879</b>	<b>\$ 6,792,505</b>	<b>\$ 140,326,889</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 8,478,407	\$ —	\$ 1,173,549	\$ 82,753	\$ 357,115	\$ 10,091,824
Accrued salaries and benefits	13,993,322	—	—	913,793	345,373	15,252,488
Retirement severance payable	250,146	—	—	—	—	250,146
Unearned revenue	129,895	—	—	244,086	—	373,981
Due to component units	4,326	—	—	—	—	4,326
Due to other funds	—	—	—	3,295,247	577,766	3,873,013
Estimated liability for unsubmitted claims	1,156,000	—	—	—	—	1,156,000
<b>Total liabilities</b>	<b>24,012,096</b>	<b>—</b>	<b>1,173,549</b>	<b>4,535,879</b>	<b>1,280,254</b>	<b>31,001,778</b>
Deferred inflows of resources:						
Unavailable property taxes	1,014,149	335,018	—	—	—	1,349,167
<b>Total liabilities and deferred inflows of resources</b>	<b>25,026,245</b>	<b>335,018</b>	<b>1,173,549</b>	<b>4,535,879</b>	<b>1,280,254</b>	<b>32,350,945</b>
Fund balances:						
Nonspendable:						
Prepaid items	85,080	—	—	—	1,444	86,524
Inventory	—	—	—	—	362,697	362,697
Restricted for:						
TABOR - emergency reserves	7,860,000	—	—	—	—	7,860,000
TABOR - multi-year contracts	645,000	—	—	—	—	645,000
School site acquisition, expansion and development	8,903,772	—	—	—	—	8,903,772
Debt service	—	44,477,792	—	—	—	44,477,792
Capital projects	—	—	14,090,853	—	—	14,090,853
Public school activities	—	—	—	—	4,046,123	4,046,123
Food service	—	—	—	—	1,101,987	1,101,987
Payment of claims	45,000	—	—	—	—	45,000
Assigned for:						
Carryover budgets	16,825,357	—	—	—	—	16,825,357
Capital projects	—	—	680,908	—	—	680,908
Unassigned:						
Required contingency reserves	4,898,824	—	—	—	—	4,898,824
Appropriated reserve	3,951,107	—	—	—	—	3,951,107
<b>Total fund balances</b>	<b>43,214,140</b>	<b>44,477,792</b>	<b>14,771,761</b>	<b>—</b>	<b>5,512,251</b>	<b>107,975,944</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 68,240,385</b>	<b>\$ 44,812,810</b>	<b>\$ 15,945,310</b>	<b>\$ 4,535,879</b>	<b>\$ 6,792,505</b>	<b>\$ 140,326,889</b>

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

**Poudre School District**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Position**  
**June 30, 2017**

<b>Total fund balances - governmental funds</b>	\$	107,975,944
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes not available soon enough to pay for the current periods expenditures are not recorded in the funds		1,349,167
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Governmental capital assets	\$ 467,229,248	
Accumulated depreciation	<u>(205,721,956)</u>	261,507,292
Deferred outflows/inflows of resources are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflow on debt refunding	844,943	
Deferred inflow on debt refunding	(62,441)	
Deferred inflow related to pensions	(4,839,782)	
Deferred outflow related to pensions	<u>419,370,667</u>	415,313,387
Internal service funds are used by the District's management to charge certain activities such as employee self-insurance and warehouse to individual funds. The account balances of the internal service funds are included in governmental activities.		8,714,460
Accrued interest is not due and payable in the current period and therefore not reported as a liability in the funds.		(334,723)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	(175,845,000)	
Bond premium payable	(10,985,183)	
Net pension liability	(1,071,153,104)	
Compensated absences	<u>(1,194,643)</u>	<u>(1,259,177,930)</u>
<b>Total net position - governmental activities</b>	\$	<u><u>(464,652,403)</u></u>

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

**Poudre School District  
Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Designated Special Purpose Grants</u>	<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:						
Local sources	\$ 139,031,617	\$ 38,071,339	\$ 143,928	\$ 272,336	\$ 11,848,221	\$ 189,367,441
State sources	121,690,063	—	—	1,121,952	141,343	122,953,358
Federal sources	<u>17,810</u>	<u>1,045,723</u>	<u>—</u>	<u>12,114,835</u>	<u>5,111,888</u>	<u>18,290,256</u>
Total revenues	<u>260,739,490</u>	<u>39,117,062</u>	<u>143,928</u>	<u>13,509,123</u>	<u>17,101,452</u>	<u>330,611,055</u>
Expenditures:						
Current—						
Instruction	142,753,689	—	—	8,474,087	7,348,976	158,576,752
Support services:						
Students	15,356,584	—	—	2,493,171	263,634	18,113,389
Instructional staff	18,574,992	—	—	1,728,454	187,769	20,491,215
General administration	3,357,808	—	—	—	—	3,357,808
School administration	19,567,700	—	—	9,443	318,679	19,895,822
Business	3,421,427	—	—	536,881	—	3,958,308
Operation and maintenance of plant	21,555,236	—	1,190,954	4,159	59,562	22,809,911
Student transportation	7,646,163	—	—	—	266	7,646,429
Central	9,032,735	—	93,449	54,354	9,986	9,190,524
Other	258,592	—	—	—	—	258,592
Food services operations	27,542	—	3,922	—	9,225,392	9,256,856
Community services	148,419	—	—	212,574	622	361,615
Education for adults	80,825	—	—	—	—	80,825
Facilities acquisition and construction	196,404	—	68,842	—	—	265,246
Capital outlay	2,963,073	—	8,374,538	—	242,432	11,580,043
Debt service—						
Purchased services	—	4,500	—	—	—	4,500
Interest on debt	—	8,781,292	—	—	—	8,781,292
Retirement of debt	—	28,110,000	—	—	—	28,110,000
Charter school funding	<u>17,327,644</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,327,644</u>
Total expenditures	<u>262,268,833</u>	<u>36,895,792</u>	<u>9,731,705</u>	<u>13,513,123</u>	<u>17,657,318</u>	<u>340,066,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,529,343)</u>	<u>2,221,270</u>	<u>(9,587,777)</u>	<u>(4,000)</u>	<u>(555,866)</u>	<u>(9,455,716)</u>
Other financing sources (uses):						
Proceeds from sale of assets	27,606	—	—	—	—	27,606
Transfers in	85,266	—	—	—	57,901	143,167
Transfers (out)	<u>(57,901)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(85,266)</u>	<u>(143,167)</u>
Total other financing sources (uses)	<u>54,971</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(27,365)</u>	<u>27,606</u>
Net change in fund balance	(1,474,372)	2,221,270	(9,587,777)	(4,000)	(583,231)	(9,428,110)
Fund balances at beginning of year	<u>44,688,512</u>	<u>42,256,522</u>	<u>24,359,538</u>	<u>4,000</u>	<u>6,095,482</u>	<u>117,404,054</u>
Fund balances at end of year	<u>\$ 43,214,140</u>	<u>\$ 44,477,792</u>	<u>\$ 14,771,761</u>	<u>\$ —</u>	<u>\$ 5,512,251</u>	<u>\$ 107,975,944</u>

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

**Poudre School District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

**Total net changes in fund balances - governmental funds** \$ (9,428,110)

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

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (645,646)

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 11,580,043	
Depreciation expense	<u>(11,831,916)</u>	(251,873)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	29,764,845	
Pension expense	<u>(210,078,284)</u>	(180,313,439)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities.

Amortization of premium	2,150,812	
Principal repayment	<u>28,110,000</u>	30,260,812

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on an accrual basis of accounting, these expenses are reported regardless of when the financial resources are available.

Disposal of capital assets	(51,706)	
Amortization of bond related deferred outflows/inflows	(22,069)	
Accrued interest	50,332	
Compensated absences	<u>(1,904)</u>	(25,347)

Internal service funds are used by management to charge the costs of certain activities such as employee self-insurance and warehouse to individual funds. The net revenue (expense) of the internal funds is reported with governmental activities in the Statement of Activities. (333,506)

**Change in net position - governmental activities** \$ (160,737,109)

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

**Poudre School District  
Proprietary Funds  
Statement of Net Position  
June 30, 2017**

	<b>Governmental Activities Internal Service Funds Total</b>
	<b>Funds Total</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 10,459,579
Cash - restricted	330,730
Accounts receivable	820,487
Prepaid items	259,134
Inventory	245,804
Total current assets	12,115,734
Noncurrent assets:	
Capital assets:	
Equipment	121,249
Less accumulated depreciation	(56,518)
Total capital assets (net of accumulated depreciation)	64,731
Total assets	12,180,465
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	984,996
Estimated liability for unsubmitted claims	2,451,479
Total current liabilities	3,436,475
Noncurrent liabilities:	
Due in more than one year	29,530
Total noncurrent liabilities	29,530
Total liabilities	3,466,005
<b>NET POSITION</b>	
Investment in capital assets	64,731
Restricted for payment of claims	189,109
Unrestricted	8,460,620
Total net position	\$ 8,714,460

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

**Poudre School District  
Proprietary Funds  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017**

	<b>Governmental Activities Internal Service Funds Total</b>
Operating revenues:	
District Contributions	\$ 20,262,467
Employee Contributions	8,196,984
Sales	979,855
Total operating revenues	29,439,306
Operating expenses:	
Administration:	
Salaries	643,575
Employee benefits	191,236
Purchased services	1,550,446
Operating supplies	988,687
Internal charges	507
Depreciation	11,594
Claims	24,368,380
Premiums	2,102,000
Other	17,935
Total operating expenses	29,874,360
Operating loss	(435,054)
Non-operating revenues:	
Investment earnings	101,548
Total non-operating revenues	101,548
Change in net position	(333,506)
Total net position at beginning of year	9,047,966
Total net position at end of year	\$ 8,714,460

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

**Poudre School District  
Proprietary Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017**

	<b>Governmental Activities Internal Service Funds Total</b>
Cash flows from operating activities:	
Received from customers	\$ 28,779,347
Payments to employees	(835,261)
Payments to suppliers for goods and services	(2,771,849)
Payments for claims and insurance	(26,649,821)
Payments to other funds	(507)
	(1,478,091)
Net cash used by operating activities	(1,478,091)
Cash flows from investing activities:	
Interest received	101,548
	101,548
Net cash provided by investing activities	101,548
Net decrease in cash and cash equivalents	(1,376,543)
Cash and cash equivalents at beginning of year	12,166,852
Cash and cash equivalents at end of year	\$ 10,790,309
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (435,054)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	11,594
Accounts receivable	(659,959)
Prepaid expense	(2,891)
Inventory	9,205
Accounts payable	(221,095)
Employee compensated absences	(450)
Estimated liability for unsubmitted claims	(179,441)
	(1,478,091)
Net cash used by operating activities	\$ (1,478,091)

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

**Poudre School District  
Private-Purpose Trust Fund  
Statement of Fiduciary Net Position  
June 30, 2017**

**ASSETS**

Cash and investments	\$ <u>249,949</u>
Total assets	\$ <u><u>249,949</u></u>

**NET POSITION**

Held in trust for:	
Individuals, organizations and other governments	\$ <u>249,949</u>
Total net position	\$ <u><u>249,949</u></u>

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

**Poudre School District  
Private-Purpose Trust Fund  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2017**

**ADDITIONS**

Contributions:	
Private donations	\$ 68,693
Interest earnings	<u>2,329</u>
Total additions	<u>71,022</u>

**DEDUCTIONS**

Payments in accordance with trust agreements	<u>46,918</u>
Total deductions	<u>46,918</u>
Change in net position	24,104
Net position at beginning of year	<u>225,845</u>
Net position at end of year	<u><u>\$ 249,949</u></u>

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

**Poudre School District  
Discretely Presented Component Units  
Statement of Net Position  
June 30, 2017**

	<u>Liberty Common School</u>	<u>Ridgeview Classical Schools</u>	<u>Mountain Sage Community School</u>	<u>Fort Collins Montessori School</u>	<u>Total Discretely Presented Component Units</u>
<b>ASSETS</b>					
Cash and investments	\$ 4,115,493	\$ 2,236,762	\$ 341,698	\$ 169,051	\$ 6,863,004
Restricted cash and investments	2,145,327	196,347	—	—	2,341,674
Prepaid expense and other assets	51,501	31,543	51,104	13,323	147,471
Accounts receivable	18,221	—	—	14,386	32,607
Due from primary government	4,326	—	—	—	4,326
Land	2,443,720	785,000	—	—	3,228,720
Construction in progress	—	47,382	—	—	47,382
Water rights	12,864	—	—	—	12,864
Other capital assets, net of accumulated depreciation:					
Buildings and site improvements	15,491,156	6,830,240	81,383	—	22,402,779
Vehicles	55,859	—	—	—	55,859
Equipment	333,716	180,356	—	—	514,072
<b>Total assets</b>	<u>24,672,183</u>	<u>10,307,630</u>	<u>474,185</u>	<u>196,760</u>	<u>35,650,758</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	10,664,661	7,848,910	2,952,787	1,709,559	23,175,917
Deferred charges on debt refunding	120,201	—	—	—	120,201
<b>Total deferred outflows of resources</b>	<u>10,784,862</u>	<u>7,848,910</u>	<u>2,952,787</u>	<u>1,709,559</u>	<u>23,296,118</u>
<b>LIABILITIES</b>					
Accounts payable	223,327	—	5,238	10,202	238,767
Due to primary government	—	6,518	13,039	2,463	22,020
Accrued salaries and benefits	334,884	269,119	81,411	23,668	709,082
Accrued interest	395,258	91,911	—	—	487,169
Unearned revenue	172,933	39,326	14,589	24,757	251,605
Noncurrent liabilities:					
Due within one year	390,000	229,065	—	—	619,065
Due in more than one year	45,219,498	26,223,608	5,801,184	2,837,452	80,081,742
<b>Total liabilities</b>	<u>46,735,900</u>	<u>26,859,547</u>	<u>5,915,461</u>	<u>2,898,542</u>	<u>82,409,450</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	153,135	107,840	26,212	12,820	300,007
Deferred credit on debt refunding	—	62,737	—	—	62,737
<b>Total deferred inflows for resources</b>	<u>153,135</u>	<u>170,577</u>	<u>26,212</u>	<u>12,820</u>	<u>362,744</u>
<b>NET POSITION</b>					
Net investment in capital assets	(366,728)	1,849,175	81,383	—	1,563,830
Restricted for:					
Debt service	1,509,773	—	—	—	1,509,773
TABOR	284,000	190,838	56,000	30,000	560,838
Repair and replacement of facility	240,296	—	—	—	240,296
Student Activities	—	192,798	—	—	192,798
Unrestricted	<u>(13,099,331)</u>	<u>(11,106,395)</u>	<u>(2,652,084)</u>	<u>(1,035,043)</u>	<u>(27,892,853)</u>
<b>Total net position</b>	<u>\$ (11,431,990)</u>	<u>\$ (8,873,584)</u>	<u>\$ (2,514,701)</u>	<u>\$ (1,005,043)</u>	<u>\$ (23,825,318)</u>

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

**Poudre School District  
Discretely Presented Component Units  
Statement of Activities  
For the Fiscal Year Ended June 30, 2017**

Activities:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants/ Restricted Investment Earnings	Liberty Common School	Ridgeview Classical Schools	Mountain Sage Community School	Fort Collins Montessori School	Total
<b>Liberty Common School</b>									
Instruction	\$ 7,468,583	\$ 177,341	\$ 167,223	\$ 186,787	\$ (6,937,232)	\$ —	\$ —	\$ —	\$ (6,937,232)
Support services:									
Operations and maintenance of plant	1,420,456	—	—	—	(1,420,456)	—	—	—	(1,420,456)
Other support services	4,863,846	125,481	—	—	(4,738,365)	—	—	—	(4,738,365)
Total - Liberty Common School	<u>13,752,885</u>	<u>302,822</u>	<u>167,223</u>	<u>186,787</u>	<u>(13,096,053)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(13,096,053)</u>
<b>Ridgeview Classical Schools</b>									
Instruction	7,052,082	400,320	42,767	—	—	(6,608,995)	—	—	(6,608,995)
Support services:									
Operations and maintenance of plant	365,337	—	207,243	—	—	(158,094)	—	—	(158,094)
General administration	2,423,345	—	—	—	—	(2,423,345)	—	—	(2,423,345)
Other support services	246,645	471,894	—	—	—	225,249	—	—	225,249
Interest on debt	225,920	—	—	—	—	(225,920)	—	—	(225,920)
Total - Ridgeview Classical Schools	<u>10,313,329</u>	<u>872,214</u>	<u>250,010</u>	<u>—</u>	<u>—</u>	<u>(9,191,105)</u>	<u>—</u>	<u>—</u>	<u>(9,191,105)</u>
<b>Mountain Sage Community School</b>									
Instruction	2,141,348	114,819	75,939	—	—	—	(1,950,590)	—	(1,950,590)
Support services	1,066,938	—	15,648	67,887	—	—	(983,403)	—	(983,403)
Total - Mountain Sage Community School	<u>3,208,286</u>	<u>114,819</u>	<u>91,587</u>	<u>67,887</u>	<u>—</u>	<u>—</u>	<u>(2,933,993)</u>	<u>—</u>	<u>(2,933,993)</u>
<b>Fort Collins Montessori School</b>									
Instruction	1,048,269	361,874	15,936	—	—	—	—	(670,459)	(670,459)
Support services	660,899	—	51,468	21,407	—	—	—	(588,024)	(588,024)
Total - Fort Collins Montessori School	<u>1,709,168</u>	<u>361,874</u>	<u>67,404</u>	<u>21,407</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,258,483)</u>	<u>(1,258,483)</u>
<b>Total component units</b>	<u>\$ 28,983,668</u>	<u>\$ 1,651,729</u>	<u>\$ 576,224</u>	<u>\$ 276,081</u>					<u>(26,479,634)</u>
General revenues:									
Unrestricted earnings on investments					12,467	10,756	—	—	23,223
Charter school funding					7,674,674	5,851,239	1,722,153	543,764	15,791,830
Miscellaneous					1,150,402	59,105	6,334	31	1,215,872
Total general revenues					<u>8,837,543</u>	<u>5,921,100</u>	<u>1,728,487</u>	<u>543,795</u>	<u>17,030,925</u>
Change in net position					(4,258,510)	(3,270,005)	(1,205,506)	(714,688)	(9,448,709)
Net position at beginning of year, restated					(7,173,480)	(5,603,579)	(1,309,195)	(290,355)	(14,376,609)
Net position at end of year					<u>\$ (11,431,990)</u>	<u>\$ (8,873,584)</u>	<u>\$ (2,514,701)</u>	<u>\$ (1,005,043)</u>	<u>\$ (23,825,318)</u>

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

The State of Colorado's Legislature in 1993 enacted the "Charter School Act" (C.R.S. 22-30.5-101). This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District's Board of Education must review all charter school applications presented to the Board of Education to seek authorization to operate from the District. As of June 30, 2017, the Poudre School District Board of Education has authorized four charter schools: Liberty Common School, Ridgeview Classical Schools, Mountain Sage Community School, and Fort Collins Montessori School.

Both Liberty Common School and Ridgeview Classical Schools have separate building corporations which were established to own and finance the buildings used by the schools through bond financing obtained through the Colorado Educational and Cultural Facilities Association. These building corporations are reported as blended component units in the charter schools' financial statements. Liberty Common School also has a discretely presented component unit, the Core Knowledge Charter School Foundation, created for charitable and educational purposes that currently provides support exclusively to Liberty Common School.

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

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

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

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

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation**

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

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

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

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

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

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

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

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

The District reports the following major governmental funds.

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

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Additionally, the District reports the following fund types:

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

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

**C. Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

**D. Cash and Investments**

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

All investments, other than money market investments, are reported at fair value.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**E. Inventories and Prepaid Items**

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

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

**F. Property Tax Calendar**

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

**G. Capital Assets**

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

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

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

**H. Deferred Outflows/Inflows of Resources**

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

**I. Pensions**

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Fund Balance Classifications**

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

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

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

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

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

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

**K. Investment Earnings**

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

**L. Compensated Absences**

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**M. Accrued Salaries and Benefits**

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

**N. Use of Estimates in the Preparation of Financial Statements**

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

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

District policy requires the appropriated reserve in the General Fund to be within a range of 3% to 5% of fiscal year expenditures and other financing uses. At June 30, 2017 the reserve was 1.5% of expenditures and other financing uses. Policy requires that shortages of 1% up to but not including 3% be replenished over a period of time not to exceed two years. The shortage is expected to be replenished by June 30, 2018 through a combination of adjusting the Board of Education contingency reserve from 2% to 1% and the collection of \$2.6 million in approved 2016 Mill Levy property tax override revenues which, for one year only, will be retained and not expended.

**NOTE 3: DEPOSITS AND INVESTMENTS**

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

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

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

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

	Primary Government	Discretely Presented Component Units
Cash, deposits, and investments:		
Cash on hand	\$ 47,391	\$ 8
Cash with Larimer County Treasurer	1,956,972	—
Amount of deposits	68,849,683	6,391,044
Amount of investments	65,442,039	2,813,626
Total	\$ 136,296,085	\$ 9,204,678

	Primary Government			Discretely Presented Component Units
	Statement of Net Position Governmental Activities	Private Purpose Trust Fund	Total Primary Government	
Deposits and cash – unrestricted	\$ 70,478,316	\$ 249,949	\$ 70,728,265	\$ 6,391,052
Investments – unrestricted	21,765,956	—	21,765,956	471,952
Restricted deposits held for future facility needs	—	—	—	2,145,327
Restricted deposits held by third party administrators	375,730	—	375,730	—
Restricted deposits and investments held by debt service custodian	43,676,083	—	43,676,083	196,347
Total	\$ 136,296,085	\$ 249,949	\$ 136,546,034	\$ 9,204,678

**Deposits**

Custodial credit risk – At June 30, 2017, the carrying amount of the District's deposits, including cash in the Private Purpose Trust Fund, was \$69,099,633, and the bank balance was \$71,033,461. The District only places deposits in an eligible public depository as defined by State regulators with collateral defined by the PDPA. The PDPA require the eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the state of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

**Investments**

Investments at June 30, 2017 were as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Investments measured by fair value level:		
Level 2:		
U.S. Treasury Securities	\$ 3,943,091	\$ —
U.S. Agency Securities	6,135,884	—
Total investments measured by fair value level	<u>10,078,975</u>	
Investments not measured by fair value level:		
Money Market Investments	46,033,095	2,341,674
Investments at net asset value:		
Colo Trust Investment Pool	9,329,969	471,952
Total investments	<u>\$ 65,442,039</u>	<u>\$ 2,813,626</u>

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

Investments in the Colorado Government Liquid Asset Trust (ColoTrust) are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Credit risk – The District invests in accordance with state law and the District does not further limit its investment choices. At June 30, 2017, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
ColoTrust Investment Pool	AAAm	S&P	\$ 9,329,969
Money market investments	—	—	46,033,095
U.S. Agency Securities	Aaa/AA+	Moody/S&P	6,135,884
U.S. Treasury Securities	Aaa/AA+	Moody/S&P	3,943,091
			<u>\$ 65,442,039</u>

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

Concentration of credit risk – The District had no investments at June 30, 2017, of 5 percent or more.

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

At June 30, 2017, the District had the following investments in debt securities:

Investment type	Amount	Investment Maturities	
		Less than 1 year	1-3 Years
U.S. Agency Securities	\$ 6,135,884	\$ 4,144,704	\$ 1,991,180
U.S. Treasury Securities	3,943,091	2,742,395	1,200,696
	<u>\$ 10,078,975</u>	<u>\$ 6,887,099</u>	<u>\$ 3,191,876</u>

**NOTE 4: CAPITAL ASSETS**

Capital asset activity, for the primary government, for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,530,241	\$ —	\$ —	\$ 21,530,241
Construction in progress	9,076,019	8,710,903	(13,769,607)	4,017,315
Water rights	1,773,451	—	—	1,773,451
Total	<u>32,379,711</u>	<u>8,710,903</u>	<u>(13,769,607)</u>	<u>27,321,007</u>
Capital assets being depreciated:				
Buildings	380,274,826	13,769,607	—	394,044,433
Site improvements	12,941,324	—	—	12,941,324
Vehicles	16,422,415	2,234,698	(366,283)	18,290,830
Software	829,277	—	—	829,277
Other equipment	13,674,169	634,443	(384,986)	13,923,626
Total	<u>424,142,011</u>	<u>16,638,748</u>	<u>(751,269)</u>	<u>440,029,490</u>
Less accumulated depreciation for:				
Buildings	(167,941,696)	(9,555,702)	—	(177,497,398)
Site improvements	(4,556,844)	(374,096)	—	(4,930,940)
Vehicles	(13,950,122)	(827,202)	366,283	(14,411,041)
Software	(226,591)	(82,701)	—	(309,292)
Other equipment	(7,959,274)	(1,003,809)	333,280	(8,629,803)
Total	<u>(194,634,527)</u>	<u>(11,843,510)</u>	<u>699,563</u>	<u>(205,778,474)</u>
Total capital assets, being depreciated, net	<u>229,507,484</u>	<u>4,795,238</u>	<u>(51,706)</u>	<u>234,251,016</u>
Governmental activities capital assets, net	<u>\$ 261,887,195</u>	<u>\$ 13,506,141</u>	<u>\$ (13,821,313)</u>	<u>\$ 261,572,023</u>

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

Governmental activities:	
Instruction	\$ 10,362,794
Food service operations	78,325
Unallocated	1,402,391
Total depreciation expense – governmental activities	<u>\$ 11,843,510</u>

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 4: CAPITAL ASSETS (Continued)**

**Discretely Presented Component Units:**

Capital asset activity of the discretely presented component units for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016 (restated)	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 2,313,455	\$ 915,265	\$ —	\$ 3,228,720
Construction in progress	2,644,489	1,973,562	(4,570,669)	47,382
Water rights	12,864	—	—	12,864
Total	<u>4,970,808</u>	<u>2,888,827</u>	<u>(4,570,669)</u>	<u>3,288,966</u>
Capital assets being depreciated:				
Buildings and site improvements	25,409,150	4,501,266	(890,533)	29,019,883
Vehicles	91,000	—	—	91,000
Other equipment	1,478,666	450,348	(415,523)	1,513,491
Total	<u>26,978,816</u>	<u>4,951,614</u>	<u>(1,306,056)</u>	<u>30,624,374</u>
Less accumulated depreciation for:				
Buildings and site improvements	(6,276,128)	(861,867)	175,303	(6,962,692)
Vehicles	(19,627)	(15,514)	—	(35,141)
Other equipment	(953,472)	(115,882)	415,523	(653,831)
Total	<u>(7,249,227)</u>	<u>(993,263)</u>	<u>590,826</u>	<u>(7,651,664)</u>
Total capital assets, being depreciated, net	<u>19,729,589</u>	<u>3,958,351</u>	<u>(715,230)</u>	<u>22,972,710</u>
Component unit capital assets, net	<u>\$ 24,700,397</u>	<u>\$ 6,847,178</u>	<u>\$ (5,285,899)</u>	<u>\$ 26,261,676</u>

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

Governmental activities:	
Instructional	\$ 159,150
General administration	834,113
Total depreciation expense – component units	<u>\$ 993,263</u>

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 5: LONG-TERM LIABILITIES**

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within 1 year
Governmental activities:					
General obligation bonds payable	\$ 203,955,000	\$ —	\$ 28,110,000	\$ 175,845,000	\$ 17,610,000
Premiums	13,135,995	—	2,150,812	10,985,183	—
Total bonds payable	<u>217,090,995</u>	<u>—</u>	<u>30,260,812</u>	<u>186,830,183</u>	<u>17,610,000</u>
Net pension liability	549,208,215	566,728,187	44,783,298	1,071,153,104	—
Compensated absences payable	1,222,718	1,487,502	1,486,047	1,224,173	150,000
Total	<u>\$ 767,521,928</u>	<u>\$ 568,215,689</u>	<u>\$ 76,530,157</u>	<u>\$ 1,259,207,460</u>	<u>\$ 17,760,000</u>

**Bonds**

The District's bonded debt consists of various general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. At June 30, 2017 the District had \$375,000,000 of authorized but unissued general obligation bonds.

The following bonds were outstanding at June 30, 2017:

General Obligation Bonds:	Original amount issued	Maturity ranges	Interest rates	Outstanding principal
Refunding	\$ 103,740,000	2004-2017	4.00-5.00%	\$ 11,045,000
Improvement	60,000,000	2010-2030	3.609-6.035%	60,000,000
Improvement/Refunding	45,975,000	2012-2030	2.00-4.00%	44,435,000
Refunding	37,655,000	2014-2023	2.00-5.00%	37,435,000
Improvement	30,000,000	2016-2030	2.00-5.00%	22,930,000
				<u>\$ 175,845,000</u>

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2017:

Year ending June 30,	Principal	Interest	Total
2018	\$ 17,610,000	\$ 7,797,430	\$ 25,407,430
2019	18,345,000	7,098,499	25,443,499
2020	19,005,000	6,330,224	25,335,224
2021	11,105,000	5,661,393	16,766,393
2022	11,565,000	5,170,566	16,735,566
2023-27	56,135,000	17,390,169	73,525,169
2028-31	42,080,000	4,563,541	46,643,541
Total	<u>\$ 175,845,000</u>	<u>\$ 54,011,822</u>	<u>\$ 229,856,822</u>

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 5: LONG-TERM LIABILITIES (Continued)**

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2017 defeased bonds aggregating \$42,525,000 remain outstanding.

**Compensated Absences**

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

**Discretely Presented Component Units**

Discretely presented component unit long-term debt activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within 1 year
General obligation bonds payable	\$ 25,722,589	\$ —	\$ (590,176)	\$ 25,132,413	\$ 619,065
Discounts	(200,666)	—	7,046	(193,620)	—
Total	<u>\$ 25,521,923</u>	<u>\$ —</u>	<u>\$ (583,130)</u>	<u>\$ 24,938,793</u>	<u>\$ 619,065</u>

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

The following discretely presented component unit bonds were outstanding at June 30, 2017:

	Interest rates	Outstanding principal
Revenue/Refunding	3.00%-5.00%	\$ 14,365,000
Revenue	5.625%	1,570,000
Refunding	4.00%	4,749,000
Refunding	4.00%	1,378,413
Revenue	4.00%	3,070,000
Total		<u>\$ 25,132,413</u>

The following schedule details debt service requirements to maturity for discretely presented component unit bonds payable at June 30, 2017:

Year ending June 30,	Principal	Interest	Total
2018	\$ 619,065	\$ 1,104,778	\$ 1,723,843
2019	638,320	1,083,869	1,722,189
2020	667,947	1,059,235	1,727,182
2021	682,965	1,036,529	1,719,494
2022	708,387	1,013,270	1,721,657
2023-27	3,978,607	4,643,764	8,622,371
2028-32	4,925,079	3,695,711	8,620,790
2033-37	5,377,043	2,539,170	7,916,213
2038-42	4,895,000	1,379,344	6,274,344
2043-46	2,640,000	218,331	2,858,331
Total	<u>\$ 25,132,413</u>	<u>\$ 17,774,001</u>	<u>\$ 42,906,414</u>

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

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

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

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of (1) the highest average salary multiplied by 2.5 percent and then multiplied by years of service credit or (2) the value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date; this amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code. Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

*Contributions.* Eligible employees of the District and its component units are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary.

The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate <sup>1</sup>	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) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	5.00%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	18.13%	18.63%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District and its component units are statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$29,755,681 for the year ended June 30, 2017. Employer contributions recognized by the SCHDTF from discretely presented component units were \$1,663,453 for the year ended June 30, 2017.

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

At June 30, 2017, the District reported a liability of \$1,071,153,104 for its proportionate share of the net pension liability and discretely presented component units reported a liability of \$55,762,014. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's and its discretely presented component units' proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the District's proportion was 3.60 percent, which was an increase of .01 percent from its proportion measured as of December 31, 2015. At December 31, 2016, the discretely presented component units' proportion was .36 percent, which was an increase of .01 percent from the proportion measured as of December 31, 2015.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

For the year ended June 30, 2017 the District recognized pension expense of \$210,078,284. At June 30, 2017, 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	\$ 13,391,057	\$ 9,426
Changes of assumption	347,566,847	4,830,356
Net difference between projected and actual earnings on pension plan investments	35,817,125	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,457,848	—
Contributions subsequent to the measurement date	15,137,790	—
Total	\$ 419,370,667	\$ 4,839,782

\$15,137,790 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 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2018	\$ 161,822,383
2019	159,309,811
2020	77,903,656
2021	357,245
Total	\$ 399,393,095

For the year ended June 30, 2017 discretely presented component units recognized pension expense of \$10,775,209. At June 30, 2017, discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 693,592	\$ 485
Changes of assumption	18,093,611	247,694
Net difference between projected and actual earnings on pension plan investments	1,838,670	—
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,668,363	51,828
Contributions subsequent to the measurement date	881,681	—
Total	\$ 23,175,917	\$ 300,007

\$881,681 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 2018.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,		
2018	\$	8,923,487
2019		8,569,218
2020		4,290,819
2021		208,831
2022		1,874
Total	\$	<u>21,994,229</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

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

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

Mortality rates used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 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.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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

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

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

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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

As of November 18, 2016, 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non-U.S. Equity – Developed	18.55%	5.20%
Non-U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

*Sensitivity of the District's and its component units' proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

District:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$ 1,346,940,608	\$ 1,071,153,104	\$ 846,534,165

Component Units:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$ 70,146,331	\$ 55,762,014	\$ 44,086,031

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

At June 30, 2017 accounts payable reported in the General Fund included \$3,636,661 payable to the SCHDTF. The payable represents the June 2017 District and employee contributions remitted to PERA in July 2017.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 7: DEFINED CONTRIBUTION PENSION PLAN**

**Voluntary Investment Program**

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. The District does not make any contributions. For the year June 30, 2017, program members contributed \$2,253,553 for the Voluntary Investment Program.

**NOTE 8: OTHER POST-EMPLOYMENT BENEFITS**

**Health Care Trust Fund**

*Plan Description* – The District and its component units contribute 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](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District and its component units are required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for Poudre School District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending 2017, 2016 and 2015, the District contributions to the HCTF were \$1,651,208, \$1,638,215, and \$1,551,394, respectively, equal to their required contributions for each year. For the years ending 2017, 2016 and 2015, the component unit contributions to the HCTF were \$88,763, \$82,058, and \$74,169 respectively, equal to their required contributions for each year.

**NOTE 9: RISK MANAGEMENT**

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

The District participates in the Colorado School Districts Self Insurance Pool (CSDSIP) and pays an annual premium for risks of loss related to property, school entity liability and automobile liability. CSDSIP is a public entity risk pool currently operating as a common risk management and insurance program with 178 member school districts, Boards of Cooperative Educational Services and charter schools. The CSDSIP Board of Directors includes representatives from member entities. The District's Risk Manager serves on the Board. The District is subject to a \$100,000 deductible for property and school entity liability and a \$10,000 deductible for business vehicles. Total costs for property and liability, including premiums of \$679,166, for the fiscal year ended June 30, 2017 were \$954,923.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 9: RISK MANAGEMENT (Continued)**

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

The funds' claims payable liabilities at June 30, 2017, is the estimated ultimate cost of setting claims that have been incurred but not reported. The estimates are based on actuarial estimates. Changes in the funds' claims payable for the years ended June 30, 2016 and 2017, were as follows:

	<u>2016</u>	<u>2017</u>
Employee Self Insurance Fund:		
Claims payable, beginning of the year	\$ 3,675,900	\$ 2,630,920
Current-year claims and changes in estimates	23,959,214	24,188,939
Claim payments	<u>25,004,194</u>	<u>24,368,380</u>
Claims payable, end of year	<u>\$ 2,630,920</u>	<u>\$ 2,451,479</u>
General Fund:		
Claims payable, beginning of the year	\$ 1,360,000	\$ 1,052,000
Current-year claims and changes in estimates	321,952	592,172
Claim payments	<u>629,952</u>	<u>488,172</u>
Claims payable, end of year	<u>\$ 1,052,000</u>	<u>\$ 1,156,000</u>

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

**NOTE 10: INTERFUND BALANCES AND ACTIVITY**

Interfund balances are expected to be repaid within one year and at June 30, 2017 were as follows.

<u>Payable from</u>	<u>Payable to General Fund</u>	<u>Total</u>
Designated Special Purpose Grant Fund	\$ 3,295,247	\$ 3,295,247
Nonmajor Special Revenue Funds	<u>577,766</u>	<u>577,766</u>
Total	<u>\$ 3,873,013</u>	<u>\$ 3,873,013</u>

Interfund balances were the result of (1) indirect costs due to the General Fund from the Designated Special Purpose Grant Fund and the Food Service Fund, a nonmajor special revenue fund, and (2) advances from the General Fund to the Special Purpose Grant fund to fund grants operating on a reimbursement basis.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 11: INTERFUND BALANCES AND ACTIVITY (Continued)**

Interfund transfers for the year ended June 30, 2017 were as follows:

	Transfer to		Total
	General Fund	Nonmajor Special Revenue Funds	
Transfer from			
General Fund	\$ —	\$ 57,901	\$ 57,901
Nonmajor Special Revenue Funds	85,266	—	85,266
Total	\$ 85,266	\$ 57,901	\$ 143,167

Interfund transfers between funds are used to (1) to cover the outstanding meal charges in the Food Service Fund, a nonmajor special revenue fund with General Fund resources and (2) move resources from inactive accounts in the Public School Activities Fund, a nonmajor special revenue fund, to the General Fund.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

**Encumbrances** – The General Fund and Capital Projects Fund have outstanding encumbrances totaling \$3,186,183 and \$2,317,758 respectively. Bond proceeds, received in September 2015, related to the 2010 bond election, will primarily be used to fund the encumbrances in the Capital Projects Fund.

**Construction Commitments** – At year end, the District had construction commitments related to various capital projects for site renovations and repairs. As of June 30, 2017, the District had spent \$2,338,273 on the projects and had estimated remaining contractual commitments of \$1,730,107. These projects are primarily being funded with bond proceeds.

**Arbitrage** – The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer’s tax-exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2017, the District had no liability for arbitrage.

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

**Revenue Limitations and Restriction of Fund Balance** – The State of Colorado enacted a constitutional amendment effective December 31, 1992, to limit increases in government revenues. The limitation generally restricts growth in revenue of a governmental entity (excluding enterprise operations) to a base amount plus increases for growth and inflation. In addition, the amendment requires government entities to create an emergency “reserve” of 3% of annual spending excluding bonded debt service. On November 3, 1998, voter approval was given to the District to remove the restriction on growth in revenue effective beginning the fiscal year ending June 30, 1998. At June 30, 2017, the District has complied with the requirements to include emergency reserves in its budgetary basis fund balance.

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)**

**Lawsuits** - On November 2016, the electors voted to approve the District's issuance of general obligation bonds in the amount of \$375 million and an annual mill levy override of \$8 million. The bonds were approved to finance the construction of new schools, a new transportation facility and a new athletic complex, as well as improvements to existing schools. The mill levy override was approved to pay for District operating costs, including operating costs related to new buildings; school staff; and materials, equipment and technology. A citizen within the District filed several lawsuits prior to and following the election challenging the text of the ballot issues and the election results based on certain claims involving, amount other things, Colorado laws providing for the development of land and improvement of facilities with property tax money allocated by the county to governmental entities called "urban renewal authorities" and "downtown development authorities." These lawsuits were resolved in the District's favor and not appealed, but said citizen made certain statements at board meetings and in emails and other communications to the District referencing the potential for further litigation. To resolve the legal questions raised by the citizen's allegations as soon as possible, attorneys for the District initiated two procedures: (1) a petition filed in district court for a judicial determination regarding the validity of the bonds to be issued pursuant to a statutorily-governed confirmation procedure; and (2) an action for declaratory judgment filed in district court against said citizen to resolve the legal questions raised by the citizen regarding the voter-approved bond issue and mill levy override. The court entered an order in favor of the District regarding the petition for a judicial determination regarding the validity of the bonds to be issued. This order was not appealed. In the declaratory judgment action, the court granted a motion for summary judgment in favor of the District on the merits concerning the legal questions regarding the voter-approved bond issue and mill levy override. The citizen appealed this judgement to the Colorado Court of Appeals, and said appeal is currently pending. At this time judgement cannot be made as to the likelihood of an unfavorable outcome nor can a potential loss be estimated.

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

**NOTE 12: RELATED PARTY TRANSACTIONS**

**Charter Schools** - The District provided administrative and other services for the fiscal year ended June 30, 2017 to the discretely presented component unit charter schools as follows:

Charter School	Amount
Liberty Common School	\$ 317,715
Fort Collins Montessori School	22,713
Mountain Sage Community School	90,543
Ridgeview Classical Schools	231,849
Total	\$ <u>662,820</u>

**NOTE 13: RESTATEMENT**

Net position at the beginning of the year was restated for Liberty Common School to correct misstatements related to the foundation presentation, debt issuance costs and capitalized interest. The total restatement was \$33,871

**Poudre School District**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 14: SUBSEQUENT EVENT**

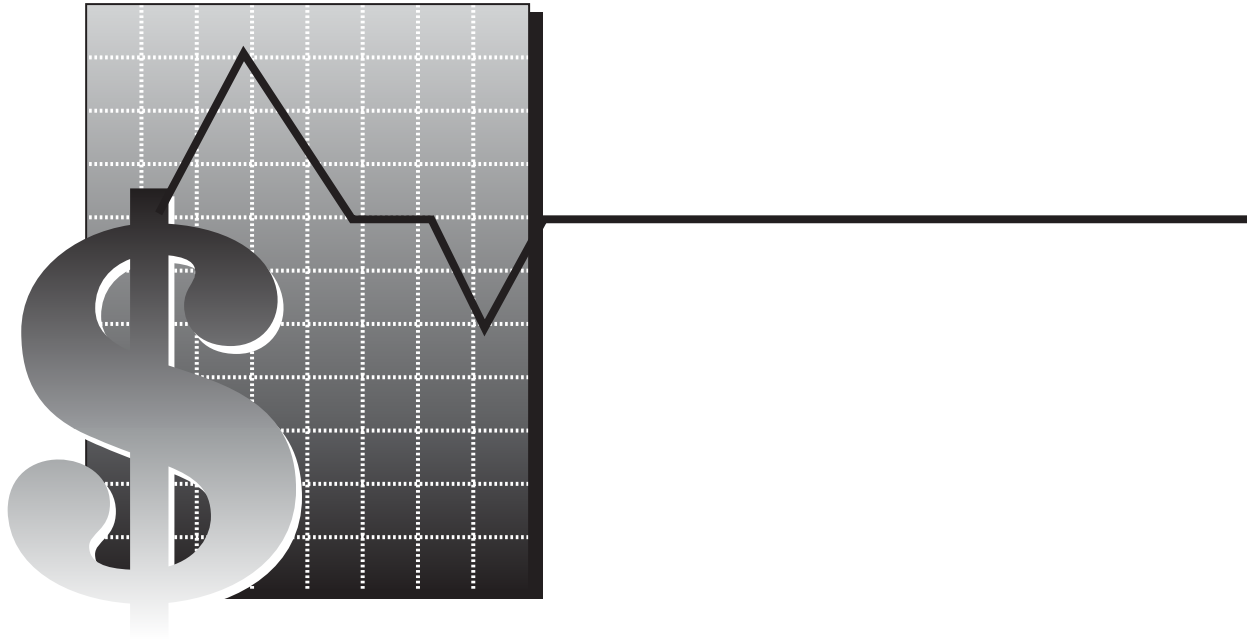
Poudre School District's Board of Education received an application in August 2017 for a new charter school, Compass Community Collaborative School. The Board of Education granted approval of the charter subject to precedent conditions. If the conditions are met, the school is planned to open in 2018 to serve grades 6-10.



## **Required Supplementary Information**

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





**Poudre School District  
General Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2017**

	Budgeted Amounts		Actual (Non-GAAP Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local:				
Property taxes	\$ 112,898,798	\$ 113,668,328	\$ 114,038,950	\$ 370,622
Specific ownership taxes	13,153,898	13,017,145	13,754,704	737,559
Delinquent taxes and penalties and interest on taxes	1,000,000	1,000,000	1,202,076	202,076
Interest on investments	175,000	200,000	108,445	(91,555)
Building and other rental	450,000	450,000	378,496	(71,504)
Athletic support	180,000	180,000	173,147	(6,853)
Student fees	640,000	640,000	757,394	117,394
Services to charter schools	637,711	635,875	662,820	26,945
Indirect and overhead costs	1,010,000	780,000	1,114,647	334,647
E-rate	320,000	200,000	185,019	(14,981)
Cash in lieu of land	1,800,000	1,800,000	2,437,047	637,047
Tuition	2,504,905	2,504,905	2,496,277	(8,628)
Other	925,000	925,000	1,722,595	797,595
	<u>135,695,312</u>	<u>136,001,253</u>	<u>139,031,617</u>	<u>3,030,364</u>
State:				
Equalization	115,095,730	112,077,312	112,176,713	99,401
Vocational education	863,523	952,442	950,941	(1,501)
Special education	4,322,845	4,242,093	4,249,374	7,281
At-Risk funding	—	—	112,882	112,882
Transportation	1,701,541	1,596,417	1,611,817	15,400
ELPA	795,525	786,420	786,420	—
Gifted and talented	270,031	272,070	272,070	—
READ Act funding	880,511	825,042	825,042	—
Charter school capital construction	550,710	583,668	599,073	15,405
Small attendance center	78,673	88,812	105,502	16,690
Other	75,000	75,000	229	(74,771)
	<u>124,634,089</u>	<u>121,499,276</u>	<u>121,690,063</u>	<u>190,787</u>
Federal:				
National Forest Reserve Act	135,000	135,000	17,810	(117,190)
	<u>135,000</u>	<u>135,000</u>	<u>17,810</u>	<u>(117,190)</u>
Total revenues	<u>260,464,401</u>	<u>257,635,529</u>	<u>260,739,490</u>	<u>3,103,961</u>

Continued

**Poudre School District  
General Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2017  
(Continued)**

	Budgeted Amounts		Actual (Non-GAAP Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current—				
Instruction	\$ 141,369,664	\$ 141,673,778	\$ 142,545,737	\$ (871,959)
Support services:				
Students	15,235,996	15,268,772	15,348,291	(79,519)
Instructional staff	18,414,205	18,453,818	18,561,114	(107,296)
General administration	3,323,776	3,330,926	3,351,121	(20,195)
School administration	19,311,868	19,353,411	19,463,993	(110,582)
Business	3,396,560	3,403,866	3,421,317	(17,451)
Operation and maintenance of plant	21,374,065	21,420,044	21,554,105	(134,061)
Student transportation	7,569,476	7,585,759	7,627,979	(42,220)
Central	8,976,622	8,995,932	9,039,753	(43,821)
Other	266,873	267,447	258,976	8,471
Food services operations	24,261	24,313	27,542	(3,229)
Community services	145,567	145,880	148,419	(2,539)
Education for adults	72,783	72,940	80,825	(7,885)
Facilities acquisition and construction	194,089	194,507	196,404	(1,897)
Total current expenditures	<u>239,675,805</u>	<u>240,191,393</u>	<u>241,625,576</u>	<u>(1,434,183)</u>
Capital outlay—				
Instruction	48,522	48,627	59,103	(10,476)
Support services:				
Operation and maintenance of plant	339,656	340,387	337,447	2,940
Student transportation	1,698,280	1,701,933	1,705,924	(3,991)
Central	24,261	24,313	28,882	(4,569)
Food services operations	145,567	145,880	146,454	(574)
Facilities acquisition and construction	679,312	680,773	685,263	(4,490)
Total capital outlay	<u>2,935,598</u>	<u>2,941,913</u>	<u>2,963,073</u>	<u>(21,160)</u>
Payments to charter schools	17,266,796	17,304,121	17,327,644	(23,523)
Operating contingencies	62,487,342	55,827,395	—	55,827,395
Total expenditures	<u>322,365,541</u>	<u>316,264,822</u>	<u>261,916,293</u>	<u>54,348,529</u>
Excess of revenues over (under) expenditures	<u>(61,901,140)</u>	<u>(58,629,293)</u>	<u>(1,176,803)</u>	<u>57,452,490</u>
Other financing sources (uses):				
Proceeds from sale of assets	—	—	27,606	27,606
Transfers in	300,000	300,000	85,266	(214,734)
Transfers (out)	—	—	(57,901)	(57,901)
Total other financing (uses)	<u>300,000</u>	<u>300,000</u>	<u>54,971</u>	<u>(245,029)</u>
Net change in fund balance	(61,601,140)	(58,329,293)	(1,121,832)	57,207,461
Fund balances at beginning of year	61,601,140	58,329,293	58,329,293	—
Fund balances at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 57,207,461</u>	<u>\$ 57,207,461</u>

**Poudre School District  
General Fund  
Reconciling Schedule of Actual Revenues, Expenditures and Changes in  
Fund Balances—GAAP Basis to Non-GAAP Budgetary Basis  
For the Fiscal Year Ended June 30, 2017**

	Actual (GAAP Basis)	Adjustments from GAAP to Non-GAAP Budgetary Basis	Actual (Non-GAAP Budgetary Basis)
<b>Revenues:</b>			
<b>Local:</b>			
Property taxes	\$ 114,038,950	\$ —	\$ 114,038,950
Specific ownership taxes	13,754,704	—	13,754,704
Delinquent taxes and penalties and interest on taxes	1,202,076	—	1,202,076
Interest on investments	108,445	—	108,445
Building and other rental	378,496	—	378,496
Athletic support	173,147	—	173,147
Student fees	757,394	—	757,394
Services to charter schools	662,820	—	662,820
Indirect and overhead costs	1,114,647	—	1,114,647
E-rate	185,019	—	185,019
Cash in lieu of land	2,437,047	—	2,437,047
Tuition	2,496,277	—	2,496,277
Other	1,722,595	—	1,722,595
<b>Total local sources</b>	<b>139,031,617</b>	<b>—</b>	<b>139,031,617</b>
<b>State:</b>			
Equalization	112,176,713	—	112,176,713
Vocational education	950,941	—	950,941
Special education	4,249,374	—	4,249,374
At-risk funding	112,882	—	112,882
Transportation	1,611,817	—	1,611,817
ELPA	786,420	—	786,420
Gifted and talented	272,070	—	272,070
READ Act funding	825,042	—	825,042
Charter school capital construction	599,073	—	599,073
Small attendance center	105,502	—	105,502
Other	229	—	229
<b>Total state sources</b>	<b>121,690,063</b>	<b>—</b>	<b>121,690,063</b>
<b>Federal:</b>			
National Forest Reserve Act	17,810	—	17,810
<b>Total federal sources</b>	<b>17,810</b>	<b>—</b>	<b>17,810</b>
<b>Total revenues</b>	<b>260,739,490</b>	<b>—</b>	<b>260,739,490</b>

Continued

**Poudre School District**  
**General Fund**  
**Reconciling Schedule of Actual Revenues, Expenditures and Changes in**  
**Fund Balances—GAAP Basis to Non-GAAP Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Continued)**

	Actual (GAAP Basis)	Adjustments from GAAP to Non-GAAP Budgetary Basis	Actual (Non-GAAP Budgetary Basis)
Expenditures:			
Current—			
Instruction	\$ 142,753,689	\$ (207,952)	\$ 142,545,737
Support services:			
Students	15,356,584	(8,293)	15,348,291
Instructional staff	18,574,992	(13,878)	18,561,114
General administration	3,357,808	(6,687)	3,351,121
School administration	19,567,700	(103,707)	19,463,993
Business	3,421,427	(110)	3,421,317
Operation and maintenance of plant	21,555,236	(1,131)	21,554,105
Student transportation	7,646,163	(18,184)	7,627,979
Central	9,032,735	7,018	9,039,753
Other	258,592	384	258,976
Food services operations	27,542	—	27,542
Community services	148,419	—	148,419
Education for adults	80,825	—	80,825
Facilities acquisition and construction	196,404	—	196,404
	<u>241,978,116</u>	<u>(352,540)</u>	<u>241,625,576</u>
Total current expenditures			
Capital outlay—			
Instruction	59,103	—	59,103
Support services:			
Operation and maintenance of plant	337,447	—	337,447
Student transportation	1,705,924	—	1,705,924
Central	28,882	—	28,882
Food services operations	146,454	—	146,454
Facilities acquisition and construction	685,263	—	685,263
	<u>2,963,073</u>	<u>—</u>	<u>2,963,073</u>
Total capital outlay			
Charter school funding	17,327,644	—	17,327,644
	<u>262,268,833</u>	<u>(352,540)</u>	<u>261,916,293</u>
Total expenditures			
Excess of revenues over expenditures	<u>(1,529,343)</u>	<u>352,540</u>	<u>(1,176,803)</u>
Other financing sources (uses):			
Proceeds for sale of assets	27,606	—	27,606
Transfers in	85,266	—	85,266
Transfers (out)	(57,901)	—	(57,901)
	<u>54,971</u>	<u>—</u>	<u>54,971</u>
Total other financing (uses)			
Net change in fund balance	(1,474,372)	352,540	(1,121,832)
Fund balances at beginning of year	44,688,512	13,640,781	58,329,293
Fund balances at end of year	<u>\$ 43,214,140</u>	<u>\$ 13,993,321</u>	<u>\$ 57,207,461</u>

**Poudre School District  
Designated Special Purpose Grants Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Local sources	\$ 500,000	\$ 272,336	\$ (227,664)
State sources	500,000	1,121,952	621,952
Federal sources	<u>15,000,000</u>	<u>12,114,835</u>	<u>(2,885,165)</u>
Total revenues	<u>16,000,000</u>	<u>13,509,123</u>	<u>(2,490,877)</u>
Expenditures:			
Current—			
Instruction	9,836,986	8,474,087	1,362,899
Support services:			
Students	2,755,894	2,493,171	262,723
Instructional staff	2,537,549	1,728,454	809,095
School administration	31,634	9,443	22,191
Business	552,761	536,881	15,880
Operation and maintenance of plant	—	4,159	(4,159)
Central	1,077	54,354	(53,277)
Community services	<u>228,903</u>	<u>212,574</u>	<u>16,329</u>
Total current expenditures	<u>15,944,804</u>	<u>13,513,123</u>	<u>2,431,681</u>
Capital outlay—			
Support services:			
Operation and maintenance of plant	<u>55,196</u>	<u>—</u>	<u>55,196</u>
Total capital outlay	<u>55,196</u>	<u>—</u>	<u>55,196</u>
Total expenditures	<u>16,000,000</u>	<u>13,513,123</u>	<u>2,486,877</u>
Net change in fund balance	—	(4,000)	(4,000)
Fund balance at beginning of year	<u>—</u>	<u>4,000</u>	<u>4,000</u>
Fund balance at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**Poudre School District**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE**  
**June 30, 2017**

**Note 1: Budgets and Budgetary Control**

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

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

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education on January 24, 2017. Original budgets for all funds were adopted by the Board of Education on June 14, 2016.

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

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

**Note 2: Budgetary Basis of Accounting**

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

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

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

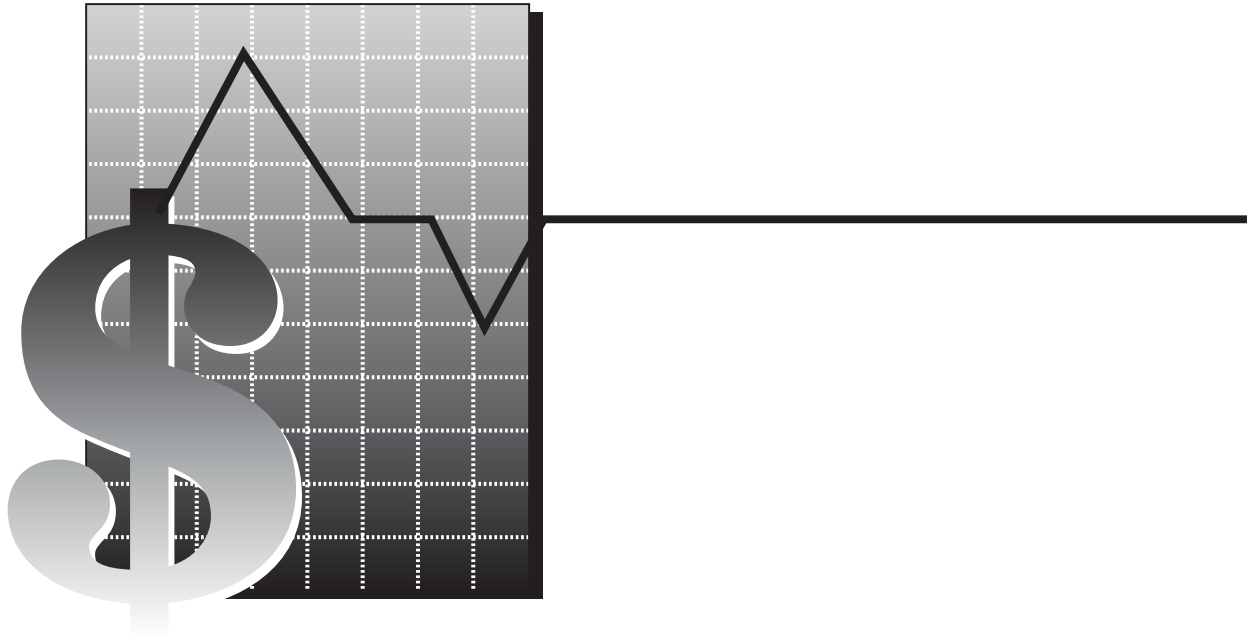
	Reporting Fiscal Year		
	2017	2016	2015
District's proportion of the net pension liability	3.60%	3.59%	3.50%
District's proportionate share of the net pension liability	\$ 1,071,153,104	\$ 549,208,215	\$ 474,471,702
District's covered payroll	\$ 161,883,105	\$ 160,609,358	\$ 152,097,457
District's proportionate share of the net pension liability as a percentage of its covered payroll	661.68%	341.95%	311.95%
Plan fiduciary net position as a percentage of the total pension liability	43.10%	59.20%	62.80%

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

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

	Reporting Fiscal Year			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 29,755,681	\$ 28,479,916	\$ 25,679,649	\$ 22,618,176
Contributions in relation to the contractually required	<u>(29,755,681)</u>	<u>(28,479,916)</u>	<u>(25,679,649)</u>	<u>(22,618,176)</u>
Contribution deficiency (excess)	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
District's covered payroll	\$ 161,883,105	\$ 160,609,358	\$ 152,097,457	\$ 141,513,227
Contributions as a percentage of covered payroll	18.38%	17.73%	16.88%	15.98%

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





## **Supplementary Information**

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



## Fund Information

### **NONMAJOR SPECIAL REVENUE FUNDS:**

#### ***Food Service Fund***

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

#### ***Public School Activities Fund***

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

### **INTERNAL SERVICE FUNDS:**

#### ***Employee Self-Insurance Fund***

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

#### ***Warehouse Fund***

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

### **PRIVATE-PURPOSE TRUST FUND:**

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

**Poudre School District  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Local sources—			
Property taxes	\$ 38,011,045	\$ 37,674,270	\$ (336,775)
Delinquent taxes and penalties and interest on taxes	—	397,069	397,069
Federal sources—			
Build America Bonds Subsidy	<u>1,046,846</u>	<u>1,045,723</u>	<u>(1,123)</u>
Total revenues	<u>39,057,891</u>	<u>39,117,062</u>	<u>59,171</u>
Expenditures:			
Debt service—			
Purchased services	4,750	4,500	250
Interest on debt	8,781,292	8,781,292	—
Retirement of bonds	<u>28,110,000</u>	<u>28,110,000</u>	<u>—</u>
Total debt service	<u>36,896,042</u>	<u>36,895,792</u>	<u>250</u>
Contingency	<u>44,922,772</u>	<u>—</u>	<u>44,922,772</u>
Total expenditures	<u>81,818,814</u>	<u>36,895,792</u>	<u>44,923,022</u>
Net change in fund balance	(42,760,923)	2,221,270	44,982,193
Fund balance at beginning of year	<u>42,760,923</u>	<u>42,256,522</u>	<u>(504,401)</u>
Fund balance at end of year	<u>\$ —</u>	<u>\$ 44,477,792</u>	<u>\$ 44,477,792</u>

**Poudre School District  
Capital Projects Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Local sources—			
Interest on investments	\$ 100,000	\$ 143,928	\$ 43,928
Total revenues	<u>100,000</u>	<u>143,928</u>	<u>43,928</u>
Expenditures:			
Current—			
Support services:			
Operation and maintenance of plant	1,123,445	1,190,954	(67,509)
Central	99,686	93,449	6,237
Food services operations	508	3,922	(3,414)
Facilities acquisition and construction	<u>234,697</u>	<u>68,842</u>	<u>165,855</u>
Total current expenditures	<u>1,458,336</u>	<u>1,357,167</u>	<u>101,169</u>
Capital outlay—			
Support services:			
Operation and maintenance of plant	336,293	202,350	133,943
Central	—	—	—
Food services operations	57,679	146,549	(88,870)
Facilities acquisition and construction	<u>14,147,692</u>	<u>8,025,639</u>	<u>6,122,053</u>
Total capital outlay	<u>14,541,664</u>	<u>8,374,538</u>	<u>6,167,126</u>
Contingency	<u>12,570,593</u>	<u>—</u>	<u>12,570,593</u>
Total expenditures	<u>28,570,593</u>	<u>9,731,705</u>	<u>18,838,888</u>
(Deficiency) of revenues (under) expenditures	<u>(28,470,593)</u>	<u>(9,587,777)</u>	<u>18,882,816</u>
Net change in fund balance	(28,470,593)	(9,587,777)	18,882,816
Fund balance at beginning of year	<u>28,470,593</u>	<u>24,359,538</u>	<u>(4,111,055)</u>
Fund balances at end of year	<u>\$ —</u>	<u>\$ 14,771,761</u>	<u>\$ 14,771,761</u>

**Poudre School District  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
June 30, 2017**

	<u>Food Service</u>	<u>Public School Activities</u>	<u>Nonmajor Special Revenue Funds Total</u>
<b>ASSETS</b>			
Cash and investments (including restricted amounts)	\$ 2,152,882	\$ 4,252,470	\$ 6,405,352
Receivable from grantor agencies	9,409	—	9,409
Accounts receivable	—	13,603	13,603
Prepaid Items	—	1,444	1,444
Inventory	<u>362,697</u>	<u>—</u>	<u>362,697</u>
Total assets	<u>\$ 2,524,988</u>	<u>\$ 4,267,517</u>	<u>\$ 6,792,505</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 290,074	\$ 67,041	\$ 357,115
Accrued salaries and benefits	192,464	152,909	345,373
Due to Other Funds	<u>577,766</u>	<u>—</u>	<u>577,766</u>
Total liabilities	<u>1,060,304</u>	<u>219,950</u>	<u>1,280,254</u>
Fund balances:			
Nonspendable	362,697	1,444	364,141
Restricted	<u>1,101,987</u>	<u>4,046,123</u>	<u>5,148,110</u>
Total fund balances	<u>1,464,684</u>	<u>4,047,567</u>	<u>5,512,251</u>
Total liabilities and fund balances	<u>\$ 2,524,988</u>	<u>\$ 4,267,517</u>	<u>\$ 6,792,505</u>

**Poudre School District  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2017**

	Food Service	Public School Activities	Nonmajor Special Revenue Funds Total
Revenues:			
Local sources	\$ 3,961,046	\$ 7,887,175	\$ 11,848,221
State sources	141,343	—	141,343
Federal sources	5,111,888	—	5,111,888
	<u>9,214,277</u>	<u>7,887,175</u>	<u>17,101,452</u>
Total revenues			
Expenditures:			
Current—			
Instruction	—	7,348,976	7,348,976
Support services:			
Students	—	263,634	263,634
Instructional staff	—	187,769	187,769
General administration	—	—	—
School administration	—	318,679	318,679
Operation and maintenance of plant	—	59,562	59,562
Student transportation	—	266	266
Central	—	9,986	9,986
Food services operations	9,225,392	—	9,225,392
Community services	—	622	622
Capital outlay	140,477	101,955	242,432
	<u>9,365,869</u>	<u>8,291,449</u>	<u>17,657,318</u>
Total expenditures			
(Deficiency) of revenues (under) expenditures	<u>(151,592)</u>	<u>(404,274)</u>	<u>(555,866)</u>
Other financing sources (uses):			
Transfers in	54,497	3,404	57,901
Transfers (out)	—	(85,266)	(85,266)
	<u>54,497</u>	<u>(81,862)</u>	<u>(27,365)</u>
Total other financing sources			
Net change in fund balances	(97,095)	(486,136)	(583,231)
Fund balances at beginning of year	<u>1,561,779</u>	<u>4,533,703</u>	<u>6,095,482</u>
Fund balances at end of year	<u>\$ 1,464,684</u>	<u>\$ 4,047,567</u>	<u>\$ 5,512,251</u>

**Poudre School District  
Food Service Special Revenue Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Local sources—			
Interest on investments	\$ 3,000	\$ 11,626	\$ (8,626)
Food sales	3,600,000	3,949,420	(349,420)
State sources	130,000	141,343	(11,343)
Federal sources—			
Federal Reimbursement	4,500,000	4,408,121	91,879
Commodities	600,000	703,767	(103,767)
Total revenues	8,833,000	9,214,277	(381,277)
Expenditures:			
Current—			
Food services operations			
Salaries and benefits	3,550,000	3,602,340	(52,340)
Food	4,600,000	4,527,737	72,263
Non-food	750,000	1,095,315	(345,315)
Total current expenditures	8,900,000	9,225,392	(325,392)
Capital outlay	—	140,477	(140,477)
Contingency	1,642,129	—	1,642,129
Total Expenditures	10,542,129	9,365,869	1,176,260
(Deficiency) of revenues (under) expenditures	(1,709,129)	(151,592)	(1,557,537)
Other financing sources (uses):			
Transfers in	—	54,497	(54,497)
Total other financing sources	—	54,497	(54,497)
Net change in fund balances	(1,709,129)	(97,095)	(1,612,034)
Fund balances at beginning of year	1,709,129	1,561,779	147,350
Fund balances at end of year	\$ —	\$ 1,464,684	\$ (1,464,684)

**Poudre School District  
Public School Activities Special Revenue Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Local sources—			
Gifts and Donations	\$ 1,500,000	\$ 1,469,957	\$ (30,043)
Activity Revenue	6,000,000	4,202,574	(1,797,426)
Tuition and Fees	750,000	2,091,222	1,341,222
Other local sources	500,000	123,422	(376,578)
Total revenues	8,750,000	7,887,175	(862,825)
Expenditures:			
Current—			
Instruction	8,549,775	7,348,976	1,200,799
Support services:			
Students	207,200	263,634	(56,434)
Instructional staff	98,050	187,769	(89,719)
General administration	49,950	---	49,950
School administration	223,850	318,679	(94,829)
Operation and maintenance of plant	34,225	59,562	(25,337)
Student transportation	925	266	659
Central	8,325	9,986	(1,661)
Food services operations	—	—	—
Community services/other	1,850	622	1,228
Total current expenditures	9,174,150	8,189,494	984,656
Capital outlay	75,850	101,955	(26,105)
Contingency	4,623,450	—	4,623,450
Total expenditures	13,873,450	8,291,449	5,582,001
(Deficiency) of revenues over (under) expenditures	(5,123,450)	(404,274)	4,719,176
Other financing sources (uses):			
Transfers in	500,000	3,404	(496,596)
Transfers (out)	—	(85,266)	(85,266)
Total other financing sources	500,000	(81,862)	(581,862)
Net change in fund balance	(4,623,450)	(486,136)	4,137,314
Fund balances at beginning of year	4,623,450	4,533,703	(89,747)
Fund balances at end of year	\$ —	\$ 4,047,567	\$ 4,047,567

**Poudre School District  
Internal Service Funds  
Combining Statement of Net Position  
June 30, 2017**

	<u>Employee Self-Insurance</u>	<u>Warehouse</u>	<u>Internal Service Funds Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 10,373,937	\$ 85,642	\$ 10,459,579
Cash - restricted	330,730	—	330,730
Accounts receivable	820,487	—	820,487
Prepaid items	259,034	100	259,134
Inventory	<u>—</u>	<u>245,804</u>	<u>245,804</u>
Total current assets	<u>11,784,188</u>	<u>331,546</u>	<u>12,115,734</u>
Noncurrent assets:			
Capital assets:			
Vehicles	—	121,249	121,249
Less accumulated depreciation	<u>—</u>	<u>(56,518)</u>	<u>(56,518)</u>
Total capital assets (net of accumulated depreciation)	<u>—</u>	<u>64,731</u>	<u>64,731</u>
Total assets	<u>11,784,188</u>	<u>396,277</u>	<u>12,180,465</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	975,611	9,385	984,996
Estimated liability for unsubmitted claims	<u>2,451,479</u>	<u>—</u>	<u>2,451,479</u>
Total current liabilities	<u>3,427,090</u>	<u>9,385</u>	<u>3,436,475</u>
Noncurrent liabilities:			
Employee compensated absences	<u>25,893</u>	<u>3,637</u>	<u>29,530</u>
Total noncurrent liabilities	<u>25,893</u>	<u>3,637</u>	<u>29,530</u>
Total liabilities	<u>3,452,983</u>	<u>13,022</u>	<u>3,466,005</u>
<b>NET POSITION</b>			
Investment in capital assets	—	64,731	64,731
Restricted for payment of claims	189,109	—	189,109
Unrestricted	<u>8,142,096</u>	<u>318,524</u>	<u>8,460,620</u>
Total net position	<u>\$ 8,331,205</u>	<u>\$ 383,255</u>	<u>\$ 8,714,460</u>

**Poudre School District  
Internal Service Funds  
Combining Statement of Revenues, Expenses  
and Changes in Net Position  
For the Fiscal Year Ended June 30, 2017**

	<u>Employee Self-Insurance</u>	<u>Warehouse</u>	<u>Internal Service Funds Total</u>
Operating revenues:			
District Contributions	\$ 20,262,467	\$ —	\$ 20,262,467
Employee Contributions	8,196,984	—	8,196,984
Sales	<u>—</u>	<u>979,855</u>	<u>979,855</u>
Total operating revenues	<u>28,459,451</u>	<u>979,855</u>	<u>29,439,306</u>
Operating expenses:			
Administration:			
Salaries	535,083	108,492	643,575
Employee benefits	151,924	39,312	191,236
Purchased services	1,546,049	4,397	1,550,446
Operating supplies	126,132	862,555	988,687
Internal charges	507	—	507
Depreciation expense	—	11,594	11,594
Claims	24,368,380	—	24,368,380
Premiums	2,102,000	—	2,102,000
Other	<u>17,935</u>	<u>—</u>	<u>17,935</u>
Total operating expenses	<u>28,848,010</u>	<u>1,026,350</u>	<u>29,874,360</u>
Operating loss	<u>(388,559)</u>	<u>(46,495)</u>	<u>(435,054)</u>
Non-operating revenues:			
Investment earnings	<u>100,929</u>	<u>619</u>	<u>101,548</u>
Total non-operating revenues	<u>100,929</u>	<u>619</u>	<u>101,548</u>
Change in net position	(287,630)	(45,876)	(333,506)
Total net position at beginning of year	<u>8,618,835</u>	<u>429,131</u>	<u>9,047,966</u>
Total net position at end of year	<u>\$ 8,331,205</u>	<u>\$ 383,255</u>	<u>\$ 8,714,460</u>

**Poudre School District  
Employee Self-Insurance Internal Service Fund  
Schedule of Revenues, Expenses  
and Changes in Fund Net Position—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
District contributions	\$ 20,114,000	\$ 20,262,467	\$ 148,467
Employee contributions	8,136,000	8,196,984	60,984
Total operating revenues	28,250,000	28,459,451	209,451
Operating expenses:			
Administration:			
Salaries	740,000	535,083	204,917
Employee benefits	210,000	151,924	58,076
Purchased services	2,140,000	1,546,049	593,951
Operating supplies	175,000	126,132	48,868
Internal charges	1,000	507	493
Claims	22,000,000	24,368,380	(2,368,380)
Premiums	2,910,000	2,102,000	808,000
Other	24,000	17,935	6,065
Contingency	10,353,142	—	10,353,142
Total operating expenses	38,553,142	28,848,010	9,705,132
Operating loss	(10,303,142)	(388,559)	9,914,583
Non-operating revenues:			
Investment earnings	65,000	100,929	35,929
Total non-operating revenues	65,000	100,929	35,929
Change in net position	(10,238,142)	(287,630)	9,950,512
Total net position at beginning of year	10,238,142	8,618,835	(1,619,307)
Total net position at end of year	\$ —	\$ 8,331,205	\$ 8,331,205

**Poudre School District  
Warehouse Internal Service Fund  
Schedule of Revenues, Expenses  
and Changes in Fund Net Position—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

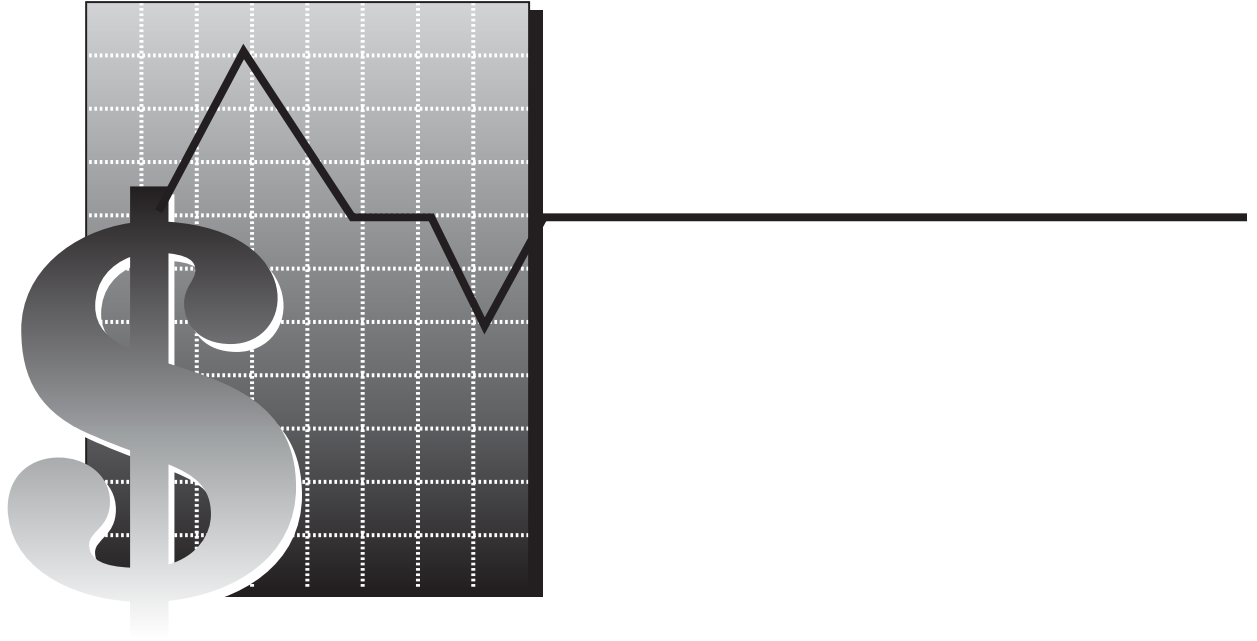
	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Sales	\$ 1,030,000	\$ 979,855	\$ (50,145)
Total operating revenues	<u>1,030,000</u>	<u>979,855</u>	<u>(50,145)</u>
Operating expenses:			
Administration:			
Salaries	113,000	108,492	4,508
Employee benefits	37,000	39,312	(2,312)
Purchased services	4,000	4,397	(397)
Operating supplies	968,000	862,555	105,445
Other	13,000	11,594	1,406
Contingency	<u>331,148</u>	<u>                    </u>	<u>331,148</u>
Total operating expenses	<u>1,466,148</u>	<u>1,026,350</u>	<u>439,798</u>
Operating loss	<u>(436,148)</u>	<u>(46,495)</u>	<u>389,653</u>
Non-operating revenues:			
Investment earnings	<u>250</u>	<u>619</u>	<u>369</u>
Total non-operating revenues	<u>250</u>	<u>619</u>	<u>369</u>
Change in net position	(435,898)	(45,876)	390,022
Total net position at beginning of year	<u>435,898</u>	<u>429,131</u>	<u>(6,767)</u>
Total net position at end of year	<u>\$ —</u>	<u>\$ 383,255</u>	<u>\$ 383,255</u>

**Poudre School District  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017**

	<u>Employee Self- Insurance</u>	<u>Warehouse</u>	<u>Total</u>
Cash flows from operating activities:			
Received from customers	\$ 27,799,492	\$ 979,855	\$ 28,779,347
Payments to employees	(686,069)	(149,192)	(835,261)
Payments to suppliers for goods and services	(1,916,034)	(855,815)	(2,771,849)
Payments for claims and insurance	(26,649,821)	—	(26,649,821)
Payments to other funds	<u>(507)</u>	<u>—</u>	<u>(507)</u>
Net cash used by operating activities	<u>(1,452,939)</u>	<u>(25,152)</u>	<u>(1,478,091)</u>
Cash flows from investing activities:			
Interest received	<u>100,929</u>	<u>619</u>	<u>101,548</u>
Net cash provided by investing activities	<u>100,929</u>	<u>619</u>	<u>101,548</u>
Net decrease in cash and cash equivalents	(1,352,010)	(24,533)	(1,376,543)
Cash and cash equivalents at beginning of year	<u>12,056,677</u>	<u>110,175</u>	<u>12,166,852</u>
Cash and cash equivalents at end of year	<u>\$ 10,704,667</u>	<u>\$ 85,642</u>	<u>\$ 10,790,309</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (388,559)	\$ (46,495)	\$ (435,054)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation expense	—	11,594	11,594
Accounts receivable	(659,959)	—	(659,959)
Prepaid expense	(2,891)	—	(2,891)
Inventory	—	9,205	9,205
Accounts payable	(223,027)	1,932	(221,095)
Employee compensated absences	938	(1,388)	(450)
Estimated liability for unsubmitted claims	<u>(179,441)</u>	<u>—</u>	<u>(179,441)</u>
Net cash used by operating activities	<u>\$ (1,452,939)</u>	<u>\$ (25,152)</u>	<u>\$ (1,478,091)</u>

**Poudre School District  
Private-Purpose Trust Fund  
Schedule of Changes in Fiduciary Net Position—Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>ADDITIONS</b>			
Contributions:			
Private donations	\$ 100,000	\$ 68,693	\$ (31,307)
Interest earnings	<u>500</u>	<u>2,329</u>	<u>1,829</u>
Total additions	<u>100,500</u>	<u>71,022</u>	<u>(29,478)</u>
<b>DEDUCTIONS</b>			
Payments in accordance with trust agreements	110,000	46,918	63,082
Contingency	<u>192,536</u>	<u>—</u>	<u>192,536</u>
Total deductions	<u>302,536</u>	<u>46,918</u>	<u>255,618</u>
Change in net position	(202,036)	24,104	226,140
Net position at beginning of year	<u>202,036</u>	<u>225,845</u>	<u>23,809</u>
Net position at end of year	<u><u>\$ —</u></u>	<u><u>\$ 249,949</u></u>	<u><u>\$ 249,949</u></u>





## **Statistical Section**

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



## Poudre School District Statistical Section

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

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

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Governmental activities</b>				
Net investment in capital assets	\$ 89,615,195	\$ 69,088,476	\$ 57,185,046	\$ 50,986,099
Restricted	67,269,078	62,861,134	55,324,165	50,899,116
Unrestricted <sup>(1)</sup>	<u>(621,536,676)</u>	<u>(435,864,904)</u>	<u>(395,589,297)</u>	<u>57,355,476</u>
Total governmental activities net position	<u>\$ (464,652,403)</u>	<u>\$ (303,915,294)</u>	<u>\$ (283,080,086)</u>	<u>\$ 159,240,691</u>
<b>Business-type activities <sup>(2)</sup></b>				
Net investment in capital assets	\$ —	\$ —	\$ —	\$ 431,892
Unrestricted	—	—	—	1,703,582
Total business-type activities net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,135,474</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 89,615,195	\$ 69,088,476	\$ 57,185,046	\$ 51,417,991
Restricted	67,269,078	62,861,134	55,324,165	50,899,116
Unrestricted	<u>(621,536,676)</u>	<u>(435,864,904)</u>	<u>(395,589,297)</u>	<u>59,059,058</u>
Total primary government net position	<u>\$ (464,652,403)</u>	<u>\$ (303,915,294)</u>	<u>\$ (283,080,086)</u>	<u>\$ 161,376,165</u>

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

<sup>(2)</sup> Beginning in fiscal year 2015, the Food Service Fund was reclassified and reported with Governmental activities rather than Business-type activities.

Continued on next page

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	45,419,623	\$ 43,614,298	\$ 37,691,167	\$ 30,979,145	\$ 25,247,992	\$ 21,305,501
	50,722,325	47,722,851	56,620,442	43,060,438	41,649,764	37,248,749
	61,012,485	61,034,007	55,507,549	57,289,627	45,603,416	48,020,911
\$	<u>157,154,433</u>	<u>\$ 152,371,156</u>	<u>\$ 149,819,158</u>	<u>\$ 131,329,210</u>	<u>\$ 112,501,172</u>	<u>\$ 106,575,161</u>
\$	428,894	\$ 274,726	\$ 50,672	\$ 65,632	\$ 85,910	\$ 82,356
	2,002,993	2,312,761	2,362,068	1,584,083	1,394,506	1,672,513
\$	<u>2,431,887</u>	<u>\$ 2,587,487</u>	<u>\$ 2,412,740</u>	<u>\$ 1,649,715</u>	<u>\$ 1,480,416</u>	<u>\$ 1,754,869</u>
\$	45,848,517	\$ 43,889,024	\$ 37,741,839	\$ 31,044,777	\$ 25,333,902	\$ 21,387,857
	50,722,325	47,722,851	56,620,442	43,060,438	41,649,764	37,248,749
	63,015,478	63,346,768	57,869,617	58,873,710	46,997,922	49,693,424
\$	<u>159,586,320</u>	<u>\$ 154,958,643</u>	<u>\$ 152,231,898</u>	<u>\$ 132,978,925</u>	<u>\$ 113,981,588</u>	<u>\$ 108,330,030</u>

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 280,101,081	\$ 187,152,364	\$ 170,920,008	\$ 146,846,816
Support services				
Students	31,580,295	20,060,394	17,679,219	15,772,945
Instructional staff	35,167,240	22,789,005	21,661,354	17,782,490
General administration	5,197,005	3,312,293	3,258,028	2,798,230
School administration	34,914,666	21,833,308	20,028,914	16,296,488
Business	5,231,692	4,807,707	3,098,427	2,361,805
Operations and maintenance of plant	33,043,216	24,089,053	25,185,436	22,613,583
Student transportation	12,922,562	8,282,372	7,854,413	7,257,434
Central	21,094,984	19,688,095	18,057,591	17,686,921
Other	420,874	208,744	243,262	175,346
Food service operations <sup>(1)</sup>	12,044,275	9,904,744	8,666,611	56,328
Other	2,326,453	3,085,632	3,191,063	3,144,226
Debt service	6,606,717	7,654,857	9,493,756	11,182,085
Charter school funding	17,327,644	16,683,753	15,412,916	13,694,681
Total governmental activities expenses	<u>497,978,704</u>	<u>349,552,321</u>	<u>324,750,998</u>	<u>277,669,378</u>
Business-type activities:				
Food service operations <sup>(1)</sup>	—	—	—	8,091,533
Total primary government expenses	<u>\$ 497,978,704</u>	<u>\$ 349,552,321</u>	<u>\$ 324,750,998</u>	<u>\$ 285,760,911</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
Instruction	\$ 10,116,912	\$ 9,995,214	\$ 4,892,838	\$ 3,609,196
Support services	8,862,432	8,983,384	7,833,533	7,243,889
Food service operations	3,921,050	1,137,848	3,479,640	—
Community services	378,495	209,678	187,483	164,724
Education for adults	—	—	—	—
Operating grants and contributions				
Instruction	18,080,298	16,425,968	20,864,365	20,270,693
Support services	6,990,431	7,900,997	8,623,679	8,149,080
Food service operations <sup>(1)</sup>	5,253,231	7,687,477	4,991,334	493
Community services	210,699	188,170	205,959	247,156
Education for adults	—	—	—	—
Other uses	1,045,723	1,046,847	1,041,230	1,042,354
Capital grants/restricted investment earnings				
Support services	—	—	—	—
Facilities acquisition and construction	3,036,120	2,138,477	1,902,881	1,956,610
Total governmental activities program revenues	<u>57,895,391</u>	<u>55,714,060</u>	<u>54,022,942</u>	<u>42,684,195</u>

Continued on next page

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	146,165,952	\$ 136,611,274	\$ 132,152,533	\$ 130,604,347	\$ 130,790,934	\$ 124,592,394
	14,975,448	14,441,020	14,161,384	14,364,960	13,300,548	11,543,592
	16,134,084	15,959,911	15,648,388	15,347,485	13,998,883	12,319,608
	2,645,082	2,585,270	2,679,711	3,019,637	2,858,297	2,959,541
	15,621,363	14,037,045	13,588,419	14,137,445	13,471,551	13,149,356
	2,126,703	2,360,098	2,333,169	2,474,295	2,489,433	2,355,738
	21,916,989	21,667,219	20,111,197	21,284,032	23,634,584	23,223,047
	6,854,130	6,770,350	6,428,610	6,972,476	7,206,812	7,793,333
	13,774,881	17,306,811	15,565,647	12,585,177	14,380,076	13,119,658
	198,910	232,080	299,665	356,253	596,064	466,945
	139,829	183,739	39,160	39,173	42,612	135,173
	3,427,451	5,396,697	2,373,119	2,465,839	2,573,668	2,972,764
	11,899,236	12,261,003	11,209,028	9,858,073	8,331,059	12,626,141
	11,783,210	11,506,662	10,876,836	9,182,166	8,563,579	8,184,578
	<u>267,663,268</u>	<u>261,319,179</u>	<u>247,466,866</u>	<u>242,691,358</u>	<u>242,238,100</u>	<u>235,441,868</u>
	<u>7,673,977</u>	<u>7,407,160</u>	<u>6,564,602</u>	<u>6,474,067</u>	<u>6,440,740</u>	<u>5,854,745</u>
\$	<u><u>275,337,245</u></u>	<u><u>268,726,339</u></u>	<u><u>254,031,468</u></u>	<u><u>249,165,425</u></u>	<u><u>248,678,840</u></u>	<u><u>241,296,613</u></u>
\$	3,173,314	\$ 3,097,556	\$ 2,957,620	\$ 2,891,531	\$ 2,522,029	\$ 2,062,787
	6,694,130	6,737,420	6,728,928	6,072,773	7,275,920	7,417,938
	—	—	—	—	—	—
	158,716	131,520	117,193	144,743	109,018	194,703
	—	—	—	21,149	33,630	47,086
	18,565,565	18,316,957	26,613,109	19,398,546	19,052,381	18,977,364
	7,672,971	7,538,844	9,477,298	9,116,593	6,435,027	5,845,234
	574	453	159	63,224	30,602	20,176
	337,311	287,368	302,250	305,657	210,300	310,164
	—	12	12	—	7,145	11,593
	1,074,366	1,123,226	546,018	—	—	130,239
	—	—	—	420,285	456,818	980
	<u>1,597,564</u>	<u>867,123</u>	<u>426,771</u>	<u>10,549</u>	<u>211,135</u>	<u>1,977,924</u>
	<u>39,274,511</u>	<u>38,100,479</u>	<u>47,169,358</u>	<u>38,445,050</u>	<u>36,344,005</u>	<u>36,996,188</u>

Continued on next page

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

	Fiscal Year			
	2017	2016	2015	2014
Business-type activities: <sup>(1)</sup>				
Charges for services - food services	—	—	—	3,276,336
Operating grants and contributions - food services	—	—	—	4,515,813
Total business-type activities program revenues	—	—	—	7,792,149
Total primary government program revenues	\$ 57,895,391	\$ 55,714,060	\$ 54,022,942	\$ 50,476,344
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (440,083,313)	\$ (293,838,261)	\$ (270,728,056)	\$ (234,985,183)
Business-type activities <sup>(1)</sup>	—	—	—	(299,384)
Total primary government net expense	\$ (440,083,313)	\$ (293,838,261)	\$ (270,728,056)	\$ (235,284,567)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes, levied for general and debt purposes	\$ 152,692,336	\$ 149,368,884	\$ 129,411,406	\$ 127,400,081
Specific ownership taxes	13,754,704	11,942,335	11,426,061	10,272,642
Unrestricted earnings on investments	365,548	447,503	324,064	476,355
Miscellaneous	356,903	586,806	1,104,632	1,448,621
Gain/loss on asset disposal	—	—	(65,977)	31,125
Equalization	112,176,713	110,657,525	110,698,549	99,266,299
Extraordinary item <sup>(2)</sup>	—	—	—	(187,644)
Total governmental activities	279,346,204	273,003,053	252,898,735	238,707,479
Business-type activities: <sup>(1)</sup>				
Unrestricted earnings on investments	—	—	—	2,971
Gain/loss on asset disposal	—	—	—	—
Miscellaneous	—	—	—	—
Total business-type activities	—	—	—	2,971
Total primary government	\$ 279,346,204	\$ 273,003,053	\$ 252,898,735	\$ 238,710,450
<b>Change in Net Position</b> <sup>(3)</sup>				
Governmental activities	(160,737,109)	(20,835,208)	(17,829,321)	3,722,296
Business-type activities	—	—	—	(296,413)
Total primary government	\$ (160,737,109)	\$ (20,835,208)	\$ (17,829,321)	\$ 3,425,883

<sup>(1)</sup> Beginning in fiscal year 2015, the Food Service Fund was reclassified and reported with Governmental activities rather than Business-type activities.

<sup>(2)</sup> Fiscal Year 2009 - loss on investment. Fiscal Year 2014 - loss due to expenditures incurred related to flood net of insurance recoveries.

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

Continued on next page

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	3,019,987	3,287,904	3,405,656	3,238,065	3,039,859	3,087,344
	<u>4,471,983</u>	<u>4,292,028</u>	<u>3,920,295</u>	<u>3,403,758</u>	<u>3,110,052</u>	<u>2,771,227</u>
	7,491,970	7,579,932	7,325,951	6,641,823	6,149,911	5,858,571
\$	<u><u>46,766,481</u></u>	<u><u>45,680,411</u></u>	<u><u>54,495,309</u></u>	<u><u>45,086,873</u></u>	<u><u>42,493,916</u></u>	<u><u>42,854,759</u></u>
\$	(228,388,757)	(223,218,700)	(200,297,508)	(204,246,308)	(205,894,095)	(198,445,680)
	(182,007)	172,772	761,349	167,756	(290,829)	3,826
\$	<u><u>(228,570,764)</u></u>	<u><u>(223,045,928)</u></u>	<u><u>(199,536,159)</u></u>	<u><u>(204,078,552)</u></u>	<u><u>(206,184,924)</u></u>	<u><u>(198,441,854)</u></u>
\$	128,253,445	124,105,741	118,774,939	115,327,587	110,076,553	108,381,515
	8,962,377	8,253,845	7,874,996	8,120,314	8,713,638	9,486,221
	76,203	139,554	154,395	89,958	896,197	2,727,634
	1,385,386	1,177,008	1,667,291	1,456,046	1,033,966	966,163
	277,465	13,041	657,386	—	—	10,774
	94,217,158	92,081,509	89,658,449	98,080,441	92,373,829	85,115,846
	—	—	—	—	(1,274,077)	—
	<u>233,172,034</u>	<u>225,770,698</u>	<u>218,787,456</u>	<u>223,074,346</u>	<u>211,820,106</u>	<u>206,688,153</u>
	4,464	1,975	1,676	1,143	16,376	57,745
	21,943	—	—	—	—	—
	—	—	—	400	—	—
	<u>26,407</u>	<u>1,975</u>	<u>1,676</u>	<u>1,543</u>	<u>16,376</u>	<u>57,745</u>
\$	<u><u>233,198,441</u></u>	<u><u>225,772,673</u></u>	<u><u>218,789,132</u></u>	<u><u>223,075,889</u></u>	<u><u>211,836,482</u></u>	<u><u>206,745,898</u></u>
	4,783,277	2,551,998	18,489,948	18,828,038	5,926,011	8,242,473
	(155,600)	174,747	763,025	169,299	(274,453)	61,571
\$	<u><u>4,627,677</u></u>	<u><u>2,726,745</u></u>	<u><u>19,252,973</u></u>	<u><u>18,997,337</u></u>	<u><u>5,651,558</u></u>	<u><u>8,304,044</u></u>

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

	Fiscal Year			
	2017	2016	2015	2014
General Fund				
Nonspendable	\$ 85,080	\$ 580,951	\$ 347,759	\$ 150,352
Restricted	17,453,772	14,626,076	14,932,256	12,429,706
Assigned	16,825,357	21,395,280	22,453,840	26,280,103
Unassigned	8,849,931	8,086,205	12,206,743	15,714,968
Total General Fund	<u>\$ 43,214,140</u>	<u>\$ 44,688,512</u>	<u>\$ 49,940,598</u>	<u>\$ 54,575,129</u>
All Other Governmental Funds				
Nonspendable	\$ 364,141	\$ 401,773	\$ —	\$ —
Restricted <sup>(1)</sup>	63,716,755	71,441,936	46,186,810	59,270,732
Assigned	680,908	871,833	718,486	603,599
Total all other governmental funds	<u>\$ 64,761,804</u>	<u>\$ 72,715,542</u>	<u>\$ 46,905,296</u>	<u>\$ 59,874,331</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	463,730	\$ 130,423	\$ 446,248	\$ 149,557	\$ 91,817	\$ —
	10,273,096	8,075,746	6,600,000	6,550,000	6,350,000	6,000,000
	26,097,242	24,292,674	26,497,194	18,679,227	18,083,697	15,882,317
	15,931,917	20,934,082	15,062,957	11,382,004	5,993,344	9,576,710
\$	<u>52,765,985</u>	<u>\$ 53,432,925</u>	<u>\$ 48,606,399</u>	<u>\$ 36,760,788</u>	<u>\$ 30,518,858</u>	<u>\$ 31,459,027</u>
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
	77,423,345	68,964,950	103,562,038	49,952,786	50,913,483	59,179,348
	440,807	316,075	671,148	—	—	—
\$	<u>77,864,152</u>	<u>\$ 69,281,025</u>	<u>\$ 104,233,186</u>	<u>\$ 49,952,786</u>	<u>\$ 50,913,483</u>	<u>\$ 59,179,348</u>

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Revenues:</b>				
Local sources	\$ 189,367,441	\$ 181,105,140	\$ 160,547,794	\$ 154,301,143
State sources	122,953,358	120,874,490	120,549,250	107,650,226
Federal sources	18,290,256	18,614,912	19,132,467	13,847,421
Total revenues <sup>(1) (2)</sup>	<u>330,611,055</u>	<u>320,594,542</u>	<u>300,229,511</u>	<u>275,798,790</u>
<b>Expenditures:</b>				
Instruction	158,576,752	155,522,554	149,556,293	136,724,962
Support services:				
Students	18,113,389	17,426,484	16,374,787	15,693,239
Instructional staff	20,491,215	19,951,728	20,171,679	17,744,833
General administration	3,357,808	3,003,320	3,100,104	2,781,822
School administration	19,895,822	19,062,729	18,525,691	16,218,202
Business	3,958,308	3,594,553	2,943,192	2,707,557
Operation and maintenance of plant	22,809,911	22,934,992	24,131,913	22,501,291
Student transportation	7,646,429	7,371,639	7,333,824	7,205,599
Central	9,190,524	9,659,177	10,352,572	10,618,405
Other	258,592	208,744	226,472	174,862
Food service operations <sup>(2)</sup>	9,256,856	9,287,441	8,306,827	56,328
Community services	361,615	374,071	379,352	418,353
Education for adults	80,825	95,647	50,954	41,784
Facilities acquisition and construction	265,246	385,633	1,388,698	1,428,185
Other uses	—	—	—	—
Capital outlay	11,580,043	18,970,669	13,019,892	14,023,941
Debt service:				
Purchased services	4,500	246,783	292,536	3,850
Interest on debt	8,781,292	10,735,033	10,314,608	11,979,215
Retirement of debt	28,110,000	18,937,540	17,964,526	17,805,839
Payment to escrow agent	—	—	—	—
Charter school funding	17,327,644	16,683,753	15,412,916	13,694,681
Total expenditures	<u>\$ 340,066,771</u>	<u>\$ 334,452,490</u>	<u>\$ 319,846,836</u>	<u>\$ 291,822,948</u>
Deficiency of revenues under expenditures	<u>\$ (9,455,716)</u>	<u>\$ (13,857,948)</u>	<u>\$ (19,617,325)</u>	<u>\$ (16,024,158)</u>

<sup>(1)</sup> See Revenues by Source (Table IX) for greater detail.

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

Continued on next page

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	151,084,387	\$ 151,525,792	\$ 141,239,188	\$ 135,547,025	\$ 130,758,660	\$ 133,202,475
	101,245,687	99,353,409	96,692,010	105,355,912	99,711,428	91,948,486
	<u>13,592,823</u>	<u>13,683,806</u>	<u>23,790,808</u>	<u>15,466,426</u>	<u>12,942,044</u>	<u>12,435,853</u>
	<u>265,922,897</u>	<u>264,563,007</u>	<u>261,722,006</u>	<u>256,369,363</u>	<u>243,412,132</u>	<u>237,586,814</u>
	138,325,096	128,565,305	124,625,333	122,795,409	122,316,339	117,403,653
	15,115,703	14,463,459	14,246,425	14,413,254	13,131,796	11,594,281
	16,408,486	15,969,255	15,710,896	15,391,931	13,936,890	12,381,341
	2,650,426	2,614,291	2,672,459	3,020,213	2,838,297	2,972,468
	15,747,993	14,049,089	13,653,091	14,169,142	13,431,064	13,203,662
	2,455,558	2,312,025	2,633,495	2,620,759	2,283,836	2,157,221
	22,041,500	28,954,631	21,458,935	22,553,761	23,537,186	23,251,547
	6,939,291	6,781,484	6,488,231	7,013,415	7,156,700	7,841,747
	8,374,688	11,592,980	9,938,422	7,454,872	9,002,722	8,102,985
	200,342	233,093	303,011	361,226	595,064	463,976
	139,829	183,739	39,160	48,301	42,612	136,553
	519,052	465,782	475,662	503,201	407,258	530,006
	—	67,861	89,688	103,077	89,599	97,031
	1,645,370	3,479,795	378,752	478,237	714,041	787,158
	—	—	—	—	125,521	130,239
	20,201,012	16,997,238	3,425,110	3,752,726	6,342,667	12,423,430
	362,850	3,600	445,629	38,587	325,719	6,100
	12,388,051	12,890,374	11,915,879	10,937,805	10,427,004	12,283,157
	17,079,687	23,577,412	16,876,756	16,262,705	16,410,000	15,305,000
	58,764	—	—	—	—	—
	<u>11,783,210</u>	<u>11,506,662</u>	<u>10,876,836</u>	<u>9,182,166</u>	<u>8,563,579</u>	<u>8,184,578</u>
\$	<u>292,436,908</u>	<u>\$ 294,708,075</u>	<u>\$ 256,253,770</u>	<u>\$ 251,100,787</u>	<u>\$ 251,677,894</u>	<u>\$ 249,256,133</u>
\$	<u>(26,514,011)</u>	<u>\$ (30,145,068)</u>	<u>\$ 5,468,236</u>	<u>\$ 5,268,576</u>	<u>\$ (8,265,762)</u>	<u>\$ (11,669,319)</u>

Continued on next page

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	\$ 27,606	\$ —	\$ 18,445	\$ 31,125
Premium on bonds and certificates of participation	—	4,416,108	6,210,514	—
Issuance of bonds	—	30,000,000	—	—
Issuance of refunding bonds and certificates of participation	—	—	37,655,000	—
Payment to escrow agent	—	—	(43,573,782)	—
Transfers in	143,167	5,618,524	1,213,106	1,337,577
Transfers (out)	(143,167)	(5,618,524)	(1,213,106)	(1,337,577)
Total other financing sources (uses)	<u>27,606</u>	<u>34,416,108</u>	<u>310,177</u>	<u>31,125</u>
Net change in fund balance before extraordinary item	(9,428,110)	20,558,160	(19,307,148)	(15,993,033)
Extraordinary item <sup>(3)</sup>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(187,644)</u>
Total net change in fund balance	<u>\$ (9,428,110)</u>	<u>\$ 20,558,160</u>	<u>\$ (19,307,148)</u>	<u>\$ (16,180,677)</u>
Debt service as a percentage of non-capital expenditures	11.23%	9.41%	9.22%	10.72%

<sup>(3)</sup> Fiscal Year 2009 - loss on investment. Fiscal Year 2014 - loss due to expenditures incurred related to flood damage, net of insurance recoveries.

Continued on next page

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$	283,545	\$ 19,433	\$ 657,775	\$ 12,657	\$ 16,648	\$ 135,614
	6,212,785	—	—	—	1,779,508	—
	30,000,000	—	60,000,000	—	—	—
	15,975,000	—	—	—	41,770,000	—
	(18,041,132)	—	—	—	(43,232,351)	—
	1,404,916	1,474,942	1,324,327	4,849,205	1,199,721	1,101,762
	(1,404,916)	(1,474,942)	(1,324,327)	(4,849,205)	(1,199,721)	(1,101,762)
	<u>34,430,198</u>	<u>19,433</u>	<u>60,657,775</u>	<u>12,657</u>	<u>333,805</u>	<u>135,614</u>
	7,916,187	(30,125,635)	66,126,011	5,281,233	(7,931,957)	(11,533,705)
	—	—	—	—	(1,274,077)	—
\$	<u>7,916,187</u>	<u>(30,125,635)</u>	<u>66,126,011</u>	<u>5,281,233</u>	<u>(9,206,034)</u>	<u>(11,533,705)</u>
	10.82%	13.13%	11.39%	11.00%	10.94%	11.65%

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

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Tax Collections</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2017	\$ 153,959,402	\$ 151,713,220	98.54 %	\$ —	\$ 151,713,220	98.54 %
2016	150,037,894	146,893,157	97.90	1,599,145	148,492,302	98.97
2015	130,277,061	128,743,917	98.82	1,192,403	129,936,320	99.74
2014	128,012,376	125,771,498	98.25	1,065,615	126,837,113	99.08
2013	128,277,687	125,753,595	98.03	2,213,908	127,967,503	99.76
2012	122,537,402	119,683,245	97.67	2,163,358	121,846,603	99.44
2011	120,422,776	116,293,034	96.57	3,765,114	120,058,148	99.70
2010	114,783,277	110,873,419	96.59	3,371,236	114,244,655	99.53
2009	111,188,436	106,907,720	96.15	3,274,333	110,182,053	99.09
2008	109,173,389	106,223,469	97.30	2,734,474	108,957,943	99.80

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

Source: Larimer County Assessor's Office

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

<b>Fiscal Year</b>	<b>Poudre School District Rates</b>			<b>Overlapping Rates</b>			
	<b>General Fund</b>	<b>Debt Service</b>	<b>Total Direct Rate</b>	<b>Larimer County</b>	<b>Fort Collins</b>	<b>Other Cities and Towns</b>	<b>Other Special Districts</b>
2017	39.561	13.069	52.630	22.521	9.797	41.951	341.540
2016	39.558	13.072	52.630	21.882	9.797	42.039	333.988
2015	41.569	11.061	52.630	22.459	9.797	42.510	340.243
2014	41.672	11.091	52.763	22.424	9.797	42.590	345.723
2013	42.256	12.430	54.686	22.520	9.797	42.766	335.731
2012	40.861	11.339	52.200	22.472	9.797	42.766	334.989
2011	38.881	12.119	51.000	22.524	9.797	42.766	325.875
2010	35.286	12.703	47.989	22.435	9.797	42.756	323.348
2009	35.384	12.605	47.989	22.395	9.797	42.756	316.979
2008	35.595	12.605	48.200	22.414	9.797	42.833	226.277

Source: Larimer County Assessor's Office

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

<b>Fiscal Year Ended June 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Vacant Land</b>	<b>Utilities</b>	<b>Agriculture</b>
2017	\$ 1,631,785,926	\$ 875,933,933	\$ 353,386,543	\$ 90,554,368	\$ 82,096,300	\$ 16,157,049
2016	1,592,050,932	867,828,079	298,049,921	100,571,925	80,292,700	15,608,709
2015	1,352,303,790	748,520,280	274,252,310	84,939,400	76,401,600	13,050,780
2014	1,318,731,350	748,203,440	249,042,560	83,456,660	75,306,200	13,033,350
2013	1,319,008,640	749,681,480	252,080,580	83,298,710	75,306,200	13,030,990
2012	1,272,050,920	737,291,910	219,321,280	89,394,430	69,972,300	12,645,970
2011	1,274,007,290	741,309,410	230,742,710	127,072,140	64,699,340	11,946,770
2010	1,264,091,800	759,926,880	239,382,030	135,568,180	62,977,610	12,439,720
2009	1,231,701,870	704,737,820	244,746,340	134,857,360	60,811,850	13,265,120
2008	1,205,247,590	676,657,520	245,422,630	122,462,230	59,417,382	12,983,750

<b>Fiscal Year Ended June 30,</b>	<b>Natural Resources</b>	<b>Oil and Gas</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Rate<sup>(1)</sup></b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Value</b>
2017	\$ 4,112,318	\$ 1,113,811	\$ 3,055,140,248	52.630	\$ 25,405,291,282	12.03 %
2016	4,664,800	4,649,858	2,963,716,924	52.630	24,720,953,012	11.99
2015	3,945,160	5,844,660	2,559,257,980	52.630	21,139,024,995	12.11
2014	3,796,540	5,220,255	2,496,790,355	52.763	20,618,814,547	12.11
2013	3,797,240	5,220,255	2,501,424,095	54.686	19,896,867,909	12.57
2012	3,019,590	4,634,488	2,408,330,888	52.200	19,784,732,071	12.17
2011	2,844,750	2,119,840	2,454,742,250	51.000	20,072,516,406	12.23
2010	2,920,340	5,139,708	2,482,446,268	47.989	20,071,509,026	12.37
2009	4,007,900	4,139,524	2,398,267,784	47.989	19,487,920,503	12.31
2008	4,054,230	4,162,160	2,330,407,492	48.200	19,012,559,566	12.26

<sup>(1)</sup> General fund and bond fund mill levies.

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

Source: Larimer County Assessor's Office

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

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Taxable Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Taxable Assessed Valuation</u>
Avago Technologies	\$ 139,749,582	1	4.57 %	\$ 30,681,120	2	1.32 %
Anheuser-Busch, Inc.	70,420,949	2	2.30	98,004,530	1	4.21
Ramco-Gershenson Properties LP	30,353,024	3	0.99	—	—	—
Qwest Corporation	22,785,799	4	0.75	24,617,000	3	1.06
Public Service Company of Colorado	22,524,700	5	0.74	12,952,580	6	0.56
Woodward Governor Company	19,497,434	6	0.64	—	—	—
Walton Foothills Holdings	17,588,987	7	0.58	—	—	—
Amcap Harmony LLC	15,040,270	8	0.49	—	—	—
Hewlett Packard	14,929,377	9	0.49	19,348,410	4	0.83
New Belgium Brewery	14,044,178	10	0.46	—	—	—
GGP-Foothills LLC	—	—	—	14,738,480	5	0.63
F.C. Timberline Development	—	—	—	9,163,940	7	0.39
LSI Logic (formerly Symbios Logic)	—	—	—	8,015,010	8	0.34
Advanced Energy	—	—	—	6,653,930	9	0.29
Integrated Capital Fort Collins	—	—	—	6,524,930	10	0.28
Total	<u>\$ 366,934,300</u>		<u>12.01 %</u>	<u>\$ 230,699,930</u>		<u>9.91 %</u>

Percentage of Taxable Assessed Valuation based on Poudre School District 2016 gross assessed valuation of \$3,055,140,248 (for taxes collected in 2017), and 2007 gross assessed valuation of \$2,330,407,492 (for taxes collected in 2008), respectively.

Source: Larimer County Assessor's Office

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

	Fiscal Year			
	2017	2016	2015	2014
<b>Revenues:</b>				
<b>Local:</b>				
Property taxes	\$ 151,713,220	\$ 146,893,157	\$ 128,743,917	\$ 125,771,498
Specific ownership taxes	13,754,704	11,942,335	11,426,061	10,272,642
Delinquent taxes and penalties and interest on taxes	1,599,145	1,192,403	1,065,615	2,213,908
Interest on investments	252,373	347,251	240,489	409,266
Building and other rental	378,496	419,357	374,967	329,449
Athletic support	173,147	162,531	130,421	113,856
Student fees	757,394	485,388	438,822	422,746
Services to charter schools	662,820	602,186	532,341	445,537
Food service	3,961,046	3,752,541	3,482,090	3,231,279
Indirect and overhead	1,114,647	1,281,823	226,523	504,051
Other	15,000,449	14,026,168	13,886,548	13,866,218
<b>Total local sources</b>	<b>189,367,441</b>	<b>181,105,140</b>	<b>160,547,794</b>	<b>157,580,450</b>
Percent of total revenue provided by local sources	57.28%	56.49%	53.48%	55.57%
Percent change in local source revenue	4.56%	12.80%	1.88%	2.24%
<b>State:</b>				
Equalization	112,176,713	110,657,525	110,698,549	99,266,300
Vocational education	950,941	853,284	822,307	739,717
Special education	4,249,374	4,268,796	4,223,447	4,284,015
At-risk funding	112,882	118,888	—	—
Transportation	1,611,817	1,749,927	1,716,606	1,738,573
ELPA	786,420	780,458	793,178	282,384
Gifted and talented	272,070	266,829	262,308	254,141
READ Act funding	825,042	880,511	803,461	283,762
Small attendance center	105,502	88,812	77,740	83,753
Charter capital construction	599,073	544,745	344,680	181,672
School nutrition programs	141,343	136,514	135,829	112,044
Other	1,122,181	528,201	671,145	535,909
<b>Total state sources</b>	<b>122,953,358</b>	<b>120,874,490</b>	<b>120,549,250</b>	<b>107,762,270</b>
Percent of total revenue provided by state sources	37.19%	37.70%	40.15%	38.00%
Percent change in state source revenue	1.72%	0.27%	11.87%	6.32%
<b>Federal:</b>				
Medicaid	—	—	—	—
National Forest Reserve Act	17,810	218,598	—	117,567
School nutrition programs	5,111,888	4,897,571	4,842,809	4,403,769
Other	13,160,558	13,498,743	14,289,658	13,729,854
<b>Total federal sources</b>	<b>18,290,256</b>	<b>18,614,912</b>	<b>19,132,467</b>	<b>18,251,190</b>
Percent of total revenue provided by federal sources	5.53%	5.81%	6.37%	6.44%
Percent change in federal source revenue	-1.74%	-2.71%	4.83%	1.64%
<b>Total revenues</b>	<b>\$ 330,611,055</b>	<b>\$ 320,594,542</b>	<b>\$ 300,229,511</b>	<b>\$ 283,593,910</b>

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

	2013	2012	2011	2010	2009	2008
\$	125,753,595	\$ 119,683,245	\$ 116,293,034	\$ 110,709,895	\$ 106,907,720	\$ 106,223,469
	8,962,377	8,253,845	7,874,996	8,120,314	8,713,638	9,486,221
	2,163,358	3,765,114	3,371,236	3,437,857	2,734,474	2,158,046
	7,461	107,822	119,252	70,528	940,554	3,322,223
	317,431	263,040	234,386	289,486	218,036	389,407
	140,079	149,316	155,151	146,596	140,212	147,531
	395,533	393,897	407,045	343,598	348,443	296,279
	369,152	365,537	380,034	369,749	328,415	339,823
	3,041,181	3,287,903	3,405,656	3,238,064	3,039,859	3,086,844
	467,703	429,445	702,107	602,544	317,623	285,849
	12,512,912	18,116,506	11,703,623	11,458,001	10,125,921	10,611,872
	<u>154,130,782</u>	<u>154,815,670</u>	<u>144,646,520</u>	<u>138,786,632</u>	<u>133,814,895</u>	<u>136,347,564</u>
	56.37%	56.89%	53.76%	52.78%	53.62%	55.99%
	-0.44%	7.03%	4.22%	3.72%	-1.86%	2.90%
	94,217,158	92,081,509	89,658,449	98,080,441	92,373,829	85,115,846
	625,412	646,205	574,597	572,581	687,330	614,125
	3,718,717	3,688,982	3,751,521	3,979,252	4,169,861	3,878,953
	—	—	—	—	—	—
	1,616,537	1,609,591	1,634,798	1,766,098	1,600,276	1,610,216
	266,701	238,756	231,220	213,257	177,046	121,848
	253,784	247,250	241,813	242,022	228,455	221,578
	—	—	—	—	—	—
	63,541	64,511	67,739	76,578	82,679	90,526
	146,583	131,099	—	—	—	—
	108,073	106,069	99,092	99,046	92,008	76,405
	337,254	645,506	531,873	425,683	391,952	295,394
	<u>101,353,760</u>	<u>99,459,478</u>	<u>96,791,102</u>	<u>105,454,958</u>	<u>99,803,436</u>	<u>92,024,891</u>
	37.07%	36.55%	35.98%	40.10%	39.99%	37.79%
	1.90%	2.76%	-8.22%	5.66%	8.45%	4.91%
	—	—	18,734	103,696	190,356	181,321
	118,462	128,526	138,421	141,862	16,543	4,016
	4,363,909	4,185,960	3,821,203	3,304,712	3,018,044	2,694,822
	13,474,361	13,555,280	23,633,653	15,220,868	12,735,145	12,250,516
	<u>17,956,732</u>	<u>17,869,766</u>	<u>27,612,011</u>	<u>18,771,138</u>	<u>15,960,088</u>	<u>15,130,675</u>
	6.57%	6.57%	10.26%	7.14%	6.39%	6.21%
	0.49%	-35.28%	47.10%	17.61%	5.48%	5.30%
\$	<u>273,441,274</u>	<u>272,144,914</u>	<u>269,049,633</u>	<u>263,012,728</u>	<u>249,578,419</u>	<u>243,503,130</u>

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

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Valuation <sup>(1)</sup>	Net Bonded Debt Per Capita <sup>(2)</sup>	Net Bonded Debt Per Student (K-12) <sup>(2)</sup>
	Gross Bonded Debt Outstanding	Debt Service Resources	Net General Bonded Debt Outstanding			
2017	\$ 186,830,183	\$ 44,478,087	\$ 142,352,096	0.56 %	\$ 665	\$ 4,947
2016	217,090,995	42,367,073	174,723,922	0.71	831	6,107
2015	204,326,223	34,124,920	170,201,303	0.81	827	1,470
2014	215,727,067	34,094,558	181,632,509	0.88	895	6,589
2013	233,532,906	35,907,610	197,625,296	0.99	993	7,311
2012	220,492,593	35,308,619	185,183,974	0.94	953	6,942
2011	237,045,005	36,492,010	200,552,995	1.00	1,038	7,679
2010	192,966,761	34,955,836	158,010,925	0.79	834	6,171
2009	208,314,466	30,696,262	177,618,204	0.91	939	7,044
2008	224,369,466	27,420,575	196,948,891	1.04	1,090	7,891

Fiscal Year	Other Governmental Activities Debt		Total Primary Government Debt Outstanding <sup>(3)</sup>	Percentage of Actual Taxable Valuation <sup>(1)</sup>	Total Debt Per Capita <sup>(2)</sup>	Total Debt Per Student (K-12) <sup>(2)</sup>	Percentage of Personal Income <sup>(4)</sup>
	Certificates of Participation	Capital Leases					
2017	\$ —	\$ —	\$ 186,830,183	0.74 %	\$ 872	\$ 6,492	— %
2016	—	—	217,090,995	0.88	1,033	7,588	1.23
2015	—	—	204,326,223	0.97	993	1,765	1.22
2014	—	—	215,727,067	1.05	1,063	7,826	1.53
2013	—	—	233,532,906	1.17	1,173	8,639	1.72
2012	7,025,000	—	227,517,593	1.15	1,171	8,529	1.77
2011	7,025,000	—	244,070,005	1.22	1,264	9,345	2.01
2010	7,980,000	—	200,946,761	1.00	1,060	7,848	1.73
2009	8,895,000	—	217,209,466	1.11	1,149	8,615	1.92
2008	9,785,000	—	234,154,466	1.23	1,296	9,382	2.06

<sup>(1)</sup> See Table VII for taxable property information.

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

<sup>(3)</sup> Includes general bonded debt and other governmental activities debt.

<sup>(4)</sup> See Table XIII for personal income data, data not available for fiscal year 2017.

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

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

**Legal Debt Margin Calculation for Fiscal Year 2017**

Assessed value	\$ 3,055,140,248
Debt limit (20% of assessed value)	611,028,050
Debt applicable to limit:	
General obligation bonds	175,845,000
Less debt service funds available	<u>44,478,087</u>
Total net debt applicable to limit	<u>131,366,913</u>
Legal debt margin	<u>\$ 479,661,137</u>

Actual value	\$ 25,405,291,282
Debt limit (6% of actual value)	1,524,317,477
Debt applicable to limit:	
General obligation bonds	175,845,000
Less debt service funds available	<u>44,478,087</u>
Total net debt applicable to limit	<u>131,366,913</u>
Legal debt margin	<u>\$ 1,392,950,564</u>

	Fiscal Year				
	2017	2016	2015	2014	2013
Debt limit on actual valuation	\$ 1,524,317,477	\$ 1,483,257,181	\$ 1,268,341,500	\$ 1,237,128,873	\$ 1,193,812,075
Total net debt applicable to limit	<u>131,366,913</u>	<u>161,587,927</u>	<u>158,767,620</u>	<u>181,632,509</u>	<u>197,625,296</u>
Legal debt margin <sup>(1)</sup>	<u>\$ 1,392,950,564</u>	<u>\$ 1,321,669,254</u>	<u>\$ 1,109,573,880</u>	<u>\$ 1,055,496,364</u>	<u>\$ 996,186,779</u>
Total net debt applicable to limit as a percentage of debt limit	8.62%	10.89%	12.52%	14.68%	15.60%

	Fiscal Year				
	2012	2011	2010	2009	2008
Debt limit on actual valuation	\$ 1,187,083,924	\$ 1,204,350,984	\$ 1,204,350,984	\$ 1,169,275,230	\$ 1,140,753,574
Total net debt applicable to limit	<u>185,183,974</u>	<u>200,552,995</u>	<u>158,010,925</u>	<u>177,618,204</u>	<u>196,948,891</u>
Legal debt margin <sup>(1)</sup>	<u>\$ 1,001,899,950</u>	<u>\$ 1,003,797,989</u>	<u>\$ 1,046,340,059</u>	<u>\$ 991,657,026</u>	<u>\$ 943,804,683</u>
Total net debt applicable to limit as a percentage of debt limit	16.65%	13.12%	15.19%	15.19%	17.26%

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

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

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

**Table XII**  
**Poudre School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2017**  
**(Unaudited)**

<u>Taxing District</u>	<u>Debt Outstanding<sup>(1)</sup></u>	<u>Estimated Percentage Applicable to the District<sup>(2)</sup></u>	<u>Estimated Share of Overlapping Debt Outstanding</u>
City of Fort Collins	\$ 43,294,000	100.00 %	\$ 43,294,000
Larimer Co. Centro Business Park Public Improvement District No. 38	280,000	100.00	280,000
Mall Metro District	72,950,000	100.00	72,950,000
Northern Colorado Water Conservancy	3,725,324	62.68	2,335,033
Smithfield Public Improvement District No. 60	2,600,000	100.00	2,600,000
South Timnath Metropolitan District No. 1	15,145,000	100.00	15,145,000
Town of Wellington	515,682	100.00	515,682
Windsor Highlands Metro District No. 4	7,884,000	2.00	157,680
Windsor-Severance Fire Protection District	2,370,000	5.06	119,922
Total overlapping debt	<u>148,764,006</u>		<u>137,397,317</u>
Poudre School District direct debt	186,830,183	100.00 %	<u>186,830,183</u>
Total direct and overlapping debt			<u><u>\$ 324,227,500</u></u>

<sup>(1)</sup> Includes only general obligation debt supported by general property taxes.

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

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

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

Year	Larimer County			Poudre School District					
	Total Personal Income <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Unemployment Rate <sup>(1)</sup>	Estimated Population <sup>(2)</sup>	School Enrollment (K-12) <sup>(3)</sup>	Increase in School Enrollment	Funded Pupil Count <sup>(3)</sup>	Increase/Decrease in Funded Pupil Count	Cost Per Student <sup>(4)</sup>
2017	\$ —	\$ —	2.1%	214,196	28,778	0.58%	28,021.4	0.40%	\$ 10,406
2016	17,699,695,587	52,059	3.1%	210,154	28,611	1.62%	27,909.0	1.71%	10,232
2015	15,116,879,000	45,318	3.8%	205,886	28,156	2.15%	27,438.8	2.20%	10,141
2014	14,126,667,000	43,584	4.2%	202,918	27,564	1.97%	26,849.1	1.91%	9,237
2013	13,545,018,000	42,866	6.2%	199,100	27,032	1.34%	26,345.5	1.28%	9,199
2012	12,826,581,000	41,311	6.7%	194,317	26,675	2.13%	26,012.7	2.03%	9,277
2011	12,149,896,000	39,767	6.9%	193,167	26,118	2.00%	25,496.0	2.14%	8,770
2010	11,585,090,000	38,546	7.3%	189,507	25,605	1.55%	24,960.6	1.51%	8,818
2009	11,291,870,000	37,844	7.0%	189,077	25,214	1.03%	24,590.0	1.67%	8,886
2008	11,378,132,000	38,848	4.1%	180,729	24,958	1.00%	24,185.0	1.17%	8,652

<sup>(1)</sup> Personal income information and the unemployment rate are not available for the population within the boundaries of Poudre School District. The district is located in Larimer County and primarily in Fort Collins, CO. The Unemployment Rate data is for Fort Collins, CO and comes from the Bureau of Labor Statistics. Personal income information and Per Capita Personal Income was obtained from regional data from the Larimer County 2016 Consolidated Annual Financial Report.

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

<sup>(3)</sup> Includes charter schools.

<sup>(4)</sup> Based on operating expenditures (total expenditures less debt service and capital outlay).

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

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

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Estimated Population<sup>(1)</sup></u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Estimated Population<sup>(1)</sup></u>
Colorado State University	7,525	1	3.51 %	6,948	1	3.78 %
University of Colorado Health*	3,801	2	1.77	3,020	4	1.64
Poudre School District	3,714	3	1.73	3,673	2	2.00
City of Fort Collins	2,006	4	0.94	1,864	6	1.01
Larimer County	1,652	5	0.77	1,467	7	0.80
Front Range Community College	1,597	6	0.74	—	—	—
Hewlett-Packard	1,490	7	0.70	3,182	3	1.73
Columbine Health Care Systems	1,450	8	0.68	—	—	—
Woodward, Inc.	1,232	9	0.58	—	—	—
Avago Technologies/Broadcom Ltd.	1,084	10	0.51	—	—	—
Walmart Super Center	—	—	—	909	8	0.49
Advanced Energy	—	—	—	825	9	0.45
Agilent Technologies	—	—	—	2,800	5	1.52
Anheuser Busch	—	—	—	760	10	0.41
Total	<u>25,551</u>		<u>11.93 %</u>	<u>25,448</u>		<u>13.83 %</u>

Estimated population is based on the ratio of Poudre School District population to Larimer County population from Larimer County estimated county population. Sources include Larimer County's FY 2016 CAFR, the City of Fort Collins' FY 2016 CAFR and information collected directly from area employers.

\* University of Colorado Health (UCHealth) acquired Poudre Valley Health System.

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

School/Location	Service Start Date	Fiscal Year									
		2017 As of October 2016	2016 As of October 2015	2015 As of October 2014	2014 As of October 2013	2013 As of October 2012	2012 As of October 2011	2011 As of October 2010	2010 As of October 2009	2009 As of October 2008	2008 As of October 2007
<b>Elementary Schools</b>											
Bacon	2003										
Square Footage		65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299	65,299
Enrollment		525	524	519	503	519	519	474	433	485	492
Bauder	1968										
Square Footage		63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156	63,156
Enrollment		494	496	520	535	539	539	546	322	368	332
Beattie	1972										
Square Footage		45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655	45,655
Enrollment		303	294	280	282	288	288	292	289	358	373
Bennett	1963										
Square Footage		50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492	50,492
Enrollment		496	494	509	492	478	478	468	454	485	456
Bethke	2008										
Square Footage		62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	—
Enrollment		616	590	569	543	435	435	363	323	277	—
Cache La Poudre	1963										
Square Footage		53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993	53,993
Enrollment		313	313	293	314	313	313	288	296	366	371
Dunn	1949										
Square Footage		45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957	45,957
Enrollment		398	410	410	415	400	400	408	411	451	441
Eyestone	1973										
Square Footage		62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708	62,708
Enrollment		562	506	494	443	463	463	458	501	541	512
Harris Bilingual	1919										
Square Footage		38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599	38,599
Enrollment		290	296	296	289	288	288	291	300	351	336
Irish	1968										
Square Footage		52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291	52,291
Enrollment		337	325	309	305	326	326	321	337	348	373
Johnson	1988										
Square Footage		56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396	56,396
Enrollment		401	405	419	413	454	454	452	480	502	489
Kruse	1992										
Square Footage		51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Enrollment		496	520	524	524	517	517	498	468	534	503
Lab School (Washington) <sup>(1)</sup>	1919										
Square Footage		—	—	—	—	—	—	—	18,018	18,018	18,018
Enrollment		—	—	—	—	—	—	—	113	122	120
Laurel	1993										
Square Footage		51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Enrollment		445	436	423	421	406	406	382	355	400	349
Linton	1989										
Square Footage		51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Enrollment		430	449	446	420	439	439	447	416	500	488
Livermore	1953										
Square Footage		11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292	11,292
Enrollment		35	41	44	42	42	42	43	44	68	74
Lopez	1986										
Square Footage		57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639	57,639
Enrollment		381	393	411	404	382	382	372	371	450	459
McGraw	1992										
Square Footage		51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Enrollment		441	452	473	475	466	466	494	462	524	519
O'Dea	1964										
Square Footage		48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018	48,018
Enrollment		446	459	424	412	382	382	336	327	395	345
Olander	1990										
Square Footage		51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384	51,384
Enrollment		429	430	431	427	419	419	367	348	382	390
Polaris (Moore) <sup>(2)</sup>	1956										
Square Footage		51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670	51,670
Enrollment		399	278	—	—	—	—	—	223	258	276

Continued on next page

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

School/Location	Service Start Date	Fiscal Year									
		2017 As of October 2016	2016 As of October 2015	2015 As of October 2014	2014 As of October 2013	2013 As of October 2012	2012 As of October 2011	2011 As of October 2010	2010 As of October 2009	2009 As of October 2008	2008 As of October 2007
Putnam	1956										
Square Footage		59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101	59,101
Enrollment		279	329	317	318	332	332	356	322	368	387
Red Feather	1985										
Square Footage		9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001	9,001
Enrollment		46	41	36	27	27	27	31	35	34	40
Rice	2007										
Square Footage		62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691	62,691
Enrollment		461	444	439	400	373	373	347	329	316	317
Riffenburgh	1968										
Square Footage		48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433	48,433
Enrollment		491	470	425	373	313	313	272	290	336	368
Shepardson	1978										
Square Footage		50,516	50,516	50,516	50,516	50,516	50,516	50,516	50,516	50,516	50,516
Enrollment		385	387	364	351	347	347	342	328	403	424
Stove Prairie	1896										
Square Footage		7,849	7,849	7,849	7,849	7,849	7,849	7,849	7,849	7,849	7,849
Enrollment		39	49	43	46	46	46	51	40	51	49
Tavelli	1968										
Square Footage		62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537	62,537
Enrollment		579	595	582	550	520	520	540	537	637	606
Timnath	1919										
Square Footage		66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232	66,232
Enrollment		350	302	305	299	300	300	303	320	427	577
Traut	1998										
Square Footage		50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871	50,871
Enrollment		447	451	451	449	453	453	468	468	525	525
Werner	1987										
Square Footage		50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300	50,300
Enrollment		489	538	541	555	560	560	502	462	512	498
Zach	2002										
Square Footage		63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092	63,092
Enrollment		602	638	666	641	609	609	607	609	621	609
<b>Middle Schools</b>											
Blevins	1968										
Square Footage		104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635	104,635
Enrollment		583	598	557	545	511	511	526	551	551	538
Boltz	1972										
Square Footage		85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120	85,120
Enrollment		590	580	623	614	570	570	592	641	636	649
Cache La Poudre	1949										
Square Footage		73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913	73,913
Enrollment		303	324	301	304	329	329	346	365	380	412
Kinard	2006										
Square Footage		112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735	112,735
Enrollment		806	822	807	774	761	761	781	800	856	781
Leshner	1960										
Square Footage		93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686	93,686
Enrollment		769	754	766	733	693	693	683	667	613	620
Lincoln	1974										
Square Footage		100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660	100,660
Enrollment		532	548	504	488	506	506	478	436	409	406
Preston	1994										
Square Footage		127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966	127,966
Enrollment		1,154	1,095	1,113	1,058	889	889	753	746	775	810
Webber	1990										
Square Footage		122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787	122,787
Enrollment		814	786	804	799	762	762	761	795	831	831
Wellington	1925										
Square Footage		59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556	59,556
Enrollment		507	461	450	423	385	385	360	345	380	332

Continued on next page

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

School/Location	Service Start Date	Fiscal Year									
		2017 As of October 2016	2016 As of October 2015	2015 As of October 2014	2014 As of October 2013	2013 As of October 2012	2012 As of October 2011	2011 As of October 2010	2010 As of October 2009	2009 As of October 2008	2008 As of October 2007
<b>Senior High Schools</b>											
Centennial	1907										
Square Footage		39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967	39,967
Enrollment		150	150	132	139	146	146	150	147	146	127
Fort Collins	1995										
Square Footage		286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552	286,552
Enrollment		1,687	1,621	1,599	1,499	1,655	1,655	1,661	1,727	1,137	1,184
Fossil Ridge	2004										
Square Footage		296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375	296,375
Enrollment		1,956	1,970	1,930	2,085	1,959	1,959	1,912	1,746	1,201	1,059
Poudre	1962										
Square Footage		274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263	274,263
Enrollment		1,781	1,840	1,727	1,756	1,798	1,798	1,833	1,899	1,672	1,725
Rocky Mountain	1973										
Square Footage		291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858	291,858
Enrollment		1,981	1,972	1,954	1,935	1,962	1,962	2,001	2,093	1,681	1,728
<b>Other Locations</b>											
Barton (Early Childhood)	1957										
Square Footage		30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530	30,530
Fullana Learning Center	1975										
Square Footage		24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109	24,109
Mountain View / PCA	1906										
Square Footage		22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434	22,434
Other District Structures (on and off campus)	N/A										
Square Footage <sup>(3)</sup>		302,361	302,361	302,361	302,361	302,361	304,544	303,144	303,144	303,144	262,429

<sup>(1)</sup> The Washington (Lab) School was sold in 2011.

<sup>(2)</sup> Moore Elementary was closed in 2011 and became Polaris Expediitary Learning School.

<sup>(3)</sup> Cooper Home was sold in 2013, a reduction of 2,183 square feet.

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

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

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

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction	2,027.82	2,049.25	2,003.09	1,932.78	1,920.83	1,858.68	1,779.39	1,858.25	1,870.02	1,836.51
Support Services:										
Students	279.61	274.81	266.96	257.28	254.72	245.10	233.57	242.61	226.53	206.88
Instructional Staff	216.23	222.32	221.34	206.98	208.15	200.54	196.00	207.71	199.39	198.99
General Administration	9.00	7.00	14.12	14.00	13.00	11.50	11.50	13.81	14.81	14.19
School Administration	226.67	208.47	211.48	195.89	200.04	181.02	176.15	183.52	180.04	183.98
Business Services	32.32	31.32	30.31	27.01	27.51	26.91	27.16	31.02	31.28	32.65
Operations and Maintenance	223.39	228.38	229.27	227.39	229.27	227.14	227.82	238.07	243.99	239.25
Transportation	150.69	151.79	147.24	146.29	145.16	147.16	139.54	154.20	158.30	175.30
Central	59.67	58.48	58.87	52.13	49.55	46.30	43.28	44.78	52.40	52.71
Other	15.48	15.05	4.80	4.17	4.92	5.48	5.73	7.24	10.99	14.12
Food Service Operations	110.12	109.92	107.15	105.04	101.66	96.67	98.80	99.79	106.25	101.55
Community Services	2.80	3.50	3.50	3.50	3.50	3.50	3.50	3.86	3.86	3.50
Property	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>4.00</u>	<u>6.00</u>
Total	<u><u>3,354.80</u></u>	<u><u>3,361.29</u></u>	<u><u>3,299.13</u></u>	<u><u>3,173.46</u></u>	<u><u>3,159.31</u></u>	<u><u>3,051.00</u></u>	<u><u>2,943.44</u></u>	<u><u>3,086.36</u></u>	<u><u>3,101.86</u></u>	<u><u>3,065.63</u></u>

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

Source: Poudre School District Human Resources

**Table XVII  
Poudre School District  
Certified Staff Data  
June 30, 2017  
(Unaudited)**

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

Colorado certificate or license requirements include:

- Appropriate degree from an accredited college.
- Completion of an approved educator preparation program or participation in an approved alternative Licensure Program.
- Demonstrated competencies in basic skills, liberal arts, subject area, and pedagogy as determined by accepted content exams.
- Background check based on fingerprints.
- Ongoing professional development for professional license renewal. Professional Development is not required for initial license renewal

Poudre School District's current certified staff averages 12.30 years in-district experience with the following educational level distribution:

Bachelor's Degree	Master's Degree	Doctorate Degree
35.0%	63.6%	1.4%

Funded pupil count per instructional staff was 12.84 for the 2016-17 school year. Certified staffing positions represent 1.000 FTE for a full-time, school year employee, including classroom teachers, counselors, media specialists, etc. On average, certified compensation at 1.000 FTE was approximately \$72,828.

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

School	Enrollment <sup>1</sup>	Free Participation	Percent of Enrollment on Free	Reduced Participation	Percent of Enrollment on Reduced	Percent of Enrollment on Free and Reduced
<b>High School</b>						
Fort Collins	1,698	484	28.50%	118	6.95%	35.45%
Fossil Ridge	1,956	159	8.13%	43	2.20%	10.33%
Poudre	1,801	552	30.65%	160	8.88%	39.53%
Rocky Mountain	2,027	464	22.89%	173	8.53%	31.42%
Total	7,482	1,659	22.17%	494	6.60%	28.77%
<b>Middle School</b>						
Blevins	582	179	30.76%	54	9.28%	40.04%
Boltz	588	193	32.82%	49	8.33%	41.15%
Cache La Poudre	304	85	27.96%	25	8.22%	36.18%
Kinard	809	60	7.42%	23	2.84%	10.26%
Leshner	770	239	31.04%	62	8.05%	39.09%
Lincoln	536	328	61.19%	43	8.02%	69.21%
Preston	1,155	110	9.52%	33	2.86%	12.38%
Webber	815	169	20.74%	59	7.24%	27.98%
Wellington	510	132	25.88%	57	11.18%	37.06%
Total	6,069	1,495	24.63%	405	6.67%	31.30%
<b>Elementary</b>						
Bacon	570	85	14.91%	22	3.86%	18.77%
Bauder	551	310	56.26%	48	8.71%	64.97%
Beattie	387	188	48.58%	36	9.30%	57.88%
Bennett	495	120	24.24%	49	9.90%	34.14%
Bethke	616	15	2.44%	7	1.14%	3.58%
Cache La Poudre	344	109	31.69%	26	7.56%	39.25%
Dunn	399	80	20.05%	20	5.01%	25.06%
Eyestone	593	178	30.02%	59	9.95%	39.97%
Harris Bilingual	311	159	51.13%	30	9.65%	60.78%
Irish	424	308	72.64%	38	8.96%	81.60%
Johnson	431	93	21.58%	21	4.87%	26.45%
Kruse	527	130	24.67%	34	6.45%	31.12%
Laurel	469	245	52.24%	37	7.89%	60.13%
Linton	459	215	46.84%	34	7.41%	54.25%
Livermore	35	4	11.43%	1	2.86%	14.29%
Lopez	407	107	26.29%	34	8.35%	34.64%
McGraw	471	76	16.14%	26	5.52%	21.66%
O'Dea	451	179	39.69%	37	8.20%	47.89%
Olander	457	148	32.39%	23	5.03%	37.42%
Putnam	332	260	78.31%	28	8.43%	86.74%
Red Feather	46	15	32.61%	6	13.04%	45.65%
Rice	508	122	24.02%	46	9.06%	33.08%
Riffenburgh	490	123	25.10%	36	7.35%	32.45%
Shepardson	410	89	21.71%	15	3.66%	25.37%
Stove Prairie	39	8	20.51%	1	2.56%	23.07%
Tavelli	608	213	35.03%	35	5.76%	40.79%
Timnath	378	110	29.10%	29	7.67%	36.77%
Traut Core Knowledge	504	52	10.32%	22	4.37%	14.69%
Werner	492	60	12.20%	19	3.86%	16.06%
Zach	599	26	4.34%	7	1.17%	5.51%
Total	12,803	3,827	29.89%	826	6.45%	36.34%
<b>Alternative</b>						
Centennial	157	80	50.96%	16	10.19%	61.15%
Polaris	402	82	20.40%	39	9.70%	30.10%
Poudre Community Academy	118	75	63.56%	16	13.56%	77.12%
Poudre Global Academy	362	58	16.02%	18	4.97%	20.99%
Total	1,039	295	28.39%	89	8.57%	36.96%
<b>Grand Total</b>	<b>27,393</b>	<b>7,276</b>	<b>26.56%</b>	<b>1,814</b>	<b>6.62%</b>	<b>33.18%</b>

<sup>1</sup> Enrollment is from the Child Nutrition Department dated 10/01/2016 and does not include charter schools



## **Colorado State Mandated Schedule Section**

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

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



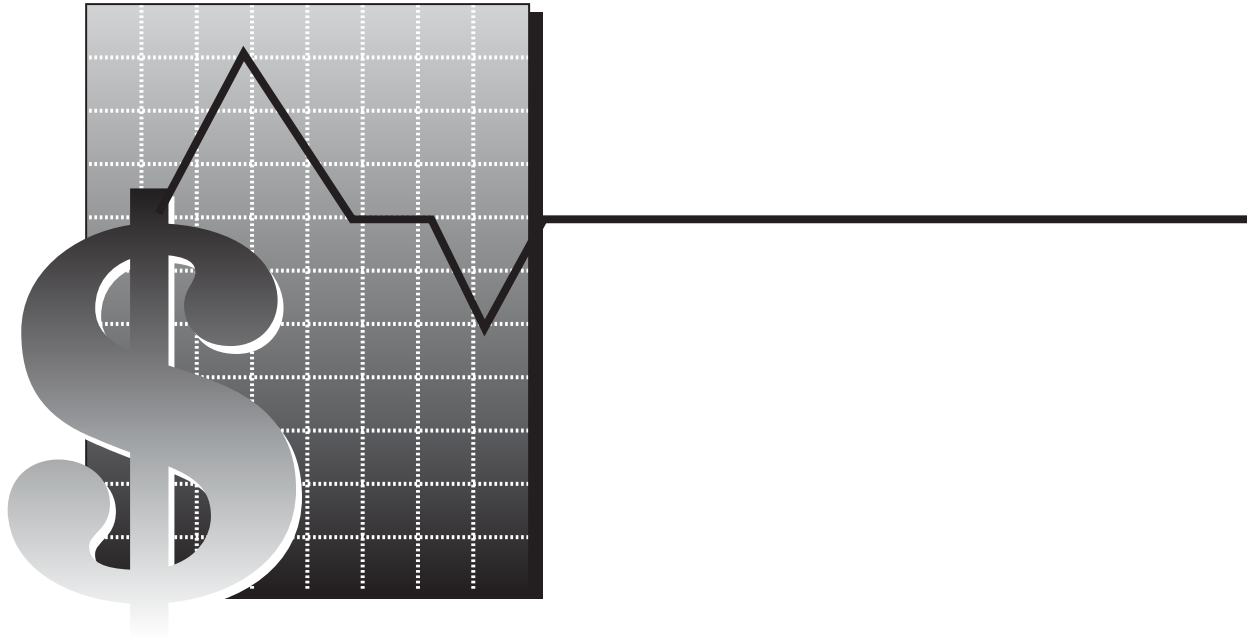


**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1550 - POUDRE R-1  
 Fiscal Year 2016-17  
 Colorado School District/BOCES

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	44,688,511	245,596,550	247,070,922	43,214,140
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>44,688,511</b>	<b>245,596,550</b>	<b>247,070,922</b>	<b>43,214,140</b>
11 Charter School Fund	6,679,587	17,242,580	18,922,105	5,000,063
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,561,779	9,268,774	9,365,869	1,464,684
22 Govt Designated-Purpose Grants Fund	4,000	13,509,123	13,513,123	0
23 Pupil Activity Special Revenue Fund	4,533,703	7,805,314	8,291,449	4,047,568
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	42,256,522	39,117,062	36,895,792	44,477,792
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	24,359,538	143,928	9,731,705	14,771,761
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>124,083,640</b>	<b>332,683,332</b>	<b>343,790,965</b>	<b>112,976,007</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	-1,539,539	2,561,470	149,725	872,206
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	9,047,966	8,390,832	8,724,339	8,714,459
<b>Totals</b>	<b>7,508,427</b>	<b>10,952,302</b>	<b>8,874,064</b>	<b>9,586,665</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	225,845	71,022	46,918	249,949
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>225,845</b>	<b>71,022</b>	<b>46,918</b>	<b>249,949</b>

FINAL



## **Mission**

Educate...

Every Child, Every Day

## **Vision**

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



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