



Greeley-Evans
WELD COUNTY SCHOOL DISTRICT 6

Comprehensive Annual Financial Report

**Weld County School District 6
Greeley-Evans, Colorado
For the year ended June 30, 2018**



Weld County School District 6
**Comprehensive Annual
Financial Report**
For the Fiscal Year Ended June 30, 2018

Prepared by:
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Greeley, Colorado

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2018 Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

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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 Officials





FINANCE DEPARTMENT
1025 NINTH AVENUE
GREELEY, COLORADO 80631

November 15, 2018

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

Colorado law requires that every Colorado local government conduct an annual audit of their financial statements. The law states the audit must be performed by an independent certified public accountant and be in accordance with generally accepted auditing standards (GAAS). The Comprehensive Annual Financial Report for Weld County School District 6, for the fiscal year ended June 30, 2018, is submitted herewith to fulfill this state requirement.

The report consists of management's representations concerning the financial aspects of Weld County School District 6. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the information presented, including all disclosures, rests with the Finance Department of Weld County School District 6. To provide a reasonable basis for making these representations, management of Weld County School District 6 has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Weld County School District 6's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the attached data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of all operations of the District. All disclosures necessary to enable the reader to gain an understanding of Weld County School District 6's financial activities have been included.

CliftonLarsonAllen, LLP, a firm of licensed certified public accountants, have audited Weld County School District 6's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent audit concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Auditors' Report on the District's financial statements is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Weld County School District 6 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's Single Audit Report for the fiscal year ended June 30, 2018.

Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in Management's Discussion and Analysis found on pages 19 through 34 of this report. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2018, have been included.

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

Profile of the District

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

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

Approximately 23,000 students attend school at the District's 32 schools and educational programs. The District's K-12 enrollment has shown an increase for the last seven years. The 2018-2019 enrollment numbers are showing a slight increase over the prior fiscal year. There are over 2,290 students eligible to utilize the District's bus services each day, and the District's Nutrition Department serves over 18,500 meals daily for breakfast, lunch and snacks.

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

- Early College Academy is an opportunity for students to obtain a two-year associates degree from Aims Community College while simultaneously earning a high school diploma;
- A Performing Arts Magnet high school program (Central High School);
- A Science, Math, Engineering and Technology (STEM) high school magnet program at Northridge High School and a similar focus program at McAuliffe K-8;
- U.S. Marine JROTC Program at Northridge High School;
- The Health Science Academy was created at Greeley Central High School, and has enrolled 100+ students interested in careers in the healthcare industry;
- Numerous Advanced Placement (college level) courses at our three traditional high schools, and a regional International Baccalaureate Programme (Greeley West High School);
- Brentwood Middle School designated as an IB World School by the International Baccalaureate Programme;
- Bella Romero Academy of Applied Technology is a K-8 school leading the focus of blended learning;
- A program for Deaf and Hard of Hearing students, Kindergarten-8, at Chappelow Arts and Literacy Magnet School;
- An Arts and Literature Magnet K-8 School (Chappelow Arts and Literacy Magnet School);
- A National AVID demonstration school at Greeley West High School;
- A premier learning resource facility (Poudre Learning Center) for interdisciplinary study of the Cache la Poudre River is shared by District 6 and three neighboring school districts.
- Fred Tjardes School of Innovation is a K-8 School that focuses on a project-based learning model that engages a diverse population of students in authentic learning.
- Five Charter Schools focused on alternate instruction methods.

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

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

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

Academic Achievements

- One of the most important goals of any public education entity is to support students in receiving their high school diploma. In 2017, District 6 had a graduation rate of 78.7 percent, keeping pace with the state of Colorado. Every year the district has seen marked improvement in its graduation rate; back in 2007, the graduation rate was only 68.7 percent. And, the District's most at-risk students are also graduating at high rates, which have improved significantly over the last decade. For example, the graduation rate for English language learners was 69.4 percent in 2017, which is nearly five percentage points higher than the state average of 64.6 percent. In addition, District 6 students go on to a variety of colleges and universities, certificate programs, military service and careers.
- District 6 offers 7 Career Academies with 27 different career pathway programs for students, which not only provide career exploration, but also college credit and professional certificates in several areas. These popular programs range from a Health Sciences Academy to an Agriculture Pathway, including programs that focus on construction management, engineering, culinary arts, fine and performing arts, entrepreneurship and much more. District 6 also offers a Marine Junior Reserve Officer Training Corps program and International Baccalaureate as well as Career Academy partnerships with our local Aims Community College to provide our students a vast array of opportunities they may choose to explore.
- District 6 students are highly competitive for some of the most coveted scholarships in Colorado. Since 2007, the District has had 19 Boettcher scholars. Six District 6 students received Daniels Fund Scholarships in 2018, joining 93 students who received the scholarships in the past eight years.
- More than 1,000 District 6 students participate in Advanced Placement classes. In 2018, 97 charter school and non-charter school students were named AP scholars and four received National AP Scholar recognition. The number of AP scholars continues to grow each year.

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- Early College Academy opened in August, 2015 in partnership with Aims Community College. Early College Academy provides students the opportunity to earn an Associate's Degree and a high school diploma simultaneously. This rigorous program is a mix between traditional high school and community college classes. Students can graduate with 60 college credits that will automatically transfer to any four-year Colorado college at no cost to the student. Currently in its fourth year of existence, there are over 285 students enrolled. The 2019 graduating class is the first class to attend Early College Academy starting in their freshman year.
- District 6 is in its eighth year of implementing blended learning district-wide. This instructional method allows educators to leverage technology to personalize learning for all their students, while getting real-time data to help guide teaching. Seventeen district schools implemented this personalized blended learning model in 2016-2017 including nine elementary schools, four middle schools, three K-8 schools and one high school. Last year, the blended learning implementation enters phase five, where two of our district schools are piloting a one- device-per-child model. This year, we are completing implementation at all 25 schools. Implementations for this year include Maplewood Elementary and Dos Rios Elementary School. In addition, high schools are implementing blended models in the content areas of math and English language arts as part of a curriculum adoption that was supported by mill levy override funds.
- In 2017-18 16 schools were rated at Performance under Colorado's school accountability model. Three schools were rated at Priority Improvement Turnaround, the lowest category. In 2014, 11 schools were rated at Performance and 10 were rated as Priority Improvement Turnaround.

Economic Condition and Outlook

National Economy

The U.S. and Colorado economies are firing on all cylinders and near-term growth prospects through the remainder of the decade remain bright. The nation is on track to post the longest economic expansion in U.S. history. Healthy levels of job creation, robust consumer spending, rising incomes, and solid business activity are propelling the U.S. and Colorado economies, even as global trade uncertainties create headwinds. Favorable tax treatment under the federal Tax Cuts and Jobs Act is strengthening business activity beyond what would otherwise be expected at this stage of the business cycle. The tax policy change is accelerating short-term growth, but may be borrowing against future investment. The expansion of the Colorado economy continues to outpace that of the nation. The upswing in energy prices is proving a boon to Colorado producers, reigniting the state's oil and gas industry.

Colorado Economy

Driven by a continued increase in consumer spending and robust business investment, the U.S. and Colorado economies are expected to accelerate in 2018. The economies will continue to expand in 2019 and 2020, although at slower rates as the economic expansion matures.

The State General Fund revenue ended FY 2017-18 with a \$1.27 billion reserve, equal to 12.3 percent of General Fund operating appropriations. This amount is \$599.5 million above the required 6.5 percent reserve. Revenue subject to TABOR exceeded the Referendum C cap by \$16.2 million, which will require a TABOR refund in tax year 2018 equal to \$37.5 million. This amount includes \$21.3 million carried over from the FY 2014-15 TABOR refund obligation and will be refunded via the reimbursements to local governments for the senior homestead and disabled veterans property tax exemptions. The year-end General Fund reserve is \$55.1 million higher than expected in June 2018, primarily reflecting higher than expected collections from each of the major revenue streams.

In FY 2018-19, the General Fund is expected to end the year with a 9.3 percent reserve, \$229.5 million above the 7.25 percent statutory reserve. Revenue subject to TABOR is expected to exceed the Referendum C cap by \$209.4 million, resulting in a TABOR refund in tax year 2019. The TABOR refund obligation is expected to be refunded via reimbursements to local governments for the property tax exemptions, with the remaining balance refunded through the six-tier sales tax refund mechanism.

The General Assembly is projected to have \$1.16 billion, or 9.2 percent, more to spend or save in the General Fund than what is budgeted to be spent and saved in FY 2018-19. Any changes to revenue or expenditures in FY 2018-19 will change this amount. Revenue is expected to exceed the Referendum C cap by \$174.8 million, resulting in a FY 2020-21 TABOR refund of the same amount.

School finance funding for FY 2019-20 is based on updated expectations for inflation, General Fund diversions required to the State Education Fund, and Federal Mineral Lease payments. Relative to budgeted amounts for FY 2018-19, the state aid requirement is expected to increase by \$186 million in FY 2019-20. While the local share is also projected to increase by \$109 million based on higher property values, the overall total program requirement is expected to increase by \$295 million due to inflation and enrollment growth. In FY 2019-20, the State Education Fund's contribution to school funding is expected to fall \$62 million relative to the current budget year. This amount assumes a constant budget stabilization factor and State Education Fund ending balance of \$100 million in FY 2019-20.

The Colorado Constitution requires the State Education Fund to receive one-third of one percent of taxable income. In addition, the General Assembly has at different times authorized the transfer of additional moneys from the General Fund to the State Education Fund. Money in the State Education Fund is required to be used to fund kindergarten through twelfth grade public education.

In FY 2017-18, preliminary collections data suggest that cash fund revenue subject to TABOR fell 17.1 percent to \$2.30 billion year-over-year. The drop in revenue is attributable to the elimination of the Hospital Provider Fee and the 2.9 percent sales tax on retail marijuana pursuant to Senate Bill 17-267. These reductions more than offset expected increases in transportation-related and severance tax revenue. Cash fund revenue subject to TABOR will rebound from this lower level, growing by 7.1 percent to \$2.46 billion in FY 2018-19. Cash fund collections will increase an additional 2.2 percent to \$2.52 billion in FY 2019-20 as most revenue sources are projected to rise.

Local Economy

Larimer and Weld Counties make up the northern region. The northern region continues to be one of the best performing areas economically in the state. The energy sector has recovered from an industry-specific recession in 2016 and the other sectors of the economy continue to fire on all cylinders. The region added jobs at a pace nearing the fastest in the state, and the unemployment rate continues to hover near historical lows. Population growth and a strong labor market have boosted demand for housing and nonresidential real estate.

The labor market in the northern region is among the strongest in the state, with robust employment growth and a historically low unemployment rate. The region's two metropolitan statistical areas (MSAs), Fort Collins-Loveland and Greeley, posted strong job growth over prior-year levels through the first half of 2018, increasing 2.8 percent and 4.9, respectively. Employment growth rebounded in the Greeley MSA in 2017 as oil prices stabilized and the energy industry increased oil and gas development in the Denver-Julesburg Basin. Area unemployment continues to fall as employment gains outpace growth in the labor force.

The northern region produces about a quarter of the value of Colorado's agricultural products due to the livestock industry in Weld County. Tariffs on agricultural commodities are causing concern for the industry, as the reshuffling of global supply chains cause uncertainty for farmers and ranchers. Low prices for corn have decreased the cost of feed for the cattle industry. However, prices for beef and milk are also depressed.

Oil production in the northern region, particularly in Weld County, has dominated statewide production for over a decade. Oil production increased 13.5 percent in 2017 and accelerated to 38.7 percent through the first five months of 2018. Oil and gas production has increased because prices stabilized inducing the development of new wells. However, the number of active drilling rigs in September 2018 was 21, a decline from 35 active drilling rigs a year ago. Natural gas production in the northern region continues to increase as the natural gas produced in conjunction with oil wells is captured and sold on the market.

The northern region's residential real estate market is mixed between Larimer and Weld Counties. A strong labor market, high net in-migration to the region, and the availability of land for development have supported strong growth in new residential construction activity in recent years. Multi-family permits are also lower than in 2017 as the rental market catches up to additional units built in 2016. Residential construction in Weld County has recovered along with the oil industry, with permits increasing 49.6 percent in the first six months of 2018.

Long-Term Financial Planning

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

The 2018-19 state average per pupil funding (PPF) by formula is estimated to be \$8,909; however the negative factor reduces that amount to \$8,137, a reduction of \$772 per student. In comparison, Weld County School District 6 per pupil funding prior to the negative factor would be \$8,779 reduced by the negative factor of \$761 to \$8,019.

In fiscal year 2010-11, an additional factor, the negative factor or budget stabilization factor, was included in the school finance formula. This factor acts as a reduction to other existing factors and does not reduce the base funding a district receives through the school finance funding formula. This factor was made permanent with the passage of Senate Bill 11-230 as a budget stabilization measure for the state. For fiscal year 2018-19, the budget stabilization factor will be reduced by \$150 million, to \$672.4 million. Over the past 9 years, Weld County School District 6 has had a cumulative impact of \$177.2 million as a result of state budget cuts.

The goals utilizing the District's financial resources for the 2018-2019 school year are very strategic. These goals include –

- After several years of maintaining or reducing support level positions within the district, the district is adjusting staffing levels in a few areas to accommodate the work load of various positions. Two-thirds of the new positions are school based staff hired to support students as the district grows.
- The District shall reserve 6% of the prior year's operating revenue designated as a 3% TABOR reserve and a 3% Board reserve.
- In November 2017, voters living in Greeley and Evans approved a \$14 million Mill Levy Override for Greeley-Evans School District 6. For seven years, District 6 will have these additional operating dollars to do some very important work in the areas of safety and security, academic achievement, technology, deferred maintenance, curriculum, career pathways, classified salary support and charter school transfers.

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- The Academic Achievement and School Leadership Department has many goals and initiatives for 2018-2019 that require strategic budget planning in order to support their expected outcomes.
 - Continue to focus on the comprehensive turnaround plans for Franklin Middle School and Prairie Heights Middle School that will result in an increase in student achievement and growth.
 - Implement innovation plan at Martinez Elementary and develop plans for improving student achievement and growth at other schools in priority improvement.
 - Increase the graduation rate for all student groups and for disaggregated student groups.
 - Increase the percentage of minority students who successfully complete advanced placement classes.
 - Implement new programming for English Language Learners to better support their educational needs.
 - Continue/expand cultural proficiency training and support for all employee groups.
 - Implement improvement plans for schools on Priority Improvement and Turnaround status.
- Blended Learning is taking place in traditional school buildings and adds the effective use of education technology to transform the learning experience for students. It combines teacher-led instruction with high-quality digital educational content that is customized to a student's needs and abilities. Blended learning has the potential to significantly improve K-12 education throughout the country and specifically in District 6. Blended Learning directly aligns to the goal of Student Learning and Achievement in the District's Strategic Plan, relating to:

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

The district continues to expand blended learning content in all elementary, K-8, middle and high schools.

- There are some very serious capital needs arising in the district. Capital improvements have been deferred during the economic downturn as a way to balance the budget. The district has contracted with educational facility planners and architects to develop a Facilities Master Plan. The team was hired to conduct an analysis of the current educational programs, assess the facilities, and study options and priorities for resolving the schools' challenges and needs for continued growth and success. The consultant's reports will describe the adequacy and conditions of the district's schools.

Many of the facilities tend to be plagued with asbestos or other hazardous materials, making expansions and renovations slow and expensive undertakings. Such lack of flexibility has led the district to utilize a great number of modular classroom trailers on many of the school sites. A high percentage of district classrooms are located in portable modulars, in fact District 6 has the highest percentage of portable classrooms of all districts in Colorado.

The master plan report will evaluate the conditions of each location as well as the educational suitability. The urgency of needed repairs will be prioritized, and an estimated cost of those repairs will be calculated using current costs of labor and materials. The District currently has an estimated \$320 million of deferred maintenance needs.

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

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- Activities which support sound fiscal management include balancing of the budget for the 2018-2019 school year by monitoring of expenditures, seeking new grant funding and aligning current grant resources, identifying cost-cutting measures, developing and enhancing revenue streams.
- The District did not spend any fund balance for 2016-2017 or 2017-2018 years, and based on the adopted budget for 2018-2019, there is a planned use of general fund balance of \$4.2 million.

Relevant Financial Policies

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

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

Major Initiatives

Strategic Plan

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

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

This plan provides a framework for collaboration and partnerships. Most importantly this plan identifies how the district will make a difference in the lives of over 23,000 children every single day.



Greeley-Evans
WELD COUNTY SCHOOL DISTRICT 6



GREELEY-EVANS SCHOOL DISTRICT 6
INNOVATION2020

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

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



STUDENT LEARNING AND ACHIEVEMENT

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



CLIMATE AND CULTURE

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



STRENGTHENING PARTNERSHIPS

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



OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS

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

VALUES AND BELIEFS

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* and the Association of School Business Officials International (ASBO) awarded a *Certificate of Excellence in Financial Reporting* to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. The District has received a Certificate of Achievement for fifteen consecutive years and a Certificate of Excellence for the last seventeen years. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting it to both GFOA and ASBO to determine its eligibility for another certification.

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The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. We would like to express our sincere appreciation to all members of the department for the contributions made in the preparation of this report. We also thank the District's independent auditors, CliftonLarsonAllen, LLP, for the professional manner in which they accomplished the audit. We would also like to thank the members of the Weld County School District 6 Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Meggan Sponsler, CPA
Chief Financial Officer



Mandy Hydock
Finance Director



Government Finance Officers Association

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

Presented to

**Greeley-Evans Weld County
School District 6, Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Weld County School District 6

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

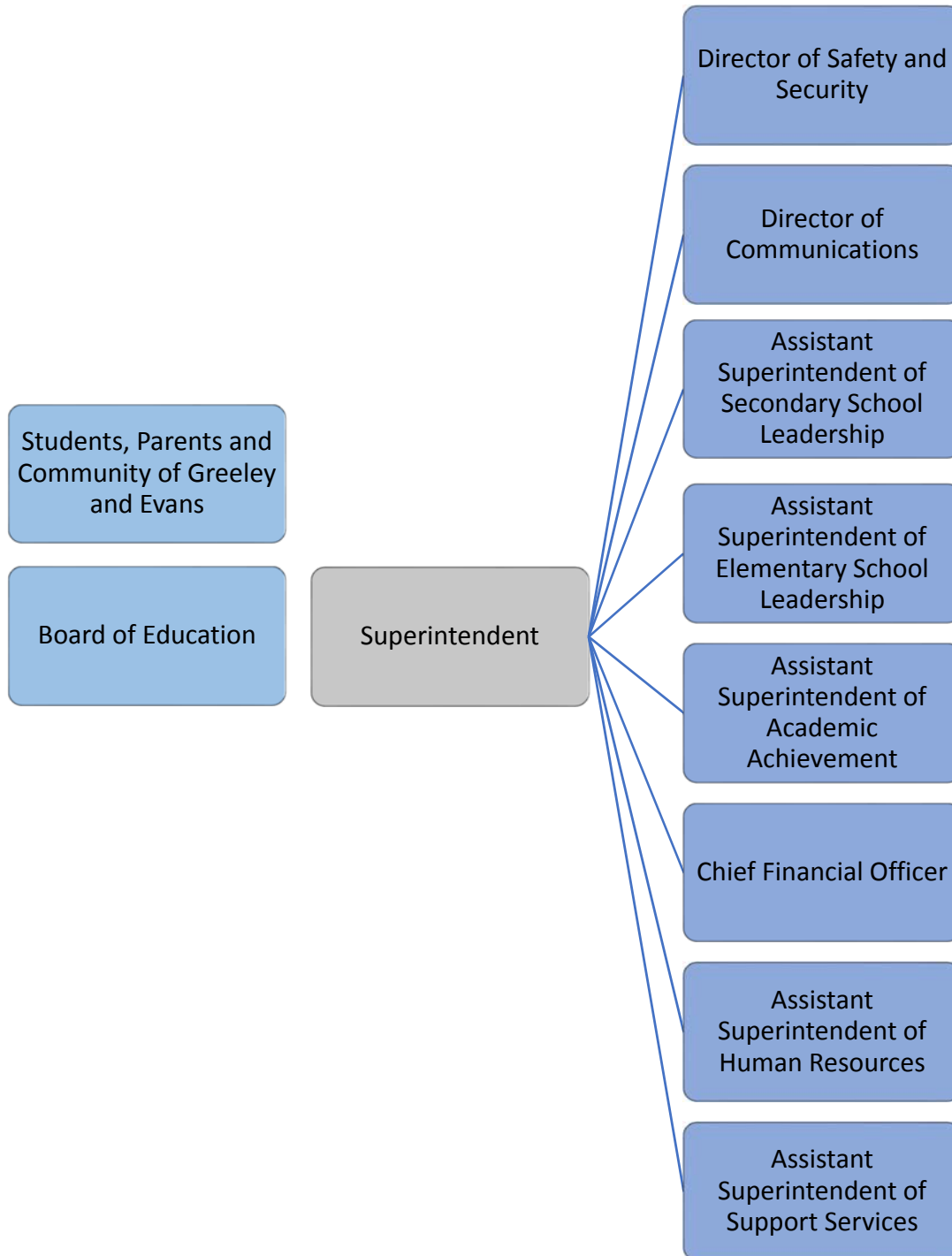
Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director



Organizational Chart





**List of Elected Officials
June 30, 2018**

Elected Officials – Board of Education		<u><i>Term Expires</i></u>
President	Roger DeWitt	2021
Vice President	Terri Pappas	2019
Director	John Haefeli	2021
Director	Doug Lidiak	2019
Director	Michael Mathews	2021
Director	Julia Richard, Ed.D.	2019
Director	Rhonda Solis	2021

Appointed Officials – Board of Education

Secretary	Kristina Crain
Treasurer	Meggan Sponsler

Superintendent’s Executive Cabinet

Superintendent of Schools.....	Deirdre Pilch, Ed.D.
Assistant Superintendent of Academic Achievement.....	Stacie Datteri, Ed.D.
Assistant Superintendent of Secondary Leadership	Rhonda Haniford, Ph.D.
Assistant Superintendent of Elementary Leadership	Wes Tuttle
Chief Financial Officer.....	Meggan Sponsler
Assistant Superintendent of Human Resources	Annette Overton
Director of Communications.....	Theresa Myers
Director of Safety and Security	John Gates
Executive Director of Support Services.....	Brad Johnson



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
Weld County School District 6
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weld County School District 6 (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of GASB Statement No. 75 as described in Note 10 to the financial statements, the District reported a restatement for the change in accounting principle. Our opinions are not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 – 34, budgetary schedules for the General Fund, Food Service Fund and Designated Special Purpose Grants Fund on pages 83 – 86, pension information on pages 88 – 89, and other post-employment benefits information on pages 90 – 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules for the Capital Projects Fund, the Platte Valley Youth Services Center Fund, and the Bond Redemption Fund, Statement of Changes in Assets and Liabilities for the Agency Funds, the combining component unit statements, and the Auditors Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedules for the Capital Projects Fund, the Platte Valley Youth Services Center Fund, and the Bond Redemption Fund, the Statement of Changes in Assets and Liabilities for the Agency Funds, the combining component unit statements, the Auditors Integrity Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, the Statement of Changes in Assets and Liabilities for the Agency Funds, the Auditors Integrity Report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018, 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
November 15, 2018





Management's Discussion and Analysis

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



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

As management of Weld County School District 6 (the District), Greeley-Evans, Colorado, we offer readers of the District's Comprehensive Annual Financial Report this narrative, overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements and notes to the basic financial statements to enhance their understanding of the school District's financial performance.

Financial Highlights

At June 30, 2018:

- Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions* was implemented by the District during the fiscal year ended June 30, 2015 and continues to significantly impact the District's government-wide statements. GASB 68 revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The District provides its employees with pension benefits through a multiple employer cost-sharing defined retirement program administered by the Public Employees' Retirement Association of Colorado (PERA).
- Among other requirements, the District is required to report its proportionate share of the total PERA net pension liability (NPL) in its government-wide financial statements. The District's share of the PERA NPL is \$664 million as of June 30, 2018. Inclusion of this figure in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown. The District's liability is limited to the annually required contributions established by the State Legislature.
- Due to the effect of GASB 68, the District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$360 million.
- Governmental Accounting Standards Board No. 75 (GASB 75), *Accounting and Financing Reporting for Postemployment Reporting for Postemployment Benefits Other Than Pensions*, revised and established financial reporting requirements for governments that provide their employees with other post employment benefits. The District provides its employees with OPEB through the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB plan administered by PERA. Impact of new financial standard GASB 75, caused a restatement of beginning net position.
- Similar to GASB 68, GASB 75 requires the District to report its proportionate share of the total PERA HCTF net OPEB liability in its government-wide financial statements. The District's share of the PERA HCTF net OPEB liability is \$15.2 million as of June 30, 2018.
- Fund level statements, including the General Fund statements, are not impacted by GASB 68 and GASB 75 reporting.
- The net position of the District governmental activities includes \$97.2 million net investment in capital assets; net position of \$25.1 million restricted for debt payments, required emergency reserves, mill levy override, operational funds, and food service operations; and an unrestricted net position negative balance of \$482.4 million. The unrestricted balance is negative due to the effects of GASB 68. The unrestricted balance is also different than what would be reflected on a governmental fund accounting basis due to the accounting treatment in the government-wide statements. Under governmental fund accounting, long-term compensated absences and long-term debt are not recorded in governmental funds as a liability because they are not payable with current funds.
- The total net position of the District's governmental activities decreased by \$93.4 million during fiscal year 2017-2018. The decrease in net position on a government-wide basis is similar to the increase in fund balance on a governmental fund basis, however, several large factors impact differences between the two methods. The reconciliation between the two methods is found on page 40. The pension expense

MANAGEMENT'S DISCUSSION AND ANALYSIS**June 30, 2018**

reconciling items on page 40 shows the effect of GASB 68 on net position. If not for the effect of GASB 68, the District would show an increase in net position.

- Fund balance of the District's governmental funds increased by \$6 million resulting in an ending fund balance of \$53.4 million. The General Fund had an increase in fund balance of \$4.2 million as a result of multiple projects not complete as of the fiscal year end, unfilled classified positions, contracted services were less than budgeted and unanticipated revenues were earned.
- During the current fiscal year, the fund balance in the General Fund increased by \$4.2 million. The per pupil funding for the District for the 2017-2018 fiscal year was \$7,541, compared to the fiscal year 2016-2017 funding of \$7,329, an increase of \$212. For the 2017-2018 fiscal year, the State was able to continue to stabilize the amount of the Negative Factor in the school funding formula by holding the factor flat at \$828.3 million. Additionally, the State funded enrollment growth along with additional English Language Learner funding.
- Total actual revenue from local sources received in the General Fund was positive to the revised budgeted revenue in total. The anticipated local revenues exceeded the budgeted figures as a result of increased property and specific ownership taxes. Additionally, local revenues increased due to significant oil and gas royalty payments that were unanticipated for the district. State funding did not meet expectations due to State Equalization revenues being reallocated to local sources. The budgeted revenue shortfall was approximately \$9 million. The overall budgeted General Fund revenues fell short by \$3.5 million as a result of less state equalization revenue than planned.
- The District was also able to reduce actual expenditures by \$8.7 million against the budget. The positive expenditure variances include salaries and benefits for unfilled classified positions, an administrator position and utility expenses varying do to unpredictability of the weather. There were \$2.5 million mill levy override projects started, but not completed by year-end and the Board of education appropriated funds to purchase property for a future school site, which did not come to fruition by June 30, 2018.
- The District's capital assets increased by \$9 million, net of depreciation, during the current fiscal year to \$138.4 million at June 30, 2018. The increase is due to various facility upgrades, including roofs, Meeker Elementary remodel, field modifications for synthetic turf installation. Additionally, various small projects were funded with mill levy override revenues.
- The District's long-term obligations decreased by \$8.5 million to \$46.2 million. Additional discussion on long-term debt may be found on page 32.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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

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

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

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

Significant Accounting Pronouncements

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

Actuarially determined contributions ("ADC") have replaced annual required contributions ("ARC") as the gauge of the adequacy of the State's statutory contribution rates. GASB 67 required the disclosure of the amount of contributions, the ADC amount and the difference between those amounts. The ADC is calculated using the investment rate of return and discount rate assumptions according to the PERA Board's Funding policy (currently 7.5%). An ADC deficiency arises when contributions are less than the ADC. For 2018, the School Division's ADC deficiency was \$177.6 million; over the past ten years, the ADC cumulative shortfall in School Division funding (without adjustment for investment earnings) has been \$1,661.3 million.

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

NPL are included in pension expense immediately. Changes resulting from certain causes are introduced into pension expense over multiple periods.

See Note 9 on pages 63-71 in the Notes to Basic Financial Statements for the full disclosure related to PERA.

Effective with fiscal year 2017-2018, the District was required to apply GASB 75. GASB 75 significantly changed OPEB accounting and financial reporting by requiring a net OPEB liability on the statement of net position. Historically, an unfunded OPEB obligation for employers in a cost-sharing plan, such as PERA HCTF, was previously, only a general description of the HCTF and information about contributions to the HCTF were disclosed in the notes to the financial statements.

Fund Financial Statements

Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. Some funds are required by state law. Other funds control and manage money for particular purposes (such as repaying its long-term debt) or to demonstrate proper expenditure of certain revenues (such as federal grants). All of the funds of the District have been divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six different governmental funds. The major funds are the General Fund, the Capital Projects Fund, Food Service Fund, Designated Special Purpose Grants Fund, and the Bond Redemption Debt Service Fund. They are presented separately in the fund financial statements. The Platte Valley Youth Services Fund is presented as a non-major fund in the fund financial statements.

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

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these sources of funds are not available to support the District's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement is presented on page 41.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Component Units

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

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

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 44-82 of this report.

Supplementary Information

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

Government-Wide Financial Analysis

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

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2018-2019. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2018-2019.

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

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

The assets and deferred outflows of resources of the government exceed the liabilities and deferred inflows of resources by \$360 million with an unrestricted negative balance of \$482.4 million at June 30, 2018.

The largest portion of the District's net position, \$97.2 million, represents its investment in capital assets (e.g., land, land improvements, buildings, equipment, and vehicles), less related debt used to acquire these assets that are still outstanding. The District uses these capital assets to provide services to its constituents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets cannot be liquidated to pay the debt.

Net position of \$16.4 million, accumulated due to voter approved bonded debt, has been restricted to provide resources to liquidate the current general obligation bond principal and related interest payments.

Weld County School District 6 voters approved a Mill Levy Override in November 2017. There were approximately \$14 million of voter approved funds that were received beginning in January 2018. All of these funds were not spent by year-end, therefore, the district has a \$2.5 million restriction for the mill levy override.

The net position of Preschool, Dental and Food Service Funds of \$1.6 million are restricted for the respective funds use only. The required emergency reserves of \$4.7 million have also been restricted.

Unrestricted net position is different than what would be reflected on a governmental fund accounting basis. This is due to the impact of capital assets and long-term liabilities, such as the net pension liability relating to GASB 68, net OPEB liability relating to GASB 75, compensated absences payable, bonds payable and other long-term liabilities, on net position in comparison with the governmental fund accounting basis. The \$3 million compensated absences payable is reported as a portion of the noncurrent liabilities on the government-wide statements because they are not payable with current funds. The net pension liability is reported similarly with a balance of \$664 million and the net OPEB Liability had a balance of \$15.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

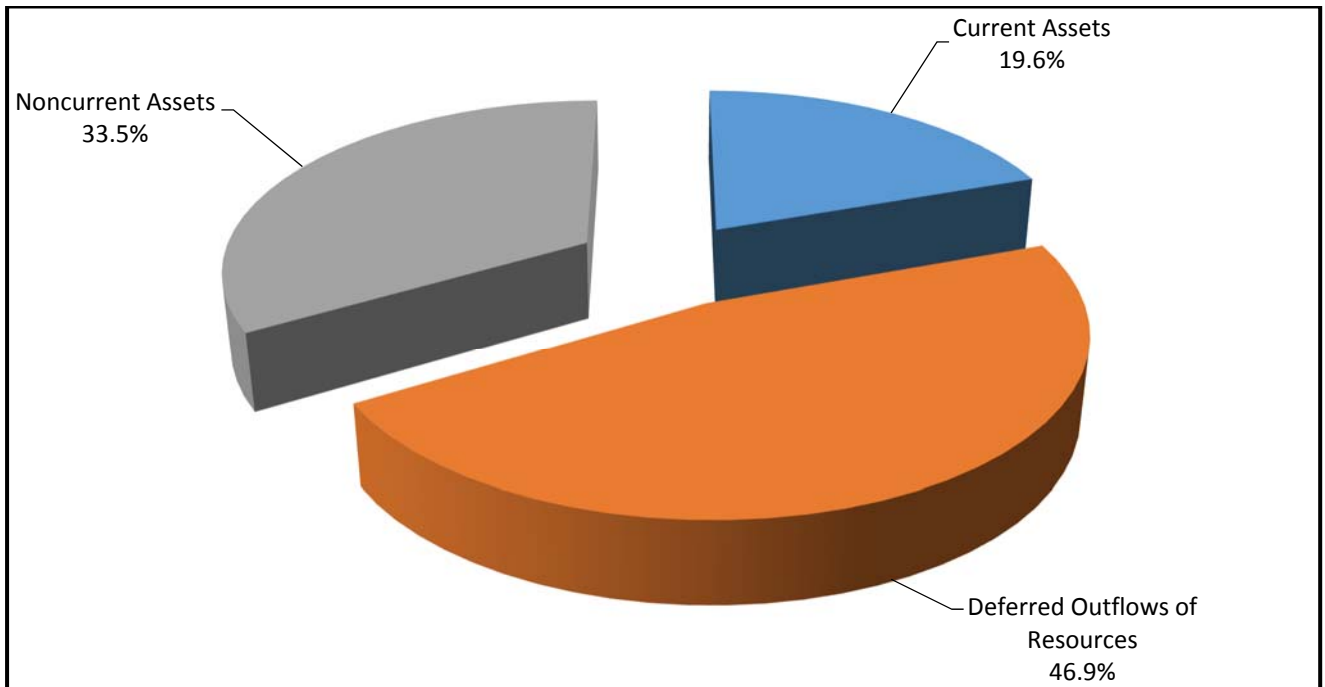
Table 1
Comparative Summary of Net Position
as of June 30, 2018 and 2017

	Governmental Activities		
	2018	2017	Percentage Change
Assets			
Current and Other Assets	\$80,889,121	\$ 74,081,208	9.2%
Capital Assets, Net	138,371,026	128,520,801	7.7%
Total Assets	219,260,147	202,602,009	8.2%
Deferred Outflows of Resources			
Deferred Charges on Bond Refunding	1,266,539	1,720,434	-26.4%
Deferred Pension Outflows	191,942,572	234,729,881	-18.2%
Deferred OPEB Outflows	605,858	-	100%
Total Deferred Outflows of Resources	193,814,969	236,450,315	-18.0%
Liabilities			
Current Liabilities	19,012,970	18,328,836	3.7%
Noncurrent Liabilities	725,348,125	664,881,645	9.1%
Total Liabilities	744,361,095	683,210,481	9.0%
Deferred Inflows of Resources			
Deferred Pension Inflows	28,453,521	7,831,979	-18.2%
Deferred OPEB Inflows	253,672	-	100%
Total Deferred Inflows of Resources	28,707,193	7,831,979	266.5%
Net Position			
Net Investment in Capital Assets	97,217,288	79,009,836	23.0%
Restricted	25,147,098	20,765,141	21.1%
Unrestricted	(482,357,558)	(351,765,113)	37.1%
Total Net Position	(359,993,172)	(251,990,136)	42.9%

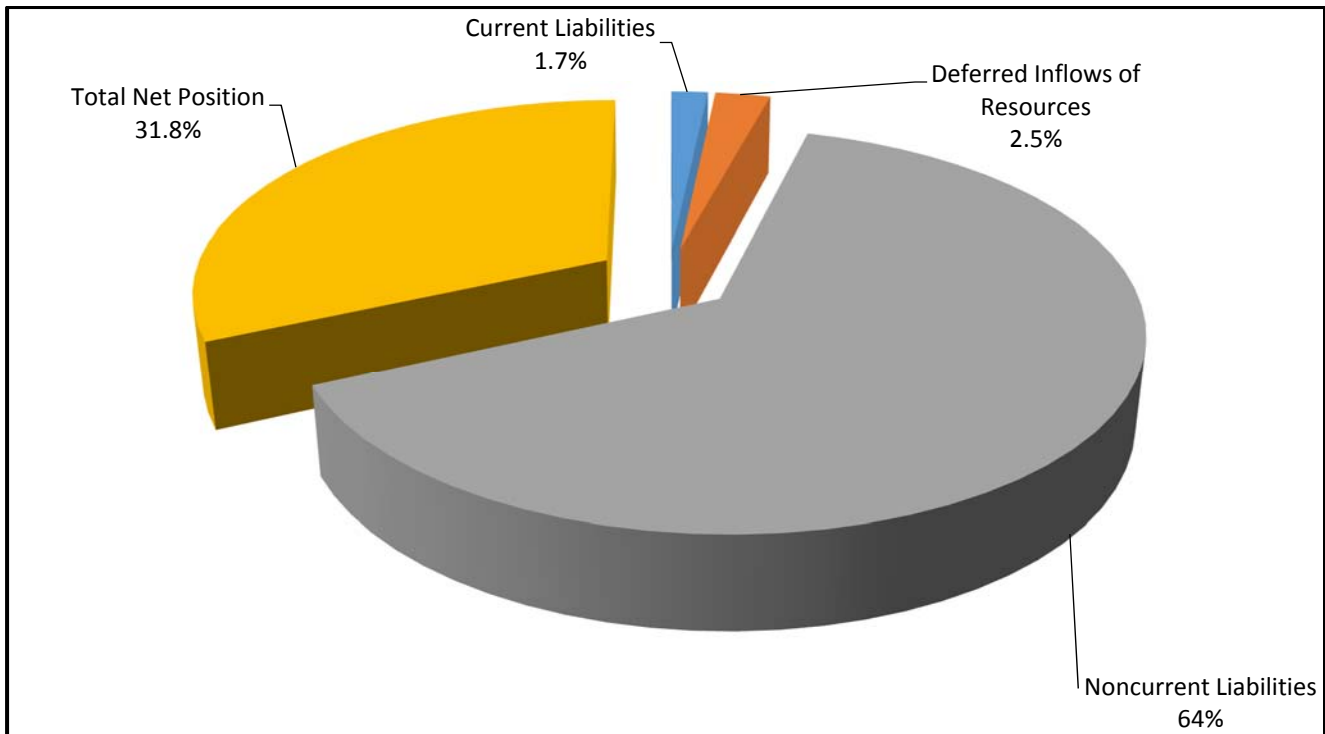
The 2017 ending balance was not restated for the restatement described in Note 10.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Government-Wide Total Assets and Deferred Outflows of Resources



Government-Wide Total Liabilities, Deferred Inflows of Resources and Total Net Position



Governmental activities decreased the net position of the district by \$93.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

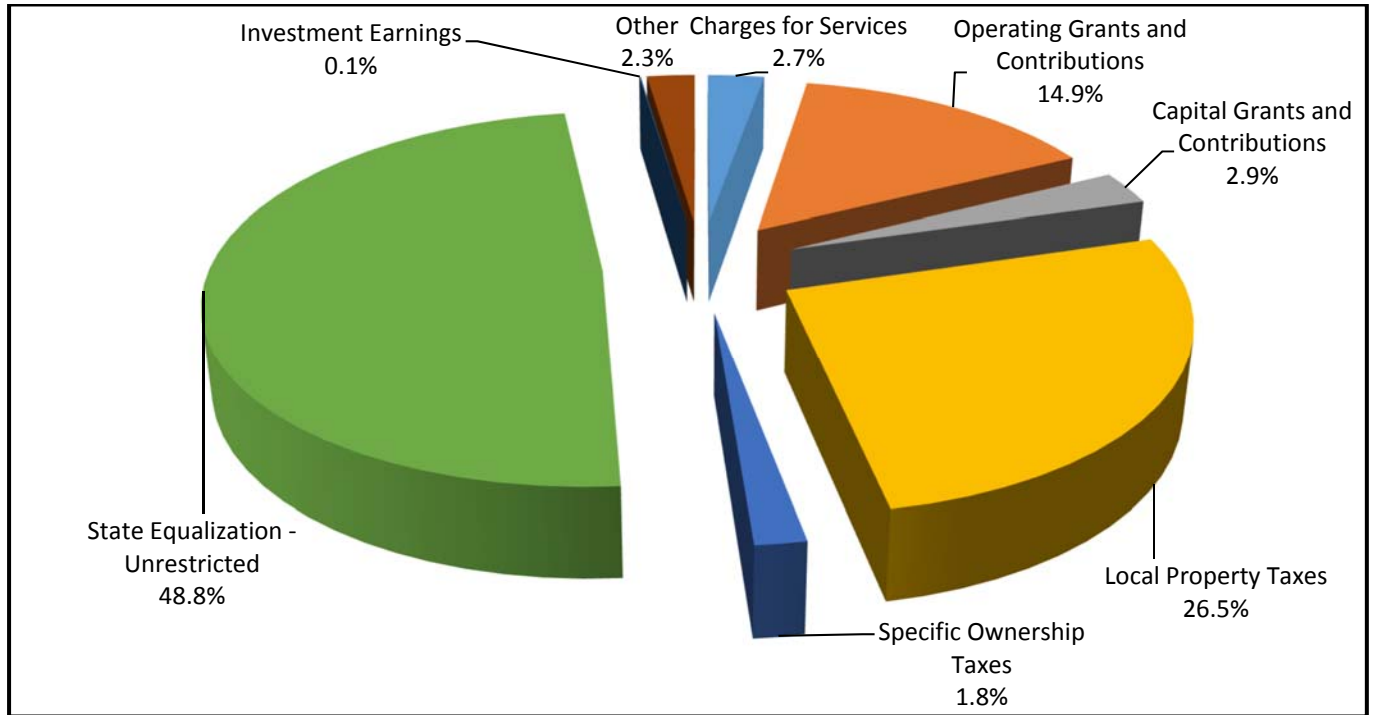
Table 2
Comparative Summary of the Statement of Activities
For the Years Ended June 30, 2018 and 2017

	Governmental Activities		Percentage Change
	2018	2017	
Revenues:			
Program Revenues			
Charges for Services	\$ 6,815,694	\$ 10,989,409	-38.0%
Operating Grants	36,940,358	35,763,262	3.3%
Capital Grants and Contributions	7,202,618	1,391,089	417.8%
General Revenues			
Property Taxes	66,056,168	42,411,975	55.7%
Specific Ownership Taxes	4,421,487	3,215,524	37.5%
State Equalization	121,604,839	123,550,014	-1.6%
Investment Earnings	165,622	7,697	2051.8%
Other	5,781,644	3,216,620	79.7%
Total Revenues	248,988,430	220,545,590	12.9%
Expenses:			
Governmental Activities			
Instruction	169,678,693	150,394,095	12.8%
Support Services			
Student Support	19,226,071	15,477,975	24.2%
Instructional Staff	17,257,231	14,881,871	16.0%
General Administration	2,543,903	2,156,144	18.0%
School Administration	20,660,634	18,949,844	9.0%
Business Services	4,373,867	3,719,905	17.6%
Operations & Maintenance	21,361,305	18,630,666	14.7%
Student Transportation	8,513,846	8,031,063	6.0%
Other Support	16,877,181	15,060,073	12.1%
Food Service Operations	14,807,272	13,014,203	13.8%
Payments to Charter Schools	45,532,920	38,697,080	17.7%
Interest on Long-Term Debt	1,529,923	1,754,895	-12.8%
Total Expenses	342,362,846	300,767,816	13.3%
Increases (Decreases) in Net Position	(93,374,416)	(80,222,226)	16.4%
Net Position – Beginning, as Restated*	(266,618,756)	(171,767,910)	55.2%
Net Position - Ending	(359,993,172)	(251,990,136)	42.9%

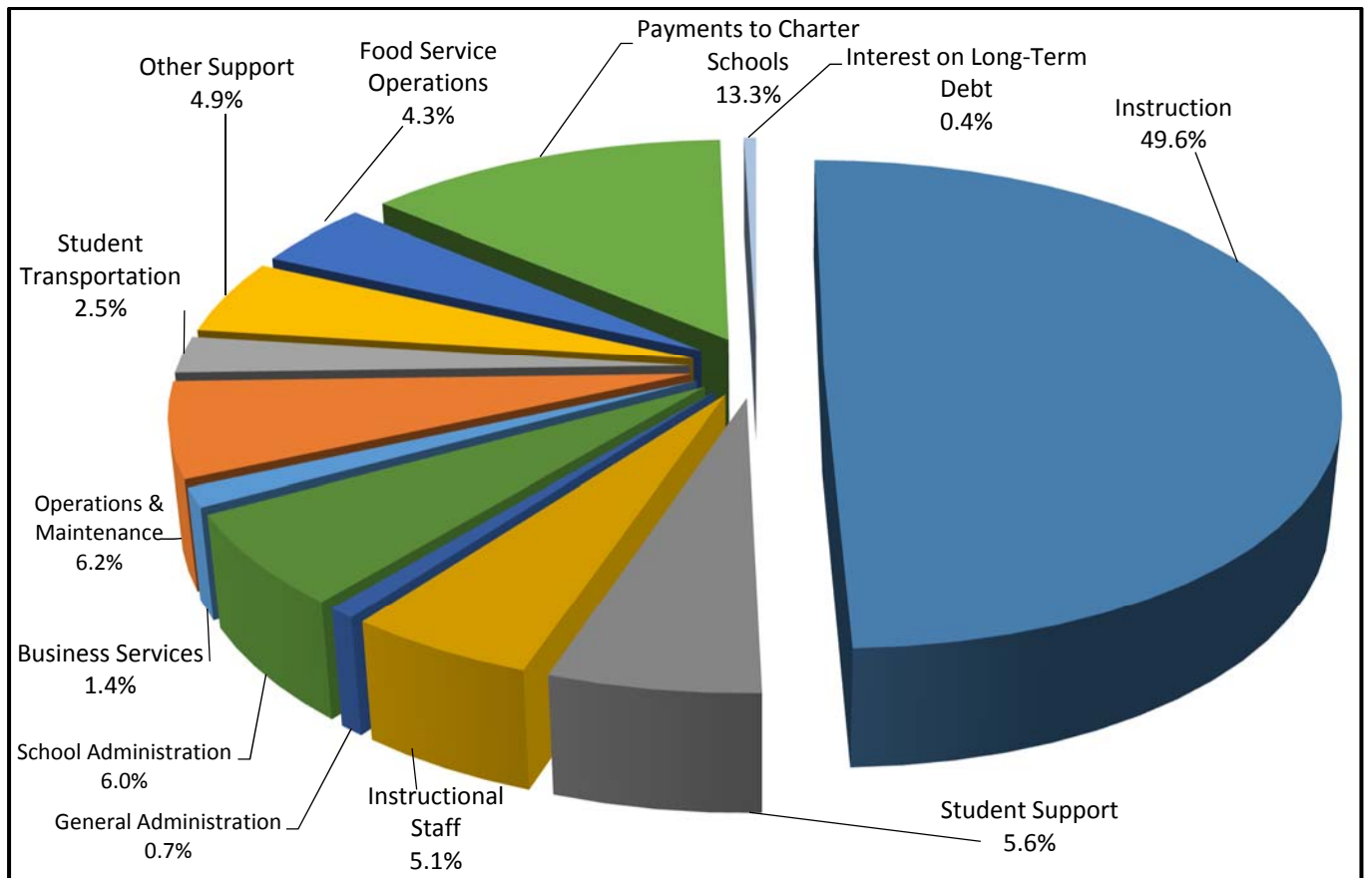
*Only the 2018 beginning balance represents restated amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Government-Wide Revenues



Government-Wide Expenses



MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Governmental Activities

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

- The Colorado Public School Finance Act provides for the majority of the funding of local school districts based on a funded per pupil count formula and a maximum property tax mill levy for each school district. State equalization aid decreased by \$1.9 million during the fiscal year, with property taxes increasing by \$23.6 million during the year. The economic condition of the State continued to improve during the 2017-2018 fiscal year which enabled the State Legislature to increase school funding for the 2018-2019 fiscal year. The State was able to hold the Negative Factor neutral in the school funding formula and State funding included a 2% increase in base per pupil funding in accordance with the annual increase in the 2014 Consumer Price Index. The State also funded enrollment growth along with additional English Language Learner funding. The per pupil funding for the District for the 2017-2018 fiscal year was \$7,329, compared to the fiscal year 2016-2017 funding of \$7,194, an increase of \$135.
- The State did continue to provide partial funding of full day kindergarten for the 2017-2018 school year at an additional .08 FTE for each kindergartener enrolled. The District continues to provide full day kindergarten at all elementary and K-8 schools.
- The District received additional \$1.9 million of state funding through the English Language Proficiency Act to support at-risk students and an additional \$1.1 million of READ Act funding which was used to fund salaries and after school programs.
- Total governmental activities expenses increased by \$41.6 million. Approximately \$117 million of the total governmental activities expenses relates to the way pension expenses are recorded as a result of GASB 68. Prior to fiscal year 2015-2016, pension expense was equal to the amount the District was legally obligated to contribute at the established statutory amount.
- Instructional expenses increased as a result of increased enrollment and related staffing and direct expenses related to those students. Teachers received a minimum of 3.75% increase on the salary schedule and horizontal advancement. Other employee groups also received a 3.75% increase. Health insurance contributions were maintained at existing levels and expenses increased due to employer's retirement costs.
- The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Weld County School District 6 is a service organization providing educational services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$53.4 million, an increase of \$6 million in comparison with the prior year. Approximately 31% of this total amount, \$16.7 million, constitutes unassigned fund balance. The remainder of the fund balance is classified as follows –

- Nonspendable – Inventory in the amount of \$250,014 and prepaid items of \$1,015,297, which in total is 2.4% of total fund balances.
- Restricted – the following fund balances have restricted uses and include TABOR of \$4.7 million and 8.7% of total fund balance), debt service of \$16.4 million (30.7%) of total fund balance, mill levy override of \$2.5 million (4.6%) and food services of \$0.6 million (1.1%) of total fund balance. Additionally, the General Fund (which includes Dental Fund and the Preschool Fund), has fund balances which are limited in use by program requirements. The total fund balance for these funds was \$0.8 million.
- Committed – The General Fund includes an emergency reserve balance of \$4.7 million (8.7% of fund balance) and the Risk Management Fund (\$1.7 million and 3.1%).
- Assigned – the Capital Projects Fund ended the year with a balance of \$4.2 million (7.9% of fund balance).

The fund balance of the District's general fund increased by \$4.2 million during the current fiscal year. This increase is a result of mill levy override funding and oil and gas royalty revenues. Contracted services expenditures were not utilized as expected and there were several classified positions unfilled.

The Debt Service Fund has a total fund balance of \$16.4 million, all of which is restricted for the payment of debt service. The fund balance of the Debt Service Fund has adequate resources accumulated to carry forward to the 2019 fiscal year to fund the District's long-term debt principal and interest payments.

The fund balance of the Capital Projects fund decreased by \$0.3 million, for a total ending fund balance of \$4.2 million. This decrease was a result of a large number of projects being completed in the early part of the 2017-2018 fiscal year. There was a total roof replacement completed at Brentwood Middle School and a number of the City of Greeley field turf projects were completed in July 2017.

The Food Service Fund ended the fiscal year with a fund balance of \$0.9 million, which is a decrease of \$1 million. The decrease was a result of meal participation dropping at the schools and the increase in salaries to meet new state minimum wage laws.

The Designated Special Purpose Grants Fund met the criteria to be reported as a major special revenue fund. Revenues of \$16.6 million were offset by equal expenditures.

General Fund Budgetary Highlights

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

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

The 2018 fiscal year budget was adopted in June, 2017, with revised budget additional appropriations authorized by the Board of Education in January, 2018 which included certification of the mill rate for taxation purposes for the fiscal year. Final budgeted revenues increased from original budgeted revenues, from \$185.2 million to \$206.2 million, due to the mill levy override passing in the 2017 election which accounted for an additional \$14 million in revenue for 2018. Additionally, oil and gas royalty revenues exceeded original projections. Final budgeted expenditures increased from \$182.5 million to \$205.6 million primarily to support mill levy override

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

expenditures as promised to our taxpayers. Additionally, the increase was to support due to an increase of benefit requirements (PERA required contributions increased 0.5%), healthcare and utility costs.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Actual expenditures of the General Fund including other financing uses amount to \$201.7 million. Unassigned fund balance represents 8.3% of expenditures while total fund balance represents 15.5% of budget expenditures.

The components of the fund balance are as follows -

Table 3
Fund Balance Components: General Fund
June 30, 2018 and 2017

	General Fund	
	2018	2017
Nonspendable for:		
Prepayments	\$ 973,050	\$ 225,454
Inventories	2,695	2,167
Restricted for:		
TABOR	4,660,376	5,182,106
Mill Levy Override	2,476,397	-
Preschool Fund	258,432	242,831
Dental Fund	513,094	343,660
Committed for:		
General Fund	4,660,376	5,182,106
Risk Management Fund	1,662,656	281,373
Unassigned	16,732,353	16,240,794
Total Fund Balance	\$ 31,939,429	\$ 27,700,491

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$138.4 million (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, equipment, and construction in progress. The District's investment in capital assets for the current fiscal year increased by 7% primarily due to various capital asset additions.

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

- Meeker Elementary School experienced a flood in November 2017 and had to relocate their school for the remainder of the year. As a result, the district has invested \$3.9 million in the 2017-2018 fiscal year to remodel the site.
- The City of Greeley provided the District with \$4.1 million as of the fiscal year end to update the track and field at both Greeley West High School and Heath Middle School. Additionally, the gift provided funding to replace the tennis courts at Greeley Central and Greeley West High Schools.
- Additional significant projects included roof replacements at Brentwood Middle School, remodeling of a site to open Fred Tjardes School of Innovation in the fall of 2017, a modular at McAuliffe STEM Academy, several boiler replacements and a non-potable pond at Prairie Heights Middle School.

The following table summarizes the capital assets for governmental activities:

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Table 4
Capital Assets (net of accumulated depreciation)
As of June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Land	\$ 7,313,341	\$ 7,313,341
Water Rights	200,605	200,605
Construction in Progress	5,917,417	2,660,291
Buildings	119,745,897	112,961,034
Transportation Equipment	1,218,438	1,588,469
Other Equipment	3,975,328	3,797,061
Total Capital Assets	\$ 138,371,026	\$ 128,520,801

Additional information on the District's capital assets can be found in Note 4 on pages 55-57 of this report.

Long-Term Debt

At June 30, 2018, the District had total bonded debt outstanding of \$42.4 million backed by the full faith and credit of the District, with \$9.1 million due in one year.

Table 5
General Obligation Bonds
As of June 30, 2018 and 2017

	Total School District	
	2018	2017
Governmental Activities:		
General Obligation Bonds	\$ 42,420,277	\$ 51,082,559
Total Long-Term Debt	\$ 42,420,277	\$ 51,082,559

The District's general obligation bonds decreased by \$8.7 million, which is due to the scheduled current year payments of existing debt.

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

Colorado Revised Statute (C.R.S.) 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specified formula. The District's outstanding debt is below the limit. At June 30, 2018, overall legal debt limit was \$676.8 million with a legal debt margin of \$650.7 million.

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

Additional information on the District's long-term obligations can be found in Note 6 on pages 58-61 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Factors Bearing on the District's Future

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

At the State level, the budget stabilization factor will be reduced by \$150 million for 2018-2019 to \$672.4 million. Other factors impacting the district's future include -

- The District will be receiving approximately \$8,909 per pupil (FTE basis) in 2018-2019, compared to the 2017-2018 funding of \$7,541 (as of the end of the fiscal year) per pupil. If the District was fully funded, as described by the School Finance Act, an additional \$16.7 million to support student education would be available. For Weld County School District 6 has a cumulative impact of \$177.2 million as a result of state budget cuts.
- The funded pupil count is the real driver of school funding. The SFA identifies a per-pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time students enrolled in a district. Not all students (kindergartners, for example) attend school on a full-time basis; the funded pupil count is different from the total enrollment, or district membership. The official pupil count occurs each October 1 and results in the funded pupil count numbers. The budget implications are substantial if projected enrollment growth is not realized. If an unexpected shortfall in actual enrollment occurs, this information is generally received after the close of the first quarter of the fiscal year and many staffing and programmatic changes cannot be made without significant impacts to students. For this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall compared to expected revenues
- The Success Foundation, a Colorado nonprofit corporation, has been established for the purpose of supporting the students, staff and community involved with Weld County School District 6. This foundation is a legally separate entity created to secure and distribute contributions from individuals and businesses to enhance the educational opportunity of the students of the Greeley-Evans community.
- Under state law, the District may contract with individuals and organizations for the operation of schools, referred to as "charter schools," within the District. For purposes of the School Finance Act, pupils enrolled in a charter school in the District are included in the pupil enrollment of the District. Such charter schools are financed, in part, from a portion of the District's revenues received under the School Finance Act. The District is required to pay a charter school a certain percentage of per pupil revenues for each pupil enrolled in such charter school, less certain central administrative costs. Mill levy funds are allocated to the charter schools based on each school's funded pupil count. The addition of new charter schools or expansion of existing charter schools could negatively impact the District's finances.
- Colorado's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. Appropriation decisions regarding the State's share of Total Program Funding are made on an annual basis by the State legislature. It is likely that the General 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS**June 30, 2018**

- The Public Employees' Retirement Association (PERA) of Colorado, the pension plan that covers all District employees, will currently hold steady at a contribution rate of 20.15%. The annual PERA costs will impact the District financially, and the District continues to factor this employee benefit in the annual budgets.
- With the ongoing uncertainty with State funding, the District continues to review budget reductions, cost containment measures, and funding reallocations to continue focusing its financial resources on student achievement in the classroom in its long-term planning.
- Rising nationwide healthcare costs are a consideration as the District evaluates the benefits provided to employees. The District has a growing concern about how to manage increases in benefits costs that significantly exceed the increases in revenues from year to year. The District's Benefits Committee will continue to meet to discuss, analyze and recommend the level of benefits being offered to employees.
- Funding for the 2019-2020 fiscal year generally takes into consideration recent quarterly economic forecasts, primarily the March 2019 economic forecast. The School Finance Act is considered during the 2019 Legislative Session, which convenes in January 2019 and adjourns in May 2019.

Request for Information

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

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

Frontier Academy
2560 W 29th Street
Greeley, CO 80631

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

University Schools
6525 18th Street
Greeley, CO 80634

Union Colony Schools
2000 Clubhouse Drive
Greeley, CO 80634

West Ridge Academy
6905 8th Street
Greeley, CO 80634



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.

STATEMENT OF NET POSITION

June 30, 2018

	Component	
	Primary Government	Units
	Governmental	Charter
	Activities	Schools
Assets		
Cash and Investments	\$ 44,534,842	\$ 17,348,429
Restricted Cash and Investments	-	12,921,473
Cash Held by Trustee	16,180,159	-
Intergovernmental Receivable	-	7,645
Accounts Receivable	289,771	112,199
Taxes Receivable	1,834,865	-
Grants Receivable	5,373,654	-
Other Receivables	3,170,952	-
Inventories	250,014	5,925
Prepaid Expenses and Deposits	1,076,873	120,973
Long Term Receivable	8,177,991	-
Capital Assets, Not Being Depreciated	13,431,363	11,562,477
Capital Assets, Net of Accumulated Depreciation	124,939,663	62,053,320
Total Assets	219,260,147	104,132,441
Deferred Outflows of Resources		
Deferred Charges on Bond Refundings	1,266,539	2,036,781
Deferred Pension Outflows	191,942,572	40,524,697
Deferred OPEB Outflows	605,858	165,572
Total Deferred Outflows of Resources	193,814,969	42,727,050
Liabilities		
Accounts Payable	161,234	2,768,703
Accrued Liabilities	1,071,456	-
Accrued Salaries and Benefits	15,389,045	1,851,115
Accrued Interest	75,503	447,412
Unearned Revenues	1,960,589	9,000
Construction Retainage	355,143	-
Noncurrent Liabilities		
Due Within One Year	9,707,700	1,259,009
Due in More Than One Year	36,478,470	91,745,275
Net Pension Liability	663,999,027	131,485,362
Net OPEB Liability	15,162,928	3,002,569
Total Liabilities	744,361,095	232,568,445
Deferred Inflows of Resources		
Deferred Pension Inflows	28,453,521	5,894,745
Deferred OPEB Inflows	253,672	74,008
Total Deferred Inflows of Resources	28,707,193	5,968,753
Net Position		
Net Investment in Capital Assets	97,217,288	(7,537,042)
Restricted for Debt Service	16,378,558	902,523
Restricted for Emergencies	4,660,376	1,397,397
Restricted for Mill Levy Override	2,476,397	2,033,698
Restricted for Preschool Fund	258,432	-
Restricted for Dental Fund	513,094	-
Restricted for Food Services Fund	860,241	-
Restricted for Repair and Maintenance	-	300,252
Restricted for Foundation	-	209,273
Unrestricted	(482,357,558)	(88,983,811)
Total Net Position	\$ (359,993,172)	\$ (91,677,710)

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

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Component Units
PRIMARY GOVERNMENT						
Governmental Activities:						
Instruction	\$ 169,678,692	\$ 5,563,722	\$ 17,961,935	\$ 5,857,429	(140,295,606)	\$ -
Supporting Services						
Student Support	19,226,071	182,037	3,623,802	-	(15,420,232)	-
Instructional Staff Support	17,257,231	3,711	4,103,566	-	(13,149,954)	-
General Administration	2,543,903	-	-	-	(2,543,903)	-
School Administration	20,660,634	-	577,662	-	(20,082,972)	-
Business Services	4,373,867	161,424	99,161	-	(4,113,282)	-
Operations & Maintenance	21,361,305	126,895	632,124	-	(20,602,286)	-
Student Transportation	8,513,846	1,437	1,132,137	-	(7,380,272)	-
Other Support	16,877,181	152,160	-	1,345,189	(15,379,832)	-
Food Service Operations	14,807,273	624,308	8,809,971	-	(5,372,994)	-
Payments to Charter Schools	45,532,920	-	-	-	(45,532,920)	-
Interest on Long-Term Debt	1,529,923	-	-	-	(1,529,923)	-
Total Governmental Activities	342,362,846	6,815,694	36,940,358	7,202,618	(291,404,176)	-
TOTAL PRIMARY GOVERNMENT	\$ 342,362,846	\$ 6,815,694	\$ 36,940,358	\$ 7,202,618	\$ (291,404,176)	\$ -
Component Units - Charter Schools	\$ 75,329,105	\$ 833,173	\$ 6,184,568	\$ 1,345,190	\$ -	\$ (66,966,174)
General Revenues:						
					66,056,168	-
					4,421,487	-
					121,604,839	38,369,830
					165,622	227,393
					5,781,644	1,016,693
					198,029,760	39,613,916
					(93,374,416)	(27,352,258)
					(266,618,756)	(64,325,452)
					\$ (359,993,172)	\$ (91,677,710)

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

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2018

	General	Food Service	Grants	Bond Redemption	Capital Projects	Non Major Special Revenue Fund Platte Valley Youth Services Center	Total Governmental Funds
Assets							
Cash and Investments	\$ 40,213,714	\$ -	\$ -	\$ -	\$ 4,321,128	\$ -	\$ 44,534,842
Cash Held by Trustee	-	-	-	16,180,159	-	-	16,180,159
Due From Governmental Funds	1,568,199	-	-	-	-	-	1,568,199
Accounts Receivable, Net	89,363	70,241	130,167	-	-	-	289,771
Taxes Receivable	1,561,077	-	-	273,788	-	-	1,834,865
Grants Receivable	-	1,674,841	3,698,813	-	-	-	5,373,654
Other Receivable	2,854,546	-	-	-	-	316,406	3,170,952
Inventories	2,695	247,319	-	-	-	-	250,014
Prepaid Items	973,050	930	61,576	114	41,203	-	1,076,873
Total Assets	\$ 47,262,644	\$ 1,993,331	\$ 3,890,556	\$ 16,454,061	\$ 4,362,331	\$ 316,406	\$ 74,279,329
Liabilities							
Accounts Payable	\$ 43,535	\$ 4,223	\$ 26,752	\$ -	\$ 86,724	\$ -	\$ 161,234
Accrued Liabilities	1,071,456	-	-	-	-	-	1,071,456
Accrued Salaries and Benefits	13,632,092	82,613	1,485,235	-	-	189,105	15,389,045
Due to Governmental Funds	-	1,046,254	394,644	-	-	127,301	1,568,199
Unearned Revenues	-	-	1,960,589	-	-	-	1,960,589
Construction Retainage	288,556	-	23,336	-	43,251	-	355,143
Total Liabilities	15,035,639	1,133,090	3,890,556	-	129,975	316,406	20,505,666
Deferred Inflows of Resources							
Unavailable Property Tax Revenue	287,576	-	-	69,442	-	-	357,018
	<u>287,576</u>	<u>-</u>	<u>-</u>	<u>69,442</u>	<u>-</u>	<u>-</u>	<u>357,018</u>
Fund Balances							
Nonspendable:							
Inventory	2,695	247,319	-	-	-	-	250,014
Prepaid Items	973,050	930	-	114	41,203	-	1,015,297
Restricted for:							
TABOR	4,660,376	-	-	-	-	-	4,660,376
Debt Service	-	-	-	16,384,505	-	-	16,384,505
Mill Levy Override	2,476,397	-	-	-	-	-	2,476,397
Preschool Fund	258,432	-	-	-	-	-	258,432
Dental Fund	513,094	-	-	-	-	-	513,094
Food Service Fund	-	611,992	-	-	-	-	611,992
Committed to:							
General Fund	4,660,376	-	-	-	-	-	4,660,376
Risk Management Fund	1,662,656	-	-	-	-	-	1,662,656
Assigned to:							
Capital Projects Fund	-	-	-	-	4,191,153	-	4,191,153
Unassigned	16,732,353	-	-	-	-	-	16,732,353
Total Fund Balances	31,939,429	860,241	-	16,384,619	4,232,356	-	53,416,645
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 47,262,644	\$ 1,993,331	\$ 3,890,556	\$ 16,454,061	\$ 4,362,331	\$ 316,406	\$ 74,279,329

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2018**

Total fund balances - governmental funds \$ 53,416,645

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

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

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

The cost of capital assets is	\$ 223,038,932	
Accumulated depreciation is	<u>(84,667,906)</u>	138,371,026

Unearned property taxes will be collected this year, but are not available to pay for the current period's expenditure, and therefore are not recorded as revenue in the funds. 357,018

Deferred charges on bond refundings 1,266,539

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds payable	\$ (42,420,277)	
Forward delivery agreement	(633,208)	
Capital Lease Obligation	(84,693)	
Accrued interest payable	(75,503)	
Compensated absences	(3,047,992)	
Net pension liability	(663,999,027)	
Net OPEB liability	<u>(15,162,928)</u>	(725,423,628)

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

Pension Plan		191,942,572
OPEB		605,858

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

Pension Plan		(28,453,521)
OPEB		(253,672)

Net Position of Governmental Activities \$ (359,993,172)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2018

	General	Food Service	Grants	Bond Redemption	Capital Projects	Non Major Special Revenue Fund Platte Valley Youth Services Center	Total Governmental Funds
Revenues							
Local Sources	\$ 68,966,698	\$ 1,438,936	\$ 1,446,811	\$ 12,833,225	\$ 36,745	\$ 524,513	\$ 85,246,928
State Sources	133,733,311	152,983	2,005,036	-	-	807,903	136,699,233
Federal Sources	-	7,830,868	13,098,846	-	-	-	20,929,714
Total Revenues	202,700,009	9,422,787	16,550,693	12,833,225	36,745	1,332,416	242,875,875
Expenditures							
Current							
Instruction	86,816,293	-	7,460,611	-	-	1,252,526	95,529,430
Supporting Services							
Student Support Services	8,161,838	-	3,495,215	-	-	-	11,657,053
Instructional Staff Support Services	6,783,468	-	4,038,856	-	-	50,443	10,872,767
General Administration Services	1,632,671	-	-	-	-	-	1,632,671
School Administration Services	10,459,590	-	577,662	-	-	282,147	11,319,399
Business Services	2,446,994	-	99,161	-	-	-	2,546,155
Operations & Maintenance	16,382,440	18,699	632,124	-	1,510,238	-	18,543,501
Student Transportation	4,598,583	-	42,275	-	-	-	4,640,858
Other Support Services	9,254,132	-	-	-	-	-	9,254,132
Food Service Operations	-	10,358,737	-	-	-	-	10,358,737
Capital Outlay	4,866,170	34,353	204,789	-	4,271,107	10,906	9,387,325
Payments Made to Charter Schools							
Union Colony Preparatory School							
Per Pupil Revenue	3,337,532	-	-	-	-	-	3,337,532
Mill Levy Override	288,893	-	-	-	-	-	288,893
Capital Construction	117,113	-	-	-	-	-	117,113
Other State and Local Funding	274,638	-	-	-	-	-	274,638
Union Colony Elementary School							
Per Pupil Revenue	3,183,376	-	-	-	-	-	3,183,376
Mill Levy Override	271,976	-	-	-	-	-	271,976
Capital Construction	111,522	-	-	-	-	-	111,522
Other State and Local Funding	195,386	-	-	-	-	-	195,386
University Schools							
Per Pupil Revenue	12,998,628	-	-	-	-	-	12,998,628
Mill Levy Override	1,122,063	-	-	-	-	-	1,122,063
Capital Construction	457,171	-	-	-	-	-	457,171
Other State and Local Funding	759,217	-	-	-	-	-	759,217
Frontier Academy							
Per Pupil Revenue	11,065,228	-	-	-	-	-	11,065,228
Mill Levy Override	948,988	-	-	-	-	-	948,988
Capital Construction	387,473	-	-	-	-	-	387,473
Other State and Local Funding	663,019	-	-	-	-	-	663,019
Salida del Sol Academy							
Per Pupil Revenue	5,007,544	-	-	-	-	-	5,007,544
Mill Levy Override	417,073	-	-	-	-	-	417,073
Capital Construction	170,891	-	-	-	-	-	170,891
Other State and Local Funding	494,879	-	-	-	-	-	494,879
West Ridge Academy							
Per Pupil Revenue	2,786,341	-	-	-	-	-	2,786,341
Mill Levy Override	246,275	-	-	-	-	-	246,275
Capital Construction	101,019	-	-	-	-	-	101,019
Other State and Local Funding	126,675	-	-	-	-	-	126,675
Debt Service							
Principal	-	-	-	8,662,282	-	-	8,662,282
Fiscal Charges	-	-	-	4,272	-	-	4,272
Interest	-	-	-	1,155,692	-	-	1,155,692
Total Expenditures	196,935,099	10,411,789	16,550,693	9,822,246	5,781,345	1,596,022	241,097,194
Excess (Deficiency) of revenues over (under) expenditures	5,764,910	(989,002)	-	3,010,979	(5,744,600)	(263,606)	1,778,681
Other Financing Sources (Uses)							
Insurance Recoveries	3,237,634	-	-	-	941,099	-	4,178,733
Transfers In	-	-	-	-	4,500,000	263,606	4,763,606
Transfers Out	(4,763,606)	-	-	-	-	-	(4,763,606)
Total Other Financing Sources	(1,525,972)	-	-	-	5,441,099	263,606	4,178,733
Net Changes in Fund Balance	4,238,938	(989,002)	-	3,010,979	(303,501)	-	5,957,414
Fund Balance, Beginning	27,700,491	1,849,243	-	13,373,640	4,535,857	-	47,459,231
Fund Balance, Ending	\$ 31,939,429	\$ 860,241	\$ -	\$ 16,384,619	\$ 4,232,356	\$ -	\$ 53,416,645

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2018

Total net change in governmental funds fund balances	\$	5,957,414
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$5,373,939) is less than capital expenditures \$13,545,468 and contributed capital of \$1,678,696.		9,850,225
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.		146,576
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		8,662,282
Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		22,266
Governmental funds report the effect of premiums and loss on refundings when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Premium Amortization		41,881
Loss on refunding amortization		(453,898)
In the statement of activities, certain operating expenses, such as employee compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.		(338,590)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:		
Pension expense		(117,208,792)
OPEB expense		(182,122)
Accrued interest payable was recognized for governmental activities, but is not due and payable in the current period and therefore the change in the accrual is not reported as a liability in the governmental funds.		19,792
Amortization of forward delivery agreement.		108,550
Change in Net Position of Governmental Activities	\$	(93,374,416)

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2018

	<u>Agency</u>
Assets	
Cash and Investments	\$ 1,842,943
Accounts Receivable	<u>19,137</u>
Total Assets	<u><u>1,862,080</u></u>
Liabilities	
Accrued Liabilities	
Due to Third Parties	\$ 550
Due to Student Groups	<u>1,861,530</u>
Total Liabilities	<u><u>\$ 1,862,080</u></u>

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

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018

	Union Colony Schools School	Frontier Academy	University Schools	West Ridge Academy	Salida del Sol Academy	Total Component Units
Assets						
Cash and Investments	\$ 3,204,877	\$ 4,031,967	\$ 6,115,830	\$ 2,057,120	\$ 1,938,635	\$ 17,348,429
Restricted Cash and Investments	7,187,139	1,766,474	2,935,861	-	1,031,999	12,921,473
Intergovernmental Receivable	-	-	-	-	7,645	7,645
Accounts Receivable	5,489	12,745	93,965	-	-	112,199
Prepaid Expenses	-	86,599	25,000	9,374	-	120,973
Inventory	-	5,925	-	-	-	5,925
Capital Assets, Not Being Depreciated	6,004,412	1,749,695	2,200,231	1,006,898	601,241	11,562,477
Capital Assets, Net of Accumulated Depreciation	8,649,926	17,414,967	20,274,545	7,157,297	8,556,585	62,053,320
Total Assets	25,051,843	25,068,372	31,645,432	10,230,689	12,136,105	104,132,441
Deferred Outflows of Resources						
Deferred Charges on Bond Refunding	24,719	687,235	1,324,827	-	-	2,036,781
Deferred Outflows - Pension	6,474,321	11,773,384	13,240,394	2,716,990	6,319,608	40,524,697
Deferred Outflows - OPEB	17,749	53,413	42,332	35,212	16,866	165,572
Total Deferred Outflows of Resources	6,516,789	12,514,032	14,607,553	2,752,202	6,336,474	42,727,050
Liabilities						
Accounts Payable and Accrued Expenses	2,390,313	145,674	131,110	68,315	33,291	2,768,703
Accrued Salaries and Benefits	241,346	498,255	902,915	462	208,137	1,851,115
Accrued Interest Payable	223,600	68,411	55,797	41,414	58,190	447,412
Unearned Revenue	-	9,000	-	-	-	9,000
Noncurrent Liabilities						
Due within one year	46,113	482,930	549,966	-	180,000	1,259,009
Due in more than one year	20,141,331	21,939,387	28,114,557	9,490,000	12,060,000	91,745,275
Net Pension Liability	22,014,863	37,825,165	45,132,927	6,830,873	19,681,534	131,485,362
Net OPEB Liability	502,726	863,767	1,030,645	155,988	449,443	3,002,569
Total Liabilities	45,560,292	61,832,589	75,917,917	16,587,052	32,670,595	232,568,445
Deferred Inflows of Resources						
Deferred Outflows - Pension	1,321,410	1,546,718	1,855,272	279,323	892,022	5,894,745
Deferred Outflows - OPEB	28,013	14,451	17,242	2,610	11,692	74,008
Total Deferred Inflows of Resources	1,349,423	1,561,169	1,872,514	281,933	903,714	5,968,753
Net Position						
Net Investment in Capital Assets	(665,652)	(986,856)	(2,657,547)	(1,059,213)	(2,167,774)	(7,537,042)
Restricted for						
Emergencies	235,554	411,520	478,228	96,595	175,500	1,397,397
Debt Service	-	114,499	372,657	355,958	59,409	902,523
Repair and Maintenance	-	-	300,252	-	-	300,252
Educational Purposes - Mill Levy	230,698	742,379	935,631	39,990	85,000	2,033,698
Foundation	-	-	209,273	-	-	209,273
Unrestricted	(15,141,683)	(26,092,896)	(31,175,943)	(3,319,424)	(13,253,865)	(88,983,811)
Total Net Position	\$ (15,341,083)	\$ (25,811,354)	\$ (31,537,449)	\$ (3,886,094)	\$ (15,101,730)	\$ (91,677,710)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Discretely Presented Component Units – Charter Schools

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, Weld County School District 6's Board of Education must approve all charter school applications and budgets. There are five charter schools in the District: Frontier Academy, Salida del Sol Academy, University Schools, Union Colony Schools, and West Ridge Academy. The charter schools are discretely presented component units because of the significance of their financial relationship with the District.

The Charter schools have issued separate financial statements for the fiscal year ended June 30, 2018. Complete financial statements for each of the discretely presented component units may be obtained at each entity's administrative offices as listed below.

Frontier Academy
2560 W 29th Street
Greeley, CO 80631

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

University Schools
6525 18th Street
Greeley, CO 80634

Union Colony Schools
2000 Clubhouse Drive
Greeley, CO 80634

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

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

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

Fund Accounting

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

Major Governmental Funds

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

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

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

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

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

Non-Major Funds

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

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

Budgets and Budgetary Accounting

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Budgets and Budgetary Accounting - continued**

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

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

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2018. Original budgets for all funds were adopted by the Board of Education in June 2017. Budget appropriations lapse at the end of each fiscal year.

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

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- Within ten days after submission of the proposed budget, public notice is published stating the time and place of public hearing(s) to be conducted to obtain taxpayer comments on the budget prior to adoption.
- On or before June 30, the budget is adopted by formal resolution.
- On or before January 31, any changes to the budget are adopted by formal resolution.
- November 10, pupil count information is provided by school districts to the Colorado Department of Education, for use in determining the state funding level for the current fiscal year.
- December 15, school districts certify to county commissioners, copied to CDE, the mill levies for the various property tax-supported funds for the district.

Cash and Investments

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of its funds and maintains accountability for such funds' equity in the pooled cash. The District is allowed to invest in the following types of investments: obligations of the U.S. and certain U.S. government agency securities, certain international agency securities, general obligation and revenue bonds of U.S. local government entities, banker's acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, guaranteed investment contracts, local government investment pools, and corporate debt securities. The District records nonparticipating interest-earning investment contracts at amortized cost. All remaining securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. CSAFE and money markets are value at amortized cost while COLOTRUST is recorded at net asset value (NAV).

Receivables

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Receivables - continued

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

Grants receivables of \$5,373,654 includes amounts due from grantors for specific program grants. Program grants are recorded as receivable and revenues at the time reimbursable project costs are incurred.

Inventories and Prepaid Items

Inventories consist of food and non-food items in the Food Service Fund and expendable supplies in the warehouse (General Fund). Inventories purchased are valued at cost using the weighted average method. The United States Department of Agriculture (USDA) donates food commodities to the District which are valued at estimated fair market value at the date of receipt. USDA commodities are recorded as both operating revenue and an expenditure/expense when consumed. Commodities on hand are included in inventory and are reported as unearned revenue. All other inventory items are recorded as expenditure/expenses when purchased.

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

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 Weld 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.

Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for District operations and are capitalized at actual cost or estimated cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at estimated acquisition value. Capital assets are reported in the government-wide financial statements.

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

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

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

Deferred Outflows of Resources

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**Deferred Outflows of Resources - continued**

for additional information. The District also has another item classified as deferred charges on bond refundings, which is equal to the difference in the carrying value of refunded debt and reacquisition price. The District amortizes this amount using the effective interest method.

Employee Compensated Absences

The liability and expense for unpaid vacation (employee compensated absences) is recorded when the vacation leave is earned in the District-wide financial statements. The governmental funds record expenditure for unpaid vacation leave only to the extent of the expected liquidation of unpaid vacation in current operations. This expected liquidation occurs for compensated absences which have matured, such as when an employee resigns or retires. The amounts recorded as liabilities for all compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

District policy allows unlimited accumulation of sick leave and an accumulation of vacation to a maximum of 30 days for classified and 45 days for administrative staff. Payment for unused sick is made upon meeting eligibility requirements at the rate of 50 percent of the current substitute pay for each eight hours of unused sick leave for employees with 400 hours of accumulated sick leave.

Long-Term Liabilities

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

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

Fund Balance

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

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

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

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board of

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Balance – continued

Education. Weld County School District 6’s Board of Education has established a reserve in excess of the required TABOR emergency reserve.

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

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

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

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

Reconciliation of Government-Wide and Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

As of June 30, 2018 deposits and investments were reported in the financial statements as follows:

	Primary Government	Discretely Presented Component Units
Governmental Activities	\$ 60,715,001	\$ 30,269,902
Fiduciary Funds	1,842,943	-
Total	\$ 62,557,944	\$ 30,269,902

Cash and investments at June 30, 2018, consisted of the following:

Cash and Investments	\$ 47,377,785	\$ 17,348,429
Restricted Cash and Investments	-	12,921,473
Cash Held by Trustee	16,180,159	-
Total	\$ 62,557,944	\$ 30,269,902

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS – *continued*

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

Deposits

The Colorado Public Deposit Protection Act (PDPA) of Colorado requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. Cash with trustee is restricted for use on bond payments which were \$16,180,159.

As of June 30, 2018, the District had total bank deposits of \$16,693,561 and a carrying value of \$13,346,697. All of the District's deposits are collateralized with securities held by the financial institutions through PDPA.

Component Units

As of June 30, 2018, the charter school discretely presented component units had bank deposits with a carrying amount of \$16,590,833. State regulatory commissioners have indicated that all financial institutions holding deposits for the charter school are eligible public depositories.

Investments

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

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This type of risk is minimized by limiting investments to the types of securities allowed by State law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business using the criteria established in the investment policy.

Credit Risk

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS – *continued*

Credit Risk – *continued*

Investment	Value	% of Portfolio	Maturity				Rating	Rating Organization
			12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months		
Gov't Investment Pool – COLOTRUST	\$ 3,562,427	7.24%	\$ 3,562,427	\$ -	\$ -	\$ -	AAAm	S&P
Gov't Investment Pool – CSAFE	2,554,180	5.19%	2,554,180	-	-	-	AAAm	S&P
First American Treasury Mutual Fund	10,826,871	22.00%	10,826,871	-	-	-	AAA	Moody's
Forward Delivery Agreement	3,122,000	6.34%	3,122,000	-	-	-	NR	N/A
Wells Fargo Money Market Select	16,044,015	32.60%	16,044,015	-	-	-	N/A	N/A
US Treasury Note	3,989,147	8.11%	3,989,147	-	-	-	AA+/Aaa	S&P/Moody's
Federal Farm Credit Banks	1,461,558	2.97%	-	-	1,461,558	-	AA+/Aaa	S&P/Moody's
Federal Home Loan Mortgage Corp	2,253,875	4.58%	2,253,875	-	-	-	AA+/Aaa	S&P/Moody's
Wells Fargo Bank NA	1,483,655	3.01%	-	1,483,655	-	-	A+/Aa2	S&P/Moody's
California State Taxable GO HI	621,444	1.26%	621,444	-	-	-	AA-/Aa3	S&P/Moody's
Florida State Brd Admin Fin CO	1,485,000	3.02%	-	-	-	1,485,000	AA/Aa3	S&P/Moody's
Toyota Motor Credit Corp	993,910	2.02%	-	993,910	-	-	AA-/Aa3	S&P/Moody's
San Diego California Pension	813,165	1.65%	-	-	-	813,165	AA+/Aa2	S&P/Moody's
Total	\$ 49,211,247	100.00%	\$ 42,973,959	\$ 2,477,565	\$ 1,461,558	\$ 2,298,165		

Interest Rate Risk

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

Concentration of Credit Risk

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

Local Government Investment Pools

COLOTRUST

As of June 30, 2018, the District had invested \$3,562,427 in the Colorado Local Government Liquid Asset Trust–PLUS, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. As of June 30, 2018, the investments in COLOTRUST were valued at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

As of June 30, 2018, the District had invested \$2,554,180 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust is valued at amortized cost.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – CASH AND INVESTMENTS – *continued***Local Government Investment Pools** – *continued*

Component Units

COLOTRUST

As of June 30, 2018, the charter school component units had invested \$663,964 in the Colorado Local Government Liquid Asset Trust–PLUS, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. As of June 30, 2018, the investments in COLOTRUST were valued at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

As of June 30, 2018, the charter school component units had invested \$10,123,000 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust is valued at amortized cost.

The charter schools held \$2,798,473 of money market funds that are held at amortized cost and mutual funds of \$93,632 that are measured at fair value (Level 1).

Cash Held by Trustee

The District entered into a forward delivery agreement (See Note 11) that required the District to deposit its restricted debt service with JPMorgan Chase Bank. At June 30, 2018, JPMorgan Chase Bank had \$3,122,000 on deposit, which is available for future debt service of the District. The remaining \$13,058,159 is held with US Bank at June 30, 2018 for future debt service payments.

Fair Value of Investments

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to observable market benchmarks.

Level 3: Unobservable inputs for an asset or liability.

The following table presents the fair value of measurements of assets recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2018:

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 – CASH AND INVESTMENTS – continued

Fair Value of Investments – continued

	Balance at June 30, 2018	Fair Value Measurement Using Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level		
Debt Securities:		
First American Treasury Mutual Fund	\$ 10,826,871	\$ 10,826,871
US Treasury Note	3,989,147	3,989,147
Federal Farm Credit Banks	1,461,558	1,461,558
Federal Home Loan Mortgage Corporation	2,253,875	2,253,875
California State Taxable GO HI	621,444	621,444
Florida State Board Admin Fin CO	1,485,000	1,485,000
San Diego California Pension	813,165	813,165
Total Debt Securities	\$ 21,451,060	\$ 21,451,060
Corporate Bonds:		
Toyota Motor Credit Corp	\$ 993,910	\$ 993,910
Wells Fargo NA	1,483,655	1,483,655
Total Corporate Bonds	\$ 2,477,565	\$ 2,477,565
Investments Measured at the Net Asset Value (NAV)		
Government Investment Pool - COLOTRUST	\$ 3,562,427	
Total Investments Measured at NAV	3,562,427	
Investments Measured at Amortized Cost		
Government Investment Pool – CSAFE	\$ 2,554,180	
Forward Delivery Agreement	3,122,000	
Wells Fargo Money Market Select	16,044,015	
Total Investments Measured at Amortized Cost	\$ 21,720,195	
TOTAL INVESTMENTS	\$ 49,211,247	

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Designated Special Purpose Grants Fund	\$ 394,644
General Fund	Food Service Fund	1,046,254
General Fund	Platte Valley Youth Services Fund	127,301
Total		\$ 1,568,199

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – continued**Transfers**

Government Fund Types	Fund Type	Transfers To	Transfers From
General	General Fund	\$ -	\$ 4,673,606
Major capital projects fund	Capital Projects Fund	4,500,000	-
Non-major special revenue	Platte Valley Youth Services Fund	263,606	-
Total		\$ 4,673,606	\$ 4,673,606

Interfund transfers between funds are used to support deferred maintenance needs in the capital projects fund, a major capital projects fund and supplement the services offered at the Platte Valley Youth Services Center, a non-major special revenue fund.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is summarized below:

	Balance 6/30/2017	Additions	Deletions	Transfers	Balance 6/30/2018
GOVERNMENT ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,313,341	\$ -	\$ -	\$ -	\$ 7,313,341
Water Rights	200,605	-	-	-	200,605
Construction in Progress	2,660,291	9,062,219	-	(5,805,093)	5,917,417
Total Capital Assets, Not Being Depreciated	\$ 10,174,237	\$ 9,062,219	\$ -	\$ (5,805,093)	\$ 13,431,363
Capital Assets, Being Depreciated:					
Buildings	178,443,688	4,986,951	-	5,715,460	189,146,099
Transportation Equipment	8,440,698	25,022	(173,526)	-	8,292,194
Other Equipment	10,985,990	1,149,972	(56,319)	89,633	12,169,276
Total Capital Assets, Being Depreciated	197,870,376	6,161,945	(229,845)	5,805,093	209,607,569
Less Accumulated Depreciation For:					
Buildings	(65,482,655)	(3,917,547)	-	-	(69,400,202)
Transportation Equipment	(6,852,229)	(395,053)	173,526	-	(7,073,756)
Other Equipment	(7,188,928)	(1,061,339)	56,319	-	(8,193,948)
Total Accumulated Depreciation	(79,523,812)	(5,373,939)	229,845	-	(84,667,906)
Total Capital Assets Being Depreciated, Net	118,346,564	788,006	-	5,805,093	124,939,663
Governmental Activities Capital Assets, Net	\$ 128,520,801	\$ 9,850,225	\$ -	\$ -	\$ 138,371,026

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – CAPITAL ASSETS – continued

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

Governmental Activities:		
Instruction	\$	177,881
Student Support		84,303
Instructional Staff Support		32,478
General Administration		44
Business		76,010
Operations and Maintenance		194,269
Student Transportation		385,697
Other Support Services		4,423,257
Government Activities Depreciation	\$	5,373,939

Construction Commitments

The District has active construction projects as of June 30, 2018. The projects include renovations and site improvements. All accumulated resources for capital projects are reserved for construction commitments. A list of significant commitments as of June 30, 2018, is as follows:

Project Code	Project Name	Spent-to-Date as of June 30, 2018	Remaining Commitment
18-116-400	Dos Rios Roof Replacement	\$ 332,526	\$ 112,134
18-124-400	Heiman Roof Replacement	378,152	202,017
18-545-400	McAuliffe Roof Replacement	332,526	112,135
18-146-400	Meeker Locks	53,128	46,872
18-525-400	Winograd Roof Replacement	388,584	171,204
18-876-901	MLO Portables – McAuliffe & West	176,035	521,545
18-785-902	MLO District Wide Roof Repairs	1,366,863	243,416
18-876-904	MLO Security Cameras	580,536	69,464
18-699-907	MLO Technology Infrastructure	489,359	316,868
18-876-910	MLO Boilers Franklin & Cameron	141,012	73,391
18-979-160	PLC InSTEM Station	1,678,696	10,740
		\$ 5,917,417	\$ 1,879,786

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – CAPITAL ASSETS – continued**Component Units**

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

	Balance 6/30/2017	Additions	Reclassifications	Balance 6/30/2018
COMPONENT UNITS				
Capital Assets, Not Being Depreciated:				
Land	\$ 6,224,579	\$ -	\$ -	\$ 6,224,579
Construction in Progress	9,829,048	12,575,439	(17,066,589)	5,337,898
Total Capital Assets, Not Being Depreciated	<u>16,053,627</u>	<u>12,575,439</u>	<u>(17,066,589)</u>	<u>11,562,477</u>
Capital Assets, Being Depreciated:				
Land Improvements	823,749	307,468	-	1,131,217
Buildings and Building Improvements	58,842,575	14,938,422	-	73,780,997
Furniture and Equipment	3,266,223	481,788	-	3,748,011
Vehicles	790,122	43,845	-	833,967
Software	20,496	-	-	20,496
Total Capital Assets, Being Depreciated	<u>63,743,165</u>	<u>15,771,523</u>	<u>-</u>	<u>79,514,688</u>
Less Accumulated Depreciation For:				
Land Improvements	(207,990)	(38,370)	-	(246,360)
Buildings and Building Improvements	(12,616,198)	(1,765,709)	-	(14,381,907)
Furniture and Equipment	(2,178,574)	(386,808)	-	(2,565,382)
Vehicles	(151,742)	(95,360)	-	(247,102)
Software	(19,319)	(1,298)	-	(20,617)
Total Accumulated Depreciation	<u>(15,173,823)</u>	<u>(2,287,545)</u>	<u>-</u>	<u>(17,461,368)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,569,342</u>	<u>13,483,978</u>	<u>-</u>	<u>62,053,320</u>
Component Unit Capital Assets, Net	<u>\$ 64,622,969</u>	<u>\$ 26,059,417</u>	<u>\$ (17,066,589)</u>	<u>\$ 73,615,797</u>

Total depreciation expense for the component units for the year ending June 30, 2018 was \$2,287,545 with \$2,019,429 charged to instruction and \$268,116 to support.

NOTE 5 – ACCRUED SALARIES AND BENEFITS

Salaries of certified personnel and certain other employees are paid over a 12-month period ending July 31, but are earned during a school year of approximately 9 to 10 months. Accordingly, the accrued compensation is reflected as a liability of the respective funds in the accompanying financial statements. The salaries and benefits earned, but unpaid, at June 30, 2018 are recorded in the funds as follows:

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 – ACCRUED SALARIES AND BENEFITS – continued

Governmental Activities:	
General	\$ 13,632,092
Food Services	82,613
Designated Purpose Grant	1,485,235
Platte Valley Youth Services Center	189,105
Total governmental activities	\$ 15,389,045

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs; approximately 89 percent are expected to be liquidated from the General Fund.

NOTE 6 – LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2018.

	Balance 6/30/17	Additions	Reductions	Balance 6/30/18	Due Within One Year
Governmental Activities:					
Bonds	\$ 51,082,559	\$ -	\$ (8,662,282)	\$ 42,420,277	\$ 9,077,571
Bond Premiums	41,881	-	(41,881)	-	-
Forward Delivery Agreement	741,758	-	(108,550)	633,208	108,550
Capital Lease Obligation	106,959	-	(22,266)	84,693	20,033
Compensated Absences	2,709,402	1,341,682	(1,003,092)	3,047,992	501,546
Total Governmental Activities:	\$ 54,682,559	\$ 1,341,682	\$ (9,838,071)	\$ 46,186,170	\$ 9,707,700

General Obligation Debt	Balance June 30, 2018
General Obligation Bond, Series 2012, were issued in the amount of \$8,177,991 as required match to the Colorado Building Excellent Schools Today (BEST) grant to finance the construction of a new middle school and abatement of current school. Principal payments due annually beginning 12/1/13 and maturing 12/1/2032; interest payments due semi-annually on 6/1 and 12/1 at a rate of 3.00%.	\$ 6,560,277
General Obligation Bond, Series 2015B, were issued in the amount of \$37,170,000 to refund a portion of the District's outstanding GO Refunding Bonds, Series 2006 and to pay a portion of the costs of issuance of the Bonds. Principal payments due annually beginning 12/1/2015 and maturing 12/1/2021; interest payments due semi-annually on 6/1 and 12/1; interest rates range from .5%-2.55%.	35,860,000
Total General Obligation Bonds	\$ 42,420,277

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 – LONG-TERM DEBT – *continued*

Future Debt Service Requirements

The following schedule represents the District’s debt service requirements to maturity for outstanding general obligation bonds at June 30, 2018:

Fiscal Year	Principal	Interest	Total
2019	\$ 9,077,571	\$ 877,804	\$ 9,955,375
2020	9,223,169	708,647	9,931,816
2021	9,409,086	507,322	9,916,408
2022	9,625,330	276,455	9,901,785
2023	396,913	146,888	543,801
2024-2028	2,170,863	545,343	2,716,206
2029-2033	2,517,345	193,652	2,710,997
Total	\$ 42,420,277	\$ 3,256,111	\$ 45,676,388

Lease Obligation

The District entered into a lease agreement on April 10, 2017, as lessee for financing a modular for McAuliffe STEM Academy K-8. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception date. The lease requires annual payments totaling \$23,167 which includes principal and interest. The lease matures July 1, 2022. The assets acquired through capital leases are as follows:

	<u>Balance June 30, 2018</u>
McAuliffe STEM Academy K-8 Modular	\$ 106,959
Less: Accumulated Depreciation	21,392
Total	\$ 85,597

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 20,033	\$ 3,134	\$ 23,167
2020	20,775	2,392	23,167
2021	21,544	1,624	23,168
2022	22,341	827	23,168
Total	\$ 84,693	\$ 7,977	\$ 92,670

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 – LONG-TERM DEBT – continued

Component Units

Following is a summary of long-term debt transactions for the charter schools for the year ended June 30, 2018.

	Balances 6/30/2017	Additions	Reductions	Balances 6/30/2018	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Frontier Academy					
Bonds Payable – Series 2016	\$ 21,535,000	\$ -	\$ (390,000)	\$ 21,145,000	\$ 405,000
Premium	1,356,342	-	(79,025)	1,277,317	77,930
	<u>22,891,342</u>	<u>-</u>	<u>(469,025)</u>	<u>22,422,317</u>	<u>482,930</u>
Salida del Sol Academy					
Bonds Payable	12,315,000	-	(75,000)	12,240,000	180,000
	<u>12,315,000</u>	<u>-</u>	<u>(75,000)</u>	<u>12,240,000</u>	<u>180,000</u>
Union Colony Schools					
Bonds Payable – Series 2007	4,220,000	-	(4,220,000)	-	-
Bonds Payable – Series 2015	7,015,000	-	(7,015,000)	-	-
Bonds Payable – Series 2018	-	18,585,000	-	18,585,000	-
Series 2007 Premium	91,319	-	(91,319)	-	-
Series 2018 Premium	-	1,613,972	(11,528)	1,602,444	46,113
	<u>11,326,319</u>	<u>20,198,972</u>	<u>(11,337,847)</u>	<u>20,187,444</u>	<u>46,113</u>
University Schools					
Bonds Payable	29,060,000	-	(535,000)	28,525,000	540,000
Bond Premium	149,489	-	(9,966)	139,523	9,966
	<u>29,209,489</u>	<u>-</u>	<u>(544,966)</u>	<u>28,664,523</u>	<u>549,966</u>
West Ridge Academy					
Bonds Payable	9,490,000	-	-	9,490,000	-
	<u>9,490,000</u>	<u>-</u>	<u>-</u>	<u>9,490,000</u>	<u>-</u>
Total	<u>\$ 85,232,150</u>	<u>\$ 20,198,972</u>	<u>(\$ 10,398,856)</u>	<u>\$ 93,004,284</u>	<u>\$ 1,259,009</u>

Future Debt Service Requirements – Component Units

The following schedule represents the charter school component unit's debt service requirements to maturity for outstanding general obligation bonds and notes payable at June 30, 2018:

Fiscal Year	Principal	Interest	Total
2019	\$ 1,125,000	\$ 4,338,514	\$ 5,463,514
2020	1,515,000	4,308,238	5,823,238
2021	1,600,000	4,244,501	5,844,501
2022	10,710,000	3,924,813	14,634,813
2023	1,575,000	3,606,738	5,181,738
2024-2028	8,920,000	16,936,288	25,856,288
2029-2033	11,365,000	14,487,463	25,852,463
2034-2038	14,600,000	11,222,288	25,822,288
2039-2043	18,510,000	7,340,488	25,850,488
2044-2048	15,080,000	2,729,987	17,809,987
2049-2053	4,985,000	772,750	5,757,750
Total	<u>\$ 89,985,000</u>	<u>\$ 73,912,068</u>	<u>\$ 163,897,068</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 6 – LONG-TERM DEBT – *continued***Future Debt Service Requirements – Component Units – *continued***

Frontier Academy Charter School – The Frontier Academy, has obtained funding through the Colorado Educational and Cultural Facilities Authority through the issuance of Charter School Revenue bonds in the amount of \$21,850,000. The Frontier Academy Facilities Corporation entered into a mortgage lease agreement with Frontier Academy to use the bond proceeds for current refunding of the Authority's Charter School Revenue Bonds Series 2006 in the amount of \$17,750,000, and as of July 1, 2016 the aggregate principal amount of \$12,590,000. Proceeds from the bonds are used for improvements to the educational facilities. The bonds bear annual interest ranging from 3% to 5%, maturing in 2046.

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

Union Colony Schools – The Union Colony Elementary School Building Corporation has refunded the Series 2007 and Series 2015 Charter School Revenue Bonds with Series 2018 through the Colorado Educational and Cultural Facilities Authority, in the amount of \$5,500,585. Proceeds from the 2018 bonds were used to reduce the future debt service requirements and construct an expansion to the Preparatory school. The bonds accrue interest at a rate of 4% to 5%, maturing in 2053.

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

West Ridge Academy – The West Ridge Academy Building Corporation has obtained funding from the Public Finance Authority through the issuance of Revenue Bonds as Series 2017A and 2017B, in the amount of \$9,490,000. Proceeds from the bonds were used in the acquisition of land and construction, improvement, and equipping of educational facilities. The Series 2017A bonds mature in 2021 with a 5.5% interest rate. The Series 2017B bonds mature in 2020 with a 6.0% interest rate.

NOTE 7 – COLORADO BUILDING EXCELLENT SCHOOLS (BEST) GRANT

The District completed the construction of Prairie Heights Middle School (the project) on land it owns. The cost of the construction of the school as of June 30, 2018 was \$29,141,836.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 – COLORADO BUILDING EXCELLENT SCHOOLS (BEST) GRANT – *continued*

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

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; worker’s compensation; and natural disasters. The District plans to provide for or restore the economic damages of those losses through risk retention and risk transfer.

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

Property	Coverage: \$332,686,899 Blanket Building and Contents limit. Flood coverage with a limit of \$1,000,000 and Earth Movement with a limit of \$1,000,000. Deductibles: \$10,000 for Blanket Building and Contents. \$50,000 Flood and Earth Movement Deductible. \$100,000 Flood for Poudre Learning Center Building.
Equipment Breakdown	Coverage: Included Property Damage – Per Accident: sub-limits apply as follows: \$25,000 Ammonia Contamination; \$25,000 hazardous substance and \$25,000 spoilage. Deductibles: \$10,000 property damage
Commercial General Liability	Coverage: Liability - \$1,000,000 each occurrence, \$5,000,000 annual aggregate limit; medical payments \$5,000. Sexual Abuse and Molestation Coverage each claim - \$1,000,000 and \$2,000,000 annual aggregate limit. Deductible: None
School Leaders Errors and Omissions	Coverage: \$1,000,000 Limit of Liability – each wrongful act. Deductible: \$25,000
Auto Liability	Coverage: Liability, including non-owned auto and hired, borrowed, and leased \$1,000,000 limit per accident; auto medical payments \$5,000 per person. Deductibles: \$250 Comprehensive/ \$1,000 Collision Coverage
Crime	Coverage: Public Employee Dishonesty \$100,000 per loss coverage, \$50,000 Public Official Bonds – Superintendent; \$5,000 Public Official Bonds – Board Members. Deductible: \$5,000
Umbrella	Coverage: Liability - \$5,000,000 each occurrence, \$5,000,000 annual aggregate limit. Provides coverage above the following primary limits: Commercial General Liability; Auto Liability; and Workers' Compensation.
Workers' Compensation	Coverage: All District Employees performing work related duties on behalf of the District. Limits are Statutory. Deductible: \$500 per claim
Asbestos	Coverage: Limit of Liability – Continuous Release Incident or Limited Duration Release Incident (Per Pollution Event) - \$1,000,000, Policy Term Aggregate - \$5,000,000 Locations that are covered: Administration Building, and Greeley West High School Deductible: \$10,000 per pollution event

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8 – RISK MANAGEMENT – continued

Cyber	<p>Coverage: Limit of Liability \$1,000,000 – 3rd party liability – Network and Information Security; Communications and Media; Regulatory Defense Expense. First party coverages – Crisis Management Event Expense, Security Breach Remediation and Notification Expenses; Computer Program and Electronic Data Restoration Expenses; E-Commerce Extortion; Business Interruption and Additional Expenses.</p> <p>Deductible: \$10,000 per claim</p>
Foreign	<p>Coverage: Limit of Liability – \$4,000,000 Master Control Program Aggregate Limit; \$2,000,000 General Aggregate; \$1,000,000 Occurrence; \$25,000 Medical Expense</p> <p>Deductible: \$10,000 per pollution event</p>

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

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

Claims Payable, June 30, 2016	\$	118,629
Claims Incurred and Adjustments Payments		856,699
		(848,111)
Claims Payable, June 30, 2017		127,217
Claims Incurred and Adjustments Payments		855,519
		(854,553)
Claims Payable, June 30, 2018	\$	128,183

NOTE 9 – DEFINED BENEFIT PENSION PLAN

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued***General Information about the Pension Plan**

Plan Description: Eligible employees of the District are provided with pensions through the District 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 are set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% 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% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% 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% or the average CPI-W for the prior calendar year, not to exceed 10% 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

General Information about the Pension Plan – *continued*

Contributions: Eligible employees of the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
	<u>2017</u>	<u>2018</u>
Employer Contribution Rate ¹	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	<u>5.00 %</u>	<u>5.50 %</u>
Total Employer Contribution Rate to the SCHDTF ¹	18.63 %	19.13 %

¹ 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 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the District for the year ended June 30, 2018 were \$18,619,907.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the District reported a liability of \$663,999,027 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 2.0534075591%, which was an increase of 0.0039623655% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$118,183,040. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources – *continued*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 12,208,144	\$ -
Changes of Assumptions or other Inputs	169,543,620	1,075,883
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	26,075,874
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	547,714	1,301,764
Contributions Subsequent to the Measurement Date	9,643,094	-
Total	\$ 191,942,572	\$ 28,453,521

\$9,643,094 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2019	\$ 103,454,989
2020	59,565,979
2021	634,837
2022	(9,809,848)

Actuarial Assumptions: The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate ¹	5.26%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

¹ The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.78% as described below.

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources – *continued***

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.

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – *continued*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources – *continued*

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

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

Discount Rate: The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources – continued

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

Based on the above assumptions and methods, the GASB Statement No. 67 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 average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of December published at the end of each week by The Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (3.78%) or one percentage-point higher (5.78%) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate Share of the Net Pension Liability	\$ 838,743,702	\$ 663,999,027	\$ 521,602,071

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.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – continued

Changes between the measurement date of the net pension liability and June 30, 2018 – continued

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

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

At June 30, 2018, the District reported a liability of \$663,999,027 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan’s year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District’s proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 299,989,004

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately \$309,958,894 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Component Units

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the charter schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the charter schools were \$3,674,240 for the year ended June 30, 2018.

At June 30, 2018, the charter schools reported a liability of \$131,485,362 for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9 – DEFINED BENEFIT PENSION PLAN – continued

Component Units – continued

charter schools' proportion of the net pension liability was based on charter schools' contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

For the year ended June 30, 2018, the charter schools recognized pension expense of \$27,312,737. At June 30, 2018, the charter schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources –

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,417,461	
Changes of assumptions or other inputs	33,573,098	213,046
Net difference between projected and actual earnings on pension plan investments	-	5,163,556
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,631,611	518,143
Contributions subsequent to the measurement date	1,902,527	-
Total	\$ 40,524,697	\$ 5,894,745

\$1,902,527 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2019	\$	22,119,299
2020		12,337,435
2021		213,241
2022		(1,942,550)
Total	\$	32,727,425

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

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$ 166,088,375	\$ 131,485,362	\$ 103,287,858

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS**General Information about the OPEB Plan***Plan Description*

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

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

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

PERA Benefit Structure

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - continued

General Information about the OPEB Plan - continued

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$1,005,648 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$15,162,928 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the District's proportion was 1.1667380558%, which was an increase of 0.0018443230% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$221,663. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 71,708	\$ -
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	253,672
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	19,986	-
Contributions Subsequent to the Measurement Date	514,164	-
Total	\$ 605,858	\$ 253,672

\$514,164 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	\$ (45,404)
2020	(45,404)
2021	(45,404)
2022	(45,380)
2023	18,020
Thereafter	1,594

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued*

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

Actuarial assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, gradually rising to 4.25% in 2023

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued*

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

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

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

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - *continued***

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued*

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

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

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.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	\$ 14,745,737	\$ 15,162,928	\$ 15,665,407

Discount Rate

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued*

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

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

Based on the above assumptions and methods, the HCTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 17,047,898	\$ 15,162,928	\$ 13,554,054

OPEB plan fiduciary net position

Detailed information about the HCTF plan’s fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Restatement of Net Position

For the year ended June 30, 2018, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB no. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees’ Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF’s net OPEB liability.

For the District, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - continued**Restatement of Net Position - continued**

Net Position, June 30, 2017, as Previously Reported	\$	(251,990,136)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability		(14,628,620)
Net Position, June 30, 2017, as Restated	<u>\$</u>	<u>(266,618,756)</u>

Component Units

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the charter schools is statutorily committed to pay the contributions to the HCTF. Employer contributions recognized by the HCTF from the charter schools were \$198,444 for the year ended June 30, 2018.

At June 30, 2018, the charter schools reported a liability of \$3,002,569 for their proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017. The charter schools' proportion of the net OPEB liability was based on charter schools' contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

For the year ended June 30, 2018, the charter schools recognized OPEB expense of \$48,544. At June 30, 2018, the charter schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources –

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,199	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB OPEB plan investments	-	50,232
Changes in proportion and differences between contributions recognized and proportionate share of contributions	51,404	23,776
Contributions subsequent to the measurement date	99,969	-
Total	\$ 165,572	\$ 74,008

\$99,969 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 OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 – POSTEMPLOYMENT HEALTHCARE BENEFITS - *continued*

Component Units – *continued*

Year ended June 30,		
2019	\$	(4,340)
2020		(4,340)
2021		(4,340)
2022		(4,335)
2023		8,219
Thereafter		731
Total	\$	(8,405)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,375,833	\$ 3,002,569	\$ 2,683,980

Restatement of Net Position

Net Position, June 30, 2017, as Previously Reported	\$ (61,457,166)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	(14,628,620)
Net Position, June 30, 2017, as Restated	\$ (64,325,452)

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grant Compliance

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Litigation

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

Tabor Amendment

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the District to increase revenues, debt and spending and restricts property, income and other taxes. In November, 1998, voters within the District authorized the District to collect, retain, and

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES - *continued*

Tabor Amendment - *continued*

expend all excess revenues and other funds received from every source, without limitation future voter approval, notwithstanding the limitations of the Amendment.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, and salary or fringe benefit increases. These reserves are required to be 3 percent or more, of expenses, as defined after 1994. At June 30, 2018, the District’s reserve was \$4,660,376.

Forward Delivery Agreement

In April, 2004, the District entered into a forward delivery agreement with JPMorgan Chase Bank in exchange for a payment of \$2,171,000. The District agreed to deposit certain Bond Redemption Fund revenues into a trust account to be used by JPMorgan Chase Bank for purchase of investment securities from a third party. The securities will mature at future dates in time to meet the District's debt service obligations over a 17-year period, ending December, 2021. If the District terminates the agreement, it would be obligated to repay a portion of the \$2,171,000 to compensate JPMorgan Chase Bank for the loss of economic benefits based on market conditions at the time the agreement is terminated. The amount received is being amortized over the term of the agreement and is reflected as non-current liabilities. During the year ended June 30, 2018, revenue of \$108,550 was recognized in the statement of activities. The ending balance of \$633,208 was restricted as of June 30, 2018 due to the external agreement with JPMorgan Chase Bank. If the agreement was cancelled or terminated, the District would be obligated to pay the balance.

Operating Leases

The District has entered into an operating lease for portable devices to be utilized with the Blended Learning Program in various schools. Payments made during fiscal year 2018 totaled \$187,873.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2019	\$ 73,925
Totals	\$ 73,925

In May 2016, the District entered into an operating lease for a modular to accommodate the expansion of the McAuliffe STEM Academy as it progressively expands to a K-8 school. The modular will support the addition of sixth grade students. Payments made during fiscal year 2018 totaled \$23,580.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2019	\$ 23,580
2020	23,580
2021	1,965
Totals	\$ 49,125

The Fred Tjardes School of Innovation was approved to be added as a new school to in the District beginning in August 2017. The District entered into an operating lease with an entity to lease a 9,700 square foot building to occupy the school. Payments made during fiscal year 2018 totaled \$78,000.

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 11 – COMMITMENTS AND CONTINGENCIES - *continued*

Operating Leases - *continued*

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2019	\$ 78,000
2020	78,000
2021	78,000
2022	78,000
Totals	\$ 312,000

The District is leasing a 19,011 square foot building for the Greeley Alternative Program and College and Career Prep Program. The lease is for an initial term of ten years commencing on July 1, 2017 and terminating on June 30, 2027.

Future payments on the operating lease are as follows:

Fiscal year ended June 30,	Annual lease payments
2019	\$ 213,788
2020	220,202
2021	226,808
2022	233,612
2023	240,620
2024-2027	1,036,865
Totals	\$ 2,171,895



Required Supplementary Information

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

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2018

	BUDGET		ACTUAL	Variance
	ORIGINAL	FINAL		
Revenues				
Local Sources				
Property Taxes	\$ 32,510,503	\$ 32,499,943	\$ 39,288,709	\$ 6,788,766
Mill Levy Override	-	14,000,000	13,598,198	(401,802)
Specific Ownership Taxes	2,524,592	2,884,255	4,421,487	1,537,232
Delinquent Taxes, Penalties & Interest	-	-	5,458	5,458
Abatements	250,000	200,000	207,679	7,679
Other Tuition	243,000	252,000	233,121	(18,879)
Earnings on Investments	170,000	242,500	105,200	(137,300)
District Services Provided to Charter Schools	4,627,796	4,781,920	4,806,088	24,168
Indirect Cost Revenue	450,000	450,000	627,664	177,664
Other Local Revenue	2,295,582	8,134,500	5,673,094	(2,461,406)
Total Local Sources	43,071,473	63,445,118	68,966,698	5,521,580
State Sources				
State Equalization	130,960,608	130,918,755	121,663,232	(9,255,523)
At-Risk Funding	1,700,000	1,700,000	1,675,551	(24,449)
Charter School Capital Construction	1,391,090	1,278,753	1,345,189	66,436
English Language Proficiency Act	1,850,000	2,083,097	2,083,097	-
Full Day Kindergarten Hold Harmless	250,000	250,000	285,038	35,038
Gifted and Talented Reimbursement	200,000	200,000	203,821	3,821
READ Act	1,100,000	1,183,533	1,183,533	-
Exceptional Children's Education Act	3,750,000	3,900,000	3,960,185	60,185
Transportation	1,000,000	1,090,604	1,089,862	(742)
Vocational Education	150,000	180,000	302,196	122,196
Audit Adjustments	(200,000)	(58,393)	(58,393)	-
Total State Sources	142,151,698	142,726,349	133,733,311	(8,993,038)
Total Revenues	185,223,171	206,171,467	202,700,009	(3,471,458)

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended June 30, 2018

	BUDGET		ACTUAL	Variance
	ORIGINAL	FINAL		
Expenditures				
Current				
Instruction	\$ 86,395,311	\$ 87,319,268	\$ 86,816,293	\$ 502,975
Support Services				
Student Support Services	7,601,832	8,313,502	8,161,838	151,664
Instructional Staff Support Services	6,271,707	6,215,314	6,783,468	(568,154)
General Administration Services	1,583,231	1,790,922	1,632,671	158,251
School Administration Services	10,576,721	10,511,473	10,459,590	51,883
Business Services	2,340,444	3,548,230	2,446,994	1,101,236
Operations & Maintenance	13,210,152	24,060,458	16,382,440	7,678,018
Student Transportation	4,622,922	5,030,589	4,598,583	432,006
Other Support Services	9,534,069	14,142,701	9,254,132	4,888,569
Capital Outlay	-	-	4,866,170	(4,866,170)
Payments Made to Charter Schools				
Union Colony Preparatory School				
Per Pupil Revenue	3,399,486	3,349,746	3,337,532	12,214
Mill Levy Override Allocation	-	288,893	288,893	-
Capital Construction	124,807	115,118	117,113	(1,995)
Other State and Local Funding	23,155	98,307	274,638	(176,331)
Union Colony Elementary School				
Per Pupil Revenue	3,163,105	3,185,794	3,183,376	2,418
Mill Levy Override Allocation	-	271,976	271,976	-
Capital Construction	116,200	103,429	111,522	(8,093)
Other State and Local Funding	103,391	194,515	195,386	(871)
University Schools				
Per Pupil Revenue	13,104,189	13,055,034	12,998,628	56,406
Mill Levy Override Allocation	-	1,122,063	1,122,063	-
Capital Construction	483,012	439,635	457,171	(17,536)
Other State and Local Funding	95,298	462,737	759,217	(296,480)
Frontier Academy				
Per Pupil Revenue	11,160,288	11,120,815	11,065,228	55,587
Mill Levy Override Allocation	-	948,988	948,988	-
Capital Construction	403,713	369,751	387,473	(17,722)
Other State and Local Funding	55,534	359,121	663,019	(303,898)
Salida del Sol Academy				
Per Pupil Revenue	5,004,373	5,013,621	5,007,544	6,077
Mill Levy Override Allocation	-	417,073	417,073	-
Capital Construction	196,026	189,323	170,891	18,432
Other State and Local Funding	227,756	402,963	494,879	(91,916)
West Ridge Academy				
Per Pupil Revenue	2,622,240	2,787,876	2,786,341	1,535
Mill Levy Override Allocation	-	246,275	246,275	-
Capital Construction	67,332	61,498	101,019	(39,521)
Other State and Local Funding	9,777	82,359	126,675	(44,316)
Total Expenditures	182,496,071	205,619,367	196,935,099	8,684,268
Excess of Revenues				
Over (Under) Expenditures	2,727,100	552,100	5,764,910	5,212,810
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	3,237,634	3,237,634
Transfers Out				
Capital Reserve Fund	(2,500,000)	(4,500,000)	(4,500,000)	-
Platte Valley Youth Services Fund	(240,000)	(265,000)	(263,606)	1,394
Total Other Operating Sources (Uses)	(2,740,000)	(4,765,000)	(1,525,972)	3,239,028
NET CHANGE IN FUND BALANCE	(12,900)	(4,212,900)	4,238,938	8,451,838
Fund Balance, Beginning	22,818,424	27,700,491	27,700,491	-
Fund Balance, Ending	\$ 22,805,524	\$ 23,487,591	\$ 31,939,429	\$ 8,451,838

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

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Food Service Fund
For the Year Ended June 30, 2018

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Local Sources	\$ 1,912,880	\$ 1,768,150	\$ 1,438,936	\$ (329,214)
State Sources	184,332	184,332	152,983	(31,349)
Federal Sources	8,043,612	8,395,000	7,830,868	(564,132)
Total Operating Revenues	<u>10,140,824</u>	<u>10,347,482</u>	<u>9,422,787</u>	<u>(924,695)</u>
Operating Expenses				
Support Services				
Operations & Maintenance	24,500	24,500	18,699	5,801
Food Service Operations	10,396,324	10,822,982	10,358,737	464,245
Capital Outlay	-	-	34,353	(34,353)
Total Expenditures	<u>10,420,824</u>	<u>10,847,482</u>	<u>10,411,789</u>	<u>435,693</u>
Net Change in Fund Balance	(280,000)	(500,000)	(989,002)	(489,002)
Fund Balance, Beginning	<u>1,956,406</u>	<u>1,849,243</u>	<u>1,849,243</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,676,406</u>	<u>\$ 1,349,243</u>	<u>\$ 860,241</u>	<u>\$ (489,002)</u>

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

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Designated Special Purpose Grants Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 1,750,000	\$ 1,750,000	\$ 1,446,811	\$ (303,189)
State Sources	1,500,000	1,500,000	2,005,036	505,036
Federal Sources	14,500,000	14,500,000	13,098,846	(1,401,154)
Total Revenues	<u>17,750,000</u>	<u>17,750,000</u>	<u>16,550,693</u>	<u>(1,199,307)</u>
Expenditures				
Current				
Instruction	7,260,560	6,994,160	7,460,611	(466,451)
Support Services				
Student Support	4,631,135	3,988,478	3,495,215	493,263
Instructional Staff Support	4,263,531	4,578,343	4,038,856	539,487
School Administration	412,496	924,482	577,662	346,820
Business Services	42,546	42,232	99,161	(56,929)
Operations & Maintenance	939,474	1,155,814	632,124	523,690
Student Transportation	194,838	53,775	42,275	11,500
Other Support Services	5,420	12,716	-	12,716
Capital Outlay	-	-	204,789	(204,789)
Total Expenditures	<u>17,750,000</u>	<u>17,750,000</u>	<u>16,550,693</u>	<u>1,199,307</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



Defined Benefit Pension Plan Schedules



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

	2017	2016	2015	2014	2013
District's proportionate (percentage) of the collective net pension liability (asset)	2.053407559%	2.049445194%	2.049124817%	2.105033264%	2.177104391%
District's proportionate share of the collective pension liability (asset)	\$ 663,999,027	\$ 610,199,086	\$ 313,399,174	\$ 285,302,715	\$ 277,689,077
Covered payroll	94,716,364	91,997,611	89,293,838	88,186,088	87,759,079
District's proportionate share of the net pension liability (asset as a percentage of its covered payroll)	701.04%	663.28%	350.98%	323.52%	316.42%
Plan fiduciary net position as a percentage of the total asset pension liability	43.96%	43.10%	59.20%	62.80%	64.06%

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

** The pension schedules in the required supplementary information are intended to show information for ten years.

SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS

Last 10 Fiscal Years*

As of June 30,	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 18,619,907	\$ 17,073,938	\$ 16,125,248	\$ 14,868,248	\$ 14,094,323
Contributions in relation to the statutorily required contributions	18,619,907	17,073,938	16,125,248	14,868,248	14,094,323
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 98,592,946	\$ 92,891,778	\$ 90,960,297	\$ 88,105,663	\$ 88,202,085
Contribution as a percentage of covered payroll	18.89%	18.38%	17.73%	16.88%	15.98%

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

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY

Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>
District's proportion (percentage) of the collective net OPEB liability (asset)	1.166738056%	1.164893733%
District's proportionate share of the collective OPEB liability (asset)	\$ 15,162,928	\$ 15,103,243
Covered payroll	94,716,364	91,997,611
District's proportionate share of the net OPEB liability (asset as a percentage of its covered payroll)	16.01%	16.42%
Plan fiduciary net position as a percentage of the total asset OPEB liability	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2016 was not available.

SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS

Last 10 Fiscal Years*

As of June 30,	<u>2018</u>	<u>2017</u>
Statutorily required contributions	\$ 1,005,648	\$ 947,496
Contributions in relation to the statutorily required contributions	\$ 1,005,648	\$ 947,493
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$98,592,946	\$92,891,778
Contributions as a percentage of covered payroll	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

** The OPEB schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Required Supplementary Information

June 30, 2018

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

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

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

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

Budget amounts included in the financial statements are based on the final budget as adopted by the Board of Education in January 2018. Original budgets for all funds were adopted by the Board of Education in June 2017. Budget appropriations lapse at the end of each fiscal year.

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

- On or before June 1, the Superintendent submits to the Board of Education a proposed budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- Within ten days after submission of the proposed budget, public notice is published stating the time and place of public hearing(s) to be conducted to obtain taxpayer comments on the budget prior to adoption.
- On or before June 30, the budget is adopted by formal resolution.
- On or before January 31, any changes to the budget are adopted by formal resolution.
- November 10, pupil count information is provided by school districts to the Colorado Department of Education, for use in determining the state funding level for the current fiscal year.
- December 15, school districts certify to county commissioners, copied to CDE, the mill levies for the various property tax-supported funds for the district.



Supplementary Information

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



BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Capital Projects Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues				
Investment Earnings	\$ 10,000	\$ 10,000	\$ 36,745	\$ 26,745
Other	-	1,536,653	-	(1,536,653)
Total Revenues	<u>10,000</u>	<u>1,546,653</u>	<u>36,745</u>	<u>(1,509,908)</u>
Expenditures				
Current				
Support Services				
Business Services	-	75,518	-	75,518
Operations & Maintenance	2,510,000	4,835,984	1,510,238	3,325,746
Othere Support Services	-	3,135,151	-	3,135,151
Capital Outlay	-	-	4,271,107	(4,271,107)
Total Expenditures	<u>2,510,000</u>	<u>8,046,653</u>	<u>5,781,345</u>	<u>2,265,308</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500,000)	(6,500,000)	(5,744,600)	755,400
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	941,099	941,099
Transfers In	2,500,000	4,500,000	4,500,000	-
Total Other Financing Sources (Uses)	<u>2,500,000</u>	<u>4,500,000</u>	<u>5,441,099</u>	<u>941,099</u>
Net Change in Fund Balance	-	(2,000,000)	(303,501)	1,696,499
Fund Balance	<u>1,706,167</u>	<u>4,535,857</u>	<u>4,535,857</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,706,167</u>	<u>\$ 2,535,857</u>	<u>\$ 4,232,356</u>	<u>\$ 1,696,499</u>

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Platte Valley Youth Services Center Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues				
Local Sources	\$ 550,000	\$ 550,000	\$ 524,513	\$ (25,487)
State Sources	785,887	807,903	807,903	-
Total Revenues	<u>1,335,887</u>	<u>1,357,903</u>	<u>1,332,416</u>	<u>(25,487)</u>
Expenditures				
Current				
Instruction	1,260,544	1,295,194	1,252,526	42,668
Support Services				
Instructional Staff Support	46,047	47,817	50,443	(2,626)
School Administration	269,296	279,892	282,147	(2,255)
Capital Outlay	-	-	10,906	
Total Expenditures	<u>1,575,887</u>	<u>1,622,903</u>	<u>1,596,022</u>	<u>37,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(240,000)	(265,000)	(263,606)	12,300
Other Financing Sources (Uses)				
Transfers In	240,000	265,000	263,606	(1,394)
Total Other Financing Sources (Uses)	<u>240,000</u>	<u>265,000</u>	<u>263,606</u>	<u>(1,394)</u>
Net Change in Fund Balance	-	-	-	10,906
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
Bond Redemption Fund
For the Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property Taxes	\$ 10,522,716	\$ 10,331,388	\$ 12,809,548	\$ 2,478,160
Investment Earnings (Losses)	-	-	23,677	23,677
Total Revenues	<u>10,522,716</u>	<u>10,331,388</u>	<u>12,833,225</u>	<u>2,501,837</u>
Expenditures				
Debt Service				
Principal	8,662,282	8,662,282	8,662,282	-
Interest	1,155,692	1,155,692	1,155,692	-
Fiscal Charges	20,000	20,000	4,272	15,728
Total Expenditures	<u>9,837,974</u>	<u>9,837,974</u>	<u>9,822,246</u>	<u>15,728</u>
Net Change in Fund Balance	684,742	493,414	3,010,979	2,517,565
Fund Balance, Beginning	<u>13,051,698</u>	<u>13,373,640</u>	<u>13,373,640</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 13,736,440</u>	<u>\$ 13,867,054</u>	<u>\$ 16,384,619</u>	<u>\$ 2,517,565</u>

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 For the Year Ended June 30, 2018

	Balances 6/30/2017	Additions	Deductions	Balances 6/30/2018
Student Activity Funds				
ASSETS				
Cash and Investments	\$ 1,292,037	\$ 1,802,156	\$ 1,797,798	\$ 1,296,395
Accounts Receivable	-	19,137	-	19,137
Total Assets	\$ 1,292,037	\$ 1,821,293	\$ 1,797,798	\$ 1,315,532
LIABILITIES				
Accrued Liabilities				
Due to Third Parties	\$ 6,595	\$ 550	\$ 6,595	\$ 550
Due to Student Groups	1,285,442	1,820,743	1,791,203	1,314,982
Total Liabilities	\$ 1,292,037	\$ 1,821,293	\$ 1,797,798	\$ 1,315,532
Scholarships				
ASSETS				
Cash and Investments	\$ 420,497	\$ 141,247	\$ 15,196	\$ 546,548
Total Assets	\$ 420,497	\$ 141,247	\$ 15,196	\$ 546,548
LIABILITIES				
Accrued Liabilities				
Due to Student Groups	\$ 420,497	\$ 141,247	\$ 15,196	\$ 546,548
Total Liabilities	\$ 420,497	\$ 141,247	\$ 15,196	\$ 546,548
Totals				
ASSETS				
Cash and Investments	\$ 1,712,534	\$ 1,943,403	\$ 1,812,994	\$ 1,842,943
Accounts Receivable	\$ -	19,137	-	19,137
Total Assets	\$ 1,712,534	\$ 1,962,540	\$ 1,812,994	\$ 1,862,080
LIABILITIES				
Accrued Liabilities				
Due to Third Parties	\$ 6,595	\$ 550	\$ 6,595	\$ 550
Due to Student Groups	1,705,939	1,961,990	1,806,399	1,861,530
Total Liabilities	\$ 1,712,534	\$ 1,962,540	\$ 1,812,994	\$ 1,862,080



Statistical Section

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



STATISTICAL SECTION

(Unaudited)

This component of the Weld County School District 6's *Comprehensive Annual Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS	<u>PAGE</u>
<i>Financial Trends</i> - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Net Position by Component	99
Changes in Net Position	100
Fund Balances, Governmental Funds	104
Changes in Fund Balances, Governmental Funds	106
<i>Revenue Capacity</i> - These schedules contain information to help the reader understand and assess the factors affecting the District's most significant local revenue source, property taxes.	
Assessed Value and Estimated Actual Value of Taxable Property	108
Direct and Overlapping Property Tax Rates	109
Principal Property Tax Payers	110
Property Tax Levies and Collections	111
<i>Debt Capacity</i> - These schedules present information to help the reader understand and assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	112
Ratios of General Bonded Debt Outstanding	113
Direct and Overlapping Governmental Activities Debt	114
Legal Debt Margin	115
<i>Demographic and Economic Information</i> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Demographic and Economic Statistics	116
Principal Employers	117
<i>Operating Information</i> - These tables contain service data to help the reader understand how the information in the financial report relates to the services the District provides and the activities it performs.	
Full-Time/Part-Time Employees by Function/Program	118
Operating Statistics	119
School Building Information	120
Teacher Salary Information	121
Miscellaneous Statistics	122

Data Source –

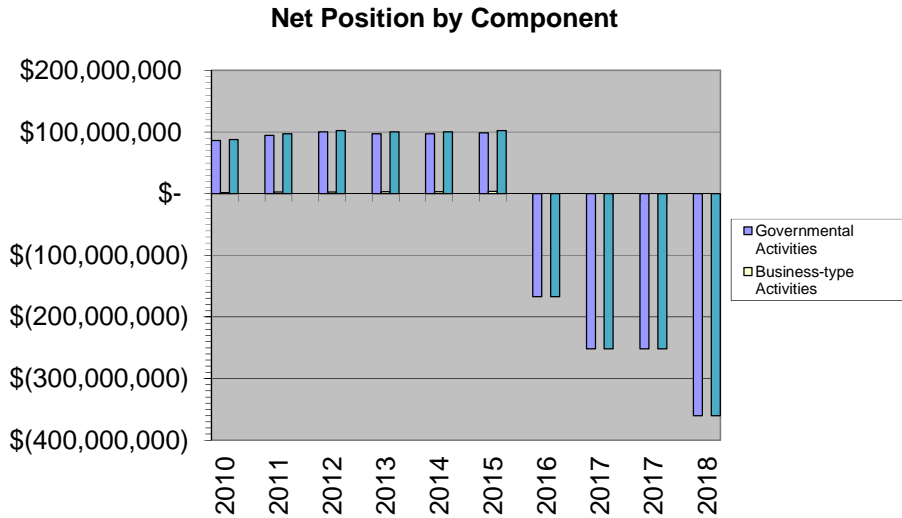
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 49,775,100	\$ 51,568,438	\$ 54,514,438	\$ 59,214,842	\$ 61,710,227	\$ 63,797,114	\$ 63,141,947	\$ 72,239,709	\$ 79,009,836	\$ 97,217,288
Restricted	12,828,006	17,428,506	16,664,358	16,339,056	19,657,212	16,785,141	19,880,453	21,428,949	20,765,141	25,147,098
Unrestricted	15,570,082	16,903,724	23,452,576	24,325,738	15,892,322	18,164,227	(250,068,131)	(265,436,628)	(351,765,113)	(482,357,558)
Total Governmental Activities Net Position	\$ 78,173,188	\$ 85,900,668	\$ 94,631,372	\$ 99,879,636	\$ 97,259,761	\$ 98,746,482	\$ (167,045,731)	\$ (171,767,970)	\$ (251,990,136)	\$ (359,993,172)
Business-Type Activities										
Net investment in capital assets	\$ 1,254,613	\$ 1,204,347	\$ 1,245,087	\$ 1,216,154	\$ 1,337,189	\$ 1,461,111	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	335,181	415,783	1,176,350	1,303,406	1,524,811	2,051,185	-	-	-	-
Total Business-Type Activities Net Position	\$ 1,589,794	\$ 1,620,130	\$ 2,421,437	\$ 2,519,560	\$ 2,862,000	\$ 3,512,296	\$ -	\$ -	\$ -	\$ -
Primary Government										
Net investment in capital assets	\$ 51,029,713	\$ 52,772,785	\$ 55,759,525	\$ 60,430,996	\$ 63,047,416	\$ 65,258,225	\$ 63,141,947	\$ 72,239,709	\$ 79,009,836	\$ 97,217,288
Restricted	12,828,006	17,428,506	16,664,358	16,339,056	19,657,212	16,785,141	19,880,453	21,428,949	20,765,141	25,147,098
Unrestricted	15,905,263	17,319,507	24,628,926	25,629,144	17,417,133	20,215,412	(250,068,131)	(265,436,628)	(351,765,113)	(482,357,558)
Total Primary Government Net Position	\$ 79,762,982	\$ 87,520,798	\$ 97,052,809	\$ 102,399,196	\$ 100,121,761	\$ 102,258,778	\$ (167,045,731)	\$ (171,767,970)	\$ (251,990,136)	\$ (359,993,172)

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



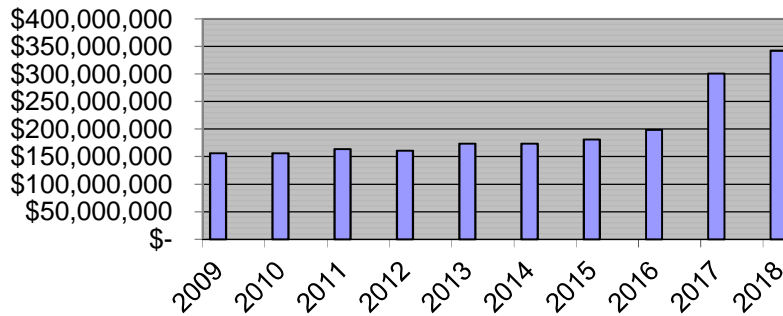
**Changes in Net Position
Last Ten Fiscal Years**
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Instruction	\$ 76,569,456	\$ 78,981,334	\$ 77,201,295	\$ 77,036,400	\$ 81,884,496	\$ 82,507,578	\$ 88,992,272	\$ 96,103,662	\$ 148,378,668	\$ 169,678,692
Supporting services										
Student Support	7,131,266	7,960,525	7,968,395	7,415,277	7,974,868	8,195,770	9,142,147	9,714,310	15,477,975	19,226,071
Instructional Staff Support	9,733,475	10,865,333	10,876,074	10,121,123	10,884,909	11,044,378	11,099,857	11,674,959	14,881,871	17,257,231
General Administration	1,173,252	1,309,683	1,310,978	1,219,978	1,312,043	1,378,394	1,305,844	1,287,829	2,156,144	2,543,903
School Administration	8,207,382	9,161,777	9,170,835	8,534,251	9,178,284	9,423,385	10,322,803	11,081,811	18,949,844	20,660,634
Business Services	1,944,414	2,170,520	2,172,666	2,021,853	2,174,431	2,239,222	2,536,294	2,617,899	3,719,905	4,373,867
Operations & Maintenance	11,531,243	12,872,154	12,884,880	11,990,489	12,895,346	11,874,137	11,838,289	14,281,259	18,630,666	21,361,305
Student Transportation	3,907,372	4,361,740	4,366,053	4,062,987	4,369,599	5,027,523	5,164,592	5,153,426	8,031,063	8,513,846
Other Support	7,493,059	8,364,390	8,372,659	7,791,480	8,379,460	10,689,438	20,859,866	13,151,035	15,060,073	16,877,181
Food Service Operations	-	-	-	-	-	-	-	9,609,672	13,014,203	14,807,273
Payments to Charter Schools	16,450,618	17,329,543	18,338,342	19,399,551	22,758,184	27,144,958	33,323,907	35,797,138	40,712,507	45,532,920
Interest on long-term debt	4,468,579	4,249,856	4,017,439	3,772,242	3,504,652	2,923,488	3,738,663	1,946,531	1,754,895	1,529,923
Total Government Activities Expenses	148,610,116	157,626,855	156,679,616	153,365,631	165,316,272	172,448,271	198,324,534	212,419,531	300,767,816	342,362,846
Business-Type Activities:										
Food Service Operations	7,335,412	7,022,340	6,801,136	7,235,660	7,864,347	8,338,769	-	-	-	-
Total Business-Type Activities Expense	7,335,412	7,022,340	6,801,136	7,235,660	7,864,347	8,338,769	-	-	-	-
Total Primary Government Expenses	\$ 155,945,528	\$ 164,649,195	\$ 163,480,752	\$ 160,601,291	\$ 173,180,619	\$ 180,787,040	\$ 198,324,534	\$ 212,419,531	\$ 300,767,816	\$ 342,362,846

Notes:

- Includes all non-fiduciary funds. (GAAP Basis)
- Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities.
- In 2015, Food Service Fund activities were reported in Other Support.

Total Primary Government Expenses

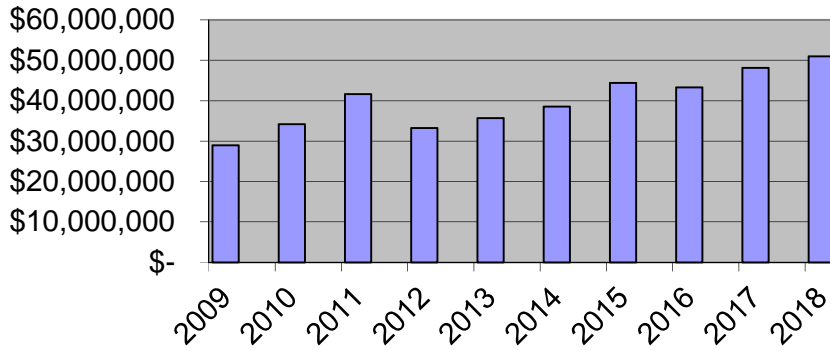


Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental Activities:										
Charges for services										
Instruction	\$ 640,585	\$ 751,728	\$ 992,802	\$ 1,069,133	\$ 582,256	\$ 2,461,040	\$ 717,711	\$ 4,584,595	\$ 5,494,092	\$ 5,563,722
Supporting Services										
Student Support	-	-	-	-	-	-	-	2,869	120	182,037
Instructional Staff Support	-	-	-	-	-	-	-	-	-	3,711
Business Services	204,128	244,767	258,032	271,369	379,025	9,252	-	879,165	427,697	161,424
Operations & Maintenance	-	-	-	-	-	-	238,458	398,032	4,294,199	126,895
Student Transportation	-	-	-	-	-	-	467,081	5,063	4,193	1,437
Other Support	2,446,880	2,934,026	3,093,039	3,252,902	4,496,012	5,026,408	7,111,130	477,303	241,523	152,160
Food Service Operations	-	-	-	-	-	-	-	1,153,991	527,585	624,308
Operating grants & contributions										
Instruction	11,495,285	11,204,781	16,291,986	12,611,807	11,448,200	11,940,839	15,348,629	15,693,243	15,461,680	17,961,935
Supporting Services										
Student Support	2,704,116	4,208,638	4,696,619	3,043,335	3,702,541	6,654,553	6,673,791	6,664,695	7,010,160	3,623,802
Instructional Staff Support	3,304,124	5,142,480	5,738,737	3,718,610	4,524,086	1,640,261	1,823,779	1,880,095	2,467,857	4,103,566
School Administration	525,782	818,317	913,199	591,739	719,913	557,558	502,337	210,654	134,164	577,662
Business Services	31,990	49,789	55,562	36,003	43,802	-	-	-	-	99,161
Operations & Maintenance	110,667	172,240	192,211	124,550	151,528	25,679	518,735	547,250	364,553	632,124
Student Transportation	993,083	1,545,618	1,724,828	1,117,661	1,359,754	1,217,209	1,323,357	1,410,854	1,165,097	1,132,137
Other Support	48,280	75,144	83,856	54,337	66,107	51,191	8,870,977	-	-	-
Food Service Operations	-	-	-	-	-	-	-	8,133,715	9,159,751	8,809,971
Capital grants & contributions										
Supporting Services										
Instruction	-	-	-	-	-	-	-	-	-	5,857,429
Other Support	-	-	-	-	-	-	828,129	1,286,434	1,391,089	1,345,189
Total Governmental Activities	\$ 22,504,920	\$ 27,147,528	\$ 34,040,871	\$ 25,891,446	\$ 27,473,224	\$ 29,583,990	\$ 44,424,114	\$ 43,327,958	\$ 48,143,760	\$ 50,958,670
Business-Type Activities:										
Charges for services	\$ 1,319,275	\$ 1,369,357	\$ 1,410,357	\$ 1,192,002	\$ 1,139,685	\$ 1,087,782	\$ -	\$ -	\$ -	\$ -
Operating grants & contributions	5,158,087	5,683,319	6,192,086	6,141,781	7,067,102	7,901,283	-	-	-	-
Total Business-Type Activities	\$ 6,477,362	\$ 7,052,676	\$ 7,602,443	\$ 7,333,783	\$ 8,206,787	\$ 8,989,065	\$ -	\$ -	\$ -	\$ -
Total Primary Government Revenues	\$ 28,982,282	\$ 34,200,204	\$ 41,643,314	\$ 33,225,229	\$ 35,680,011	\$ 38,573,055	\$ 44,424,114	\$ 43,327,958	\$ 48,143,760	\$ 50,958,670
Net (Expense) Revenue										
Governmental activities	\$ (126,105,196)	\$ (130,479,327)	\$ (122,638,745)	\$ (127,474,185)	\$ (137,843,048)	\$ (142,864,281)	\$ (153,900,420)	\$ (169,091,574)	\$ (252,624,056)	\$ (291,404,176)
Business-type activities	(858,050)	30,336	801,307	98,123	342,440	650,296	-	-	-	-
Total Primary Government Net Expense	\$ (126,963,246)	\$ (130,448,991)	\$ (121,837,438)	\$ (127,376,062)	\$ (137,500,608)	\$ (142,213,985)	\$ (153,900,420)	\$ (169,091,574)	\$ (252,624,056)	\$ (291,404,176)

Notes:
 - Beginning with fiscal year 2015, the Food Services Fund is reported within governmental activities

Total Primary Government Program Revenues

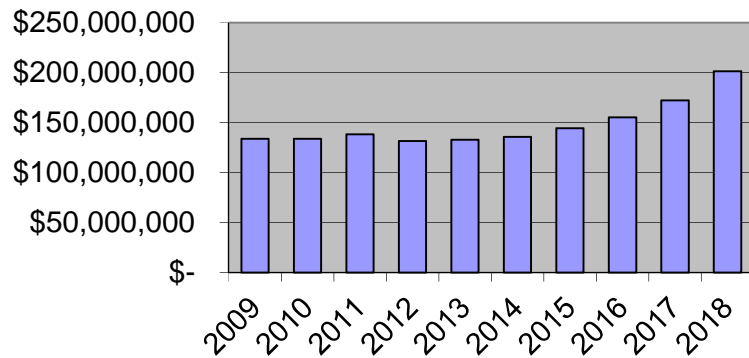




Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues										
Governmental Activities:										
Property taxes	\$ 37,320,028	\$ 37,542,000	\$ 35,201,582	\$ 35,961,514	\$ 37,170,624	\$ 36,760,286	\$ 36,931,969	\$ 40,876,489	\$ 42,411,975	\$ 66,056,168
Specific ownership taxes	3,200,356	2,656,089	2,383,024	2,437,108	2,795,387	2,983,658	3,019,784	2,551,459	3,215,524	4,421,487
State equalization	90,692,761	96,144,664	91,422,669	91,912,020	93,313,858	102,114,143	112,570,176	117,590,043	123,550,014	121,604,839
Investment earnings	440,044	64,665	388,004	218,001	72,320	247,234	140,996	238,304	7,697	165,622
Other revenues	1,977,736	1,799,389	1,974,170	2,193,806	2,232,838	2,245,681	2,375,352	3,113,100	3,216,620	5,781,644
Total Governmental Activities	\$ 133,630,925	\$ 138,206,807	\$ 131,369,449	\$ 132,722,449	\$ 135,585,027	\$ 144,351,002	\$ 155,038,277	\$ 164,369,395	\$ 172,401,830	\$ 198,029,760
Business-Type Activities:										
Investment earnings	\$ 4,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution of assets	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	\$ 4,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 133,635,728	\$ 138,206,807	\$ 131,369,449	\$ 132,722,449	\$ 135,585,027	\$ 144,351,002	\$ 155,038,277	\$ 164,369,395	\$ 172,401,830	\$ 198,029,760
Change in Net Position										
Governmental Activities	7,525,729	7,727,480	8,730,704	5,248,264	(2,258,021)	1,486,721	1,137,857	(4,722,179)	(80,222,226)	(93,374,416)
Business-Type Activities	(853,247)	30,336	801,307	98,123	342,440	650,296	-	-	-	-
Total Primary Government	\$ 6,672,482	\$ 7,757,816	\$ 9,532,011	\$ 5,346,387	\$ (1,915,581)	\$ 2,137,017	\$ 1,137,857	\$ (4,722,179)	\$ (80,222,226)	\$ (93,374,416)

Total Primary Government General Revenues



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

(modified accrual basis of accounting)

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
General fund						
Nonspendable	\$ -	\$ 211,934	\$ 238,145	\$ 1,250,263	\$ 137,747	\$ 105,766
Restricted	-	6,313,572	6,101,639	4,959,457	5,862,437	5,146,506
Committed	-	6,469,942	6,485,363	5,499,944	4,220,860	4,408,802
Assigned	-	-	-	-	-	-
Unassigned	-	8,644,525	14,683,873	17,787,702	13,529,509	11,129,046
Reserved	3,425,188	-	-	-	-	-
Unreserved	14,162,205	-	-	-	-	-
Total general fund	<u>\$ 17,587,393</u>	<u>\$ 21,639,973</u>	<u>\$ 27,509,020</u>	<u>\$ 29,497,366</u>	<u>\$ 23,750,553</u>	<u>\$ 20,790,120</u>
All other governmental funds						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:						
Debt Service Fund	-	9,767,284	9,264,107	9,880,107	10,970,934	11,638,635
Food Service Fund	-	-	-	-	-	-
Capital Projects Funds						
Assigned, reported in:						
Capital Projects Funds	-	4,470,475	4,719,745	4,093,696	1,038,513	2,658,459
Reserved	-	-	-	-	-	-
Unassigned, reported in:						
Special Revenue Funds	3,095,261	-	-	-	-	-
Debt Service Funds	9,540,073	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 12,635,334</u>	<u>\$ 14,237,759</u>	<u>\$ 13,983,852</u>	<u>\$ 13,973,803</u>	<u>\$ 12,009,447</u>	<u>\$ 14,297,094</u>

NOTES:

-Other governmental funds from fiscal year 2004 through fiscal year 2013 include: Debt Service - Bond Redemption

Fund; Special Revenue - Designated Special Purpose Grant Fund, Platte Valley Youth Detention Center Fund, and

Building Corporation Fund (*fund dissolved in 2009*); Capital Projects - Capital Projects Fund and Building Corporation

Fund (*fund dissolved in 2009*); Internal Service Fund - Copier Services Fund (*fund dissolved in 2014*).

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

Schedule 3

Schedule 3 (continued)

Fiscal Year			
2015	2016	2017	2018
\$ 159,198	\$ 176,932	\$ 227,621	\$ 975,745
5,537,083	6,750,584	5,768,597	7,908,299
4,774,086	5,064,081	5,463,479	6,323,032
-	-	-	-
10,719,452	10,950,957	16,240,794	16,732,353
-	-	-	-
-	-	-	-
<u>\$ 21,189,819</u>	<u>\$ 22,942,554</u>	<u>\$ 27,700,491</u>	<u>\$ 31,939,429</u>
\$ -	\$ 235,411	\$ 183,486	\$ 289,566
12,093,175	12,572,191	13,373,434	16,384,505
2,465,726	1,919,823	1,665,963	611,992
958,858	-	-	-
2,314,900	1,706,167	4,535,857	4,191,153
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 17,832,659</u>	<u>\$ 16,433,592</u>	<u>\$ 19,758,740</u>	<u>\$ 21,477,216</u>

Schedule 4

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Local sources	\$ 46,418,973	\$ 46,386,898	\$ 44,450,584	\$ 45,823,435
State sources	97,647,432	102,663,129	97,937,817	98,595,275
Federal sources	12,069,441	16,304,308	22,843,590	14,005,975
Total Revenues	<u>\$ 156,135,846</u>	<u>\$ 165,354,335</u>	<u>\$ 165,231,991</u>	<u>\$ 158,424,685</u>
Expenditures				
Governmental Activities				
Instruction	\$ 76,039,639	\$ 79,217,046	\$ 77,271,592	\$ 76,956,028
Supporting services				
Student Support Services	6,522,400	8,418,861	9,830,344	8,039,765
Instructional Staff Support Services	8,582,100	10,568,750	9,762,730	9,614,098
General Administration Services	793,607	1,099,030	1,069,410	1,171,234
School Administration Services	8,464,854	9,270,699	8,384,757	8,287,435
Business Services	1,438,794	1,984,073	1,922,579	1,768,640
Operations & Maintenance	11,897,842	12,021,015	11,080,733	10,378,642
Student Transportation	3,787,553	3,992,743	4,009,486	3,962,403
Other Support Services	5,769,440	5,831,767	6,907,034	5,755,904
Food Service Operations	-	-	-	-
Payments to Charter Schools				
Union Colony Preparatory School	2,665,406	2,675,658	2,715,931	2,639,790
Union Colony Elementary School	-	-	-	-
University Schools	6,798,232	7,228,223	7,862,054	7,859,374
Frontier Academy	6,986,980	7,425,661	7,760,357	7,836,189
Salida del Sol Academy	-	-	-	-
West Ridge Academy	-	-	-	1,064,198
Debt Service				
Principal	5,445,000	5,285,000	5,540,000	5,745,000
Interest and fiscal charges	4,386,420	4,170,100	3,934,663	3,694,475
Capital Outlay	2,493,349	510,704	1,435,181	1,867,113
Total Expenditures	<u>\$ 152,071,616</u>	<u>\$ 159,699,330</u>	<u>\$ 159,486,851</u>	<u>\$ 156,640,288</u>
Other Financing Sources (Uses):				
Other Financing Sources - Capital Leases	\$ -	\$ -	\$ -	\$ 193,900
Other Financing Sources - Insurance Recoveries	\$ -	\$ -	\$ -	\$ -
Transfers in	3,566,986	3,399,405	2,340,000	1,303,214
Transfers out	(3,863,723)	(3,399,405)	(2,470,000)	(1,303,214)
Sale of bonds	-	-	-	-
Bond refunding escrow agent	-	-	-	-
Premium on bonds	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (296,737)</u>	<u>\$ -</u>	<u>\$ (130,000)</u>	<u>\$ 193,900</u>
Net Change in Fund Balances	3,767,493	5,655,005	5,615,140	1,978,297
Fund Balance - Beginning	26,455,234	30,222,727	35,877,732	41,492,872
Prior Period Adjustment	-	-	-	-
Fund Balance - Ending	<u>\$ 30,222,727</u>	<u>\$ 35,877,732</u>	<u>\$ 41,492,872</u>	<u>\$ 43,471,169</u>
Debt Service as a percentage of noncapital expenditures	6.57%	5.94%	5.99%	6.10%

NOTES:

- Beginning in Fiscal Year Ending June 30, 2009, payments to charter schools are reflected as an expenditure. Prior to 2009, these payments were reflected as transfers.

Schedule 4 (continued)

		Fiscal Year									
		2013	2014	2015	2016	2017	2018				
\$	48,306,892	\$	48,477,271	\$	52,385,632	\$	55,321,632	\$	61,838,524	\$	85,246,928
	101,061,902		111,780,453		125,372,483		131,238,597		137,271,054		136,699,233
	13,360,726		13,118,565		21,380,256		20,918,081		21,442,985		20,929,714
\$	162,729,520	\$	173,376,289	\$	199,138,371	\$	207,478,310	\$	220,552,563	\$	242,875,875
\$	81,645,951	\$	81,965,892	\$	84,175,947	\$	89,279,191	\$	89,789,576	\$	95,529,430
	7,974,868		8,171,791		8,684,037		9,059,895		9,822,622		11,657,053
	10,884,909		11,034,277		10,555,613		10,918,153		9,405,008		10,872,767
	1,312,043		1,378,394		1,246,199		1,231,221		1,509,523		1,632,671
	9,178,284		9,423,385		9,735,472		10,240,692		11,151,246		11,319,399
	2,117,456		2,043,866		2,348,990		2,378,271		2,282,577		2,546,155
	10,766,561		11,751,577		11,455,371		12,078,126		12,074,226		18,543,501
	4,369,599		4,734,647		4,616,143		4,472,481		4,683,260		4,640,858
	6,098,723		6,688,570		16,627,231		8,986,632		8,455,195		9,254,132
	-		-		-		9,271,809		9,787,192		10,358,737
	2,709,003		3,201,182		3,335,913		3,477,013		3,444,472		4,018,176
	2,327,815		2,654,287		2,781,233		2,938,808		3,282,511		3,762,260
	8,098,559		11,182,608		11,821,606		12,424,608		13,305,788		15,337,079
	8,419,720		8,989,978		9,739,522		10,447,459		11,141,064		13,064,708
	-		-		4,203,926		4,974,254		5,732,594		6,090,387
	1,203,087		1,116,903		1,441,707		1,534,996		1,790,651		3,260,310
	6,020,000		6,612,358		6,973,183		7,532,597		8,037,294		8,662,282
	3,525,653		3,343,403		3,266,147		1,694,771		1,491,007		1,159,964
	3,806,178		931,915		4,760,412		4,183,664		5,390,635		9,387,325
\$	170,458,409	\$	175,225,033	\$	197,768,652	\$	207,124,641	\$	212,576,441	\$	241,097,194
\$	17,720		-		-		-		106,959		-
\$	-		-		-		-		-		4,178,733
	258,669		1,121,503		976,385		973,018		2,234,534		4,763,606
	(258,669)		(1,121,503)		(976,385)		(973,018)		(2,234,534)		(4,763,606)
	-		-		48,085,000.00		-		-		-
	-		-		(48,075,987.00)		-		-		-
	-		-		243,420.00		-		-		-
\$	17,720	\$	-	\$	252,433	\$	-	\$	106,959	\$	4,178,733
	(7,711,169)		(1,848,744)		1,622,152		353,669		8,083,081		5,957,414
	43,471,169		35,760,000		37,400,326		39,022,482		39,376,150		47,459,231
	-		1,175,958		-		-		-		-
\$	35,760,000	\$	35,087,214	\$	39,022,478	\$	39,376,150	\$	47,459,231	\$	53,416,645
	5.73%		5.71%		5.31%		4.55%		4.60%		4.24%

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

Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Other Property (2)	Less: Tax-Exempt Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (1)	Value as a Percentage of Actual Value
2009	22,775,660	398,220,390	353,155,080	42,285,150	198,541,931	172,484,810	1,014,978,211	36.600	6,782,985,086	14.96%
2010	22,433,530	399,211,640	346,671,750	43,026,600	134,696,482	179,897,780	946,040,002	36.634	6,745,577,164	14.02%
2011	19,510,210	377,264,970	334,133,750	44,419,870	178,482,850	189,437,850	953,811,650	37.104	6,488,639,062	14.70%
2012	18,643,570	378,344,940	367,535,260	49,471,250	159,603,700	211,498,000	973,598,720	37.856	6,634,517,334	14.67%
2013	15,485,810	373,442,370	325,115,070	103,014,450	140,546,959	211,033,880	957,604,659	38.112	6,601,276,161	14.51%
2014	15,123,320	376,025,190	328,467,070	157,926,390	103,351,260	212,454,100	980,893,230	38.175	6,869,243,365	14.28%
2015	17,747,030	467,662,270	343,008,820	153,114,190	174,535,840	230,337,570	1,156,068,150	37.880	8,160,107,459	14.17%
2016	15,798,590	478,591,930	345,298,270	193,592,100	132,039,500	233,895,640	1,165,320,390	36.003	8,415,594,305	13.85%
2017	20,078,240	564,576,340	396,990,910	248,207,370	319,791,060	244,273,760	1,453,782,050	36.335	10,757,101,168	13.51%
2018	17,347,660	570,862,210	416,792,850	274,678,020	535,629,650	289,934,180	1,686,989,830	45.628	11,279,215,576	14.96%

Source: Weld County Assessor's Office.

Notes:

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

Schedule 6

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

Collection Year	Weld County School District 6			Overlapping Rates (2)			Total District & Overlapping Rates
	General Fund	Bond Redemption Fund	Total District	Total Cities and Towns	Total County	Total Special Districts (1)	
2009	27.101	9.499	36.600	75.265	16.804	114.555	243.224
2010	27.187	9.447	36.634	73.273	16.804	107.330	234.041
2011	27.665	9.439	37.104	78.978	16.804	129.745	262.631
2012	27.244	10.612	37.856	80.597	16.804	140.684	275.941
2013	27.204	10.908	38.112	70.560	16.804	130.927	256.403
2014	27.027	11.148	38.175	74.918	16.804	181.092	310.989
2015	27.165	10.715	37.880	74.501	15.800	187.928	316.109
2016	27.440	8.563	36.003	74.584	15.800	286.046	412.433
2017	27.493	8.842	36.335	74.584	15.800	285.503	412.222
2018	36.778	8.850	45.628	72.068	15.800	285.740	419.236

Source: Weld County Assessor's Office

Notes:

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

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

**Principal Property Tax Payers
June 30, 2018
Current Year and Nine Years Ago**

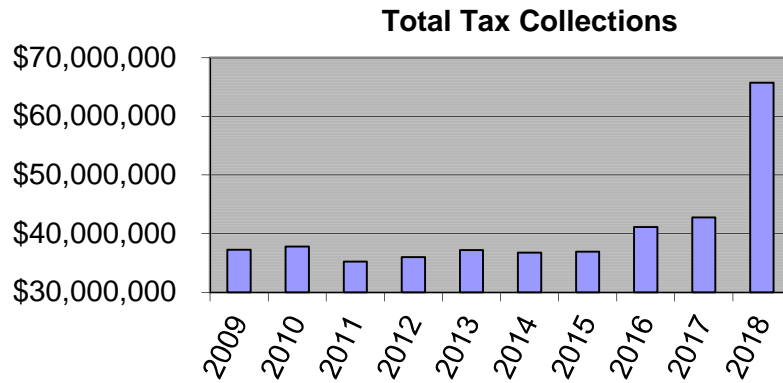
Taxpayer	2018			2009		
	Rank	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percent of Total Taxable Assessed Value
DCP Lucerne 2 Plant LLC	2	\$ 97,643,870	5.79%			
DCP Midstream LP	9	\$ 12,025,890	0.71%	7	\$ 9,849,870	0.96%
Extraction Oil & Gas, LLC	1	\$ 127,054,540	7.53%			
Greeley Mall / GKD Fund LLC				6	\$ 10,399,230	1.01%
JBS USA LLC	10	\$ 11,112,830	0.66%	10	\$ 8,817,470	0.86%
Kerr McGee Oil & Gas Onshore, LP				2	\$ 19,002,520	1.85%
Leprino Foods Company	3	\$ 86,365,580	5.12%			
Matrix Energy				9	\$ 9,219,650	0.90%
Merit Energy				8	\$ 9,272,680	0.90%
Mineral Resources, Inc.				3	\$ 17,160,350	1.67%
Noble Energy	6	\$ 21,685,290	1.29%	1	\$ 81,694,820	7.97%
PDC Energy	4	\$ 47,384,390	2.81%			
Public Service Co. of Colorado (Xcel)	5	\$ 28,401,110	1.68%	5	\$ 14,655,300	1.43%
Qwest Corp	8	\$ 15,131,000	0.90%	4	\$ 15,140,800	1.48%
Synergy Resources Corporation	7	\$ 21,246,910	1.26%			
Remaining Assessed Valuation		\$ 1,218,938,420	72.26%		\$ 829,634,970	80.95%
Total Assessed Valuation		\$ 1,686,989,830	100.00%		\$ 1,024,847,660	100.00%

Source: Weld County Assessor's Office

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

Fiscal Year Ended June 30	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	37,199,858	37,156,519	99.88%	93,866	37,250,385	100.14%
2010	37,540,638	37,337,305	99.46%	468,979	37,806,284	100.71%
2011	35,266,137	34,615,075	98.15%	586,507	35,201,582	99.82%
2012	36,066,295	35,679,760	98.93%	281,754	35,961,514	99.71%
2013	38,535,765	36,935,393	95.85%	235,231	37,170,624	96.46%
2014	38,327,647	36,704,263	95.76%	56,023	36,760,286	95.91%
2015	40,873,515	36,749,739	89.91%	182,227	36,931,966	90.36%
2016	45,435,344	41,085,749	90.43%	27,509	41,113,258	90.49%
2017	45,919,422	42,216,337	91.94%	521,600	42,737,937	93.07%
2018	66,211,599	65,490,303	98.91%	213,137	65,703,440	99.23%

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



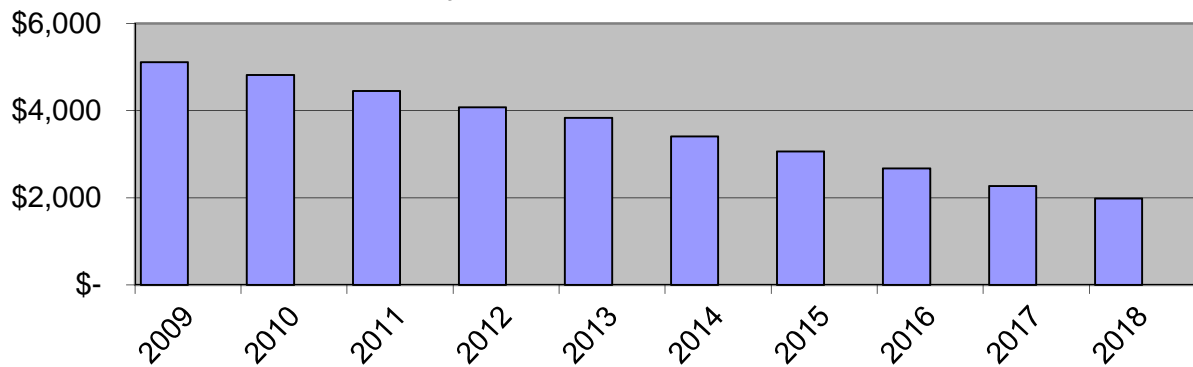
**Ratios of Outstanding Debt by Type,
Last Ten Tax Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Per Student
	General Obligation Bonds	Premiums	Capital Leases				
2009	92,530,000	3,407,458	-	95,937,458	3.02%	872	5,304
2010	87,245,000	3,053,880	-	90,298,880	3.20%	761	4,989
2011	81,705,000	2,700,302	344,205	84,749,507	2.51%	715	4,597
2012	75,960,000	2,346,724	441,462	78,748,186	2.66%	658	4,200
2013	78,117,991	1,993,146	324,273	80,435,410	2.39%	689	3,935
2014	71,505,633	1,286,467	183,675	72,975,775	2.02%	612	3,469
2015	66,652,450	351,724	34,152	67,038,326	1.69%	568	3,081
2016	59,119,853	196,802	2,846	59,319,501	1.82%	492	2,682
2017	51,082,559	41,881	106,959	51,231,399	0.97%	414	2,272
2018	42,420,277	-	84,693	42,504,970	0.78%	334	2,218

Notes:

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

Total Primary Government Debt Per Student



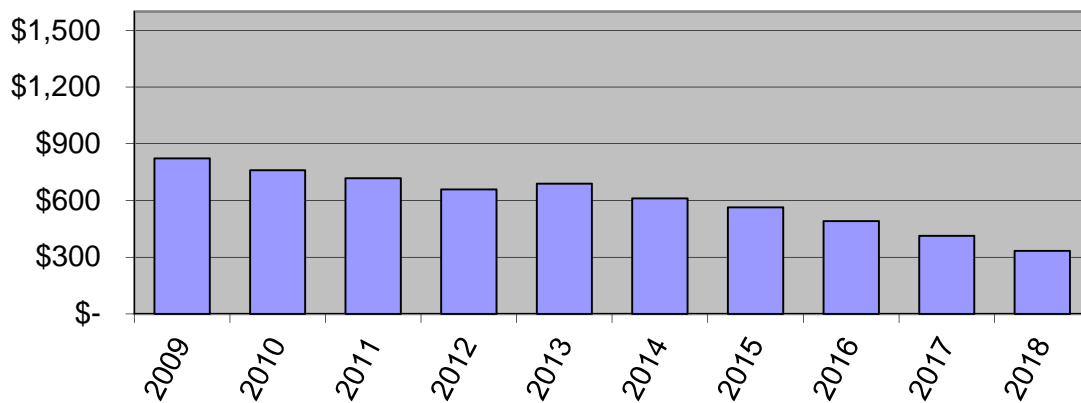
**Ratios of General Bonded Debt Outstanding
Last Ten Tax Years**

Fiscal Year	General Obligation Bonds	Premiums	Percentage of Estimated Actual Value of Taxable Property	Per Capita	Per Student
2009	92,530,000	3,407,458	1.36%	822	5,115
2010	87,245,000	3,053,880	1.29%	760	4,821
2011	81,705,000	2,700,302	1.26%	714	4,432
2012	75,960,000	2,346,724	1.14%	654	4,051
2013	78,117,991	1,993,146	1.18%	685	3,822
2014	71,505,633	1,286,467	1.04%	611	3,399
2015	66,652,450	351,724	0.82%	564	3,063
2016	59,119,853	196,802	0.70%	491	2,673
2017	51,082,559	41,881	0.47%	413	2,266
2018	42,420,277	-	0.38%	334	1,837

Notes:

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

General Obligation Debt Per Capita



**Direct and Overlapping Governmental Activities Debt
As of June 30, 2018**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to The District	Estimated Share of Overlapping Debt Outstanding
Overlapping Debt:			
Central Colorado Water	\$ 26,040,000	4.76%	\$ 1,239,504
Central Colorado Water Subdistrict	6,771,793	4.61%	312,180
Central Colorado Water Well	13,572,368	0.18%	24,430
City Center West Residential Metropolitan District	4,190,000	0.01%	419
Eaton Fire Protection District	463,089	8.64%	40,011
Evans Fire Protection District	315,000	13.63%	42,935
High Plains Library	2,125,000	100.00%	2,125,000
Homestead Metro Taxing Authority	420,398	0.02%	84
Kersey, Town of	991,667	0.60%	5,950
Milliken Fire	888,775	3.79%	33,685
Milliken, Town of	1,445,000	0.02%	289
North Weld County Water District	5,765,000	13.45%	775,393
Platte Valley Fire Protection	8,542,095	0.58%	49,544
Thompson River Parks & Rec	7,478,373	0.01%	748
Total Overlapping Debt	<u>79,008,558</u>		<u>4,650,170</u>
Direct Debt:			
Weld County School District 6 direct debt	42,420,277	100%	42,420,277
Capital Leases	84,693	100%	84,693
Total District Direct Debt	<u>\$ 42,504,970</u>		
		Total Direct and Overlapping Debt	<u>\$ 42,504,970</u>

Source: Debt outstanding provided by each individual taxing district.

Notes:

- Includes only general obligation debt supported by general property taxes.
- The information related to the estimated percentage applicable to the district was provided by the Weld County Assessor's Office. These rates were in existence at June 30, 2018.

Legal Debt Margin Information

Legal Debt Margin Calculation for Fiscal Year 2018

	Assessed Value	Actual Value
Assessed or estimated actual value	\$ 1,686,989,830	\$ 11,279,215,576
Legal debt limit percentage	25%	6%
Legal debt limit (greater of the two amounts)	<u>\$ 421,747,458</u>	<u>\$ 676,752,935</u>
Amount of debt applicable to debt limit:		
Total bonded debt		42,420,277
Less: Debt Service Fund available		<u>16,384,619</u>
Total amount of debt applicable to debt limit		<u>\$ 26,035,658</u>
Legal Debt Margin		<u><u>\$ 650,717,277</u></u>

Source: Weld County School District 6 Finance Department

Ten Year Summary

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit
2009	406,979,105	82,989,927	323,989,178	20.4%
2010	404,734,630	77,477,716	327,256,914	19.1%
2011	389,318,344	72,440,893	316,877,451	18.6%
2012	398,071,040	66,079,893	331,991,147	16.6%
2013	396,076,570	67,147,057	328,929,513	17.0%
2014	412,154,602	60,733,506	351,421,096	14.7%
2015	489,606,448	54,254,644	435,351,804	11.1%
2016	504,935,658	46,547,661	458,387,997	9.2%
2017	645,426,070	37,708,919	607,717,151	5.8%
2018	676,752,935	26,035,658	650,717,277	3.8%

Source: Weld County School District 6 records

Note:

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

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

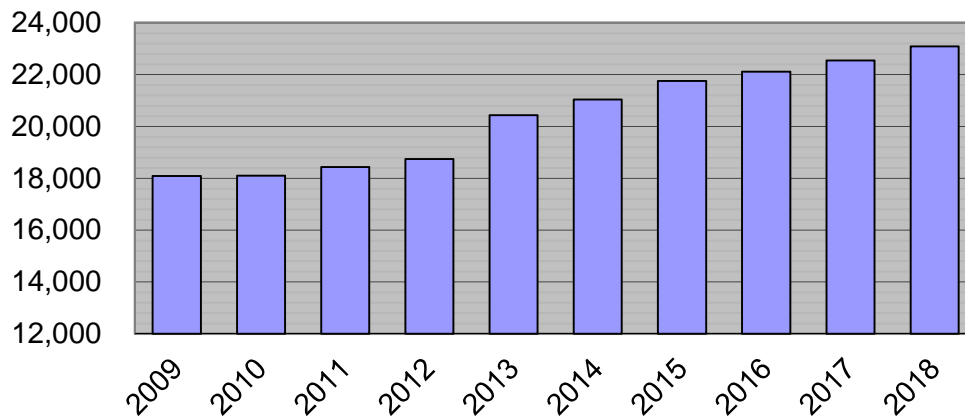
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	FTE Student Enrollment	Unemployment Rate
2009	112,530	3,065,092	27,238	30.1	18,089	8.60%
2010	114,832	2,731,623	23,788	32.1	18,098	9.80%
2011	114,468	3,262,681	28,503	32.6	18,437	9.20%
2012	116,178	2,873,314	24,732	33.6	18,749	8.30%
2013	114,119	3,288,567	28,817	33.8	20,440	5.40%
2014	117,093	3,551,150	29,986	33.9	21,037	7.10%
2015	118,079	3,943,012	33,393	34.0	21,760	3.80%
2016	120,459	3,258,055	27,047	33.8	22,120	2.10%
2017	123,547	5,286,205	42,787	33.9	22,547	3.10%
2018	127,177	5,430,585	42,701	33.9	23,093	(1)

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

Notes:

(1) Figures not available at time of publication.

Student Enrollment



Schedule 14

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

Employer	2018			2009		
	Rank	Number of Employees	Percentage of Total City Employment	Rank	Number of Employees	Percentage of Total City Employment
Aims Community College				8	874	1.56%
City of Greeley	9	812	1.26%	6	1,160	2.06%
Halliburton Energy Services	8	1,030	1.60%			
JBS Swift and Company	1	4,590	7.11%	1	3,600	6.41%
North Colorado Medical Center	2	3,560	5.52%	2	2,700	4.80%
Startek USA				9	668	1.19%
State Farm Insurance Companies	7	1,200	1.86%	5	1,310	2.33%
TTEC	10	620	0.96%			
University of Northern Colorado	5	1,623	2.52%			
Vestas	3	2,270	3.52%	10	650	4.10%
Wal-Mart Stores, Inc.				7	1,015	1.81%
Weld County Government	6	1,615	2.50%	4	1,490	2.65%
Weld County School District 6	4	1,923	2.98%	3	2,400	4.27%
Total Principal Employers		<u>19,243</u>	29.82%		<u>15,867</u>	28.23%
Total City of Greeley Labor Force		<u>64,530</u>			<u>56,197</u>	

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

Notes:

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

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

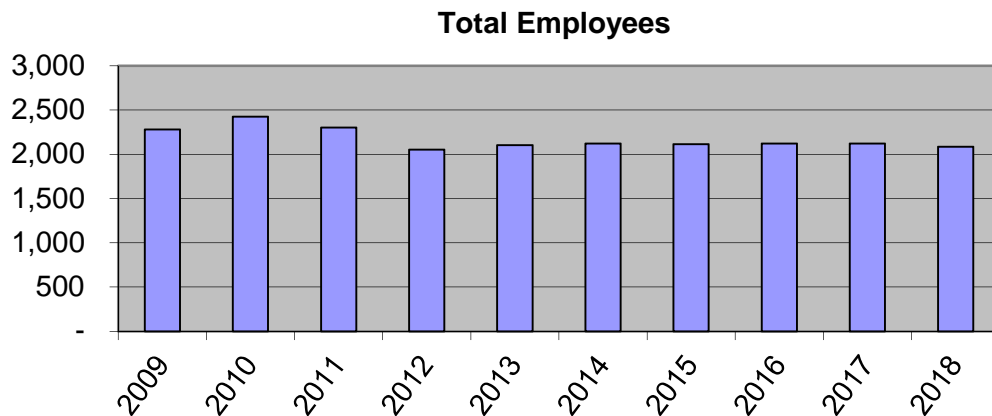
Function/Program	2009			2010			2011			2012			2013		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Teachers	1,009	94	1,103	1,055	95	1,150	902	205	1,107	1,078	46	1,124	1,077	41	1,118
Paraprofessionals	256	90	346	261	110	371	226	121	347	89	219	308	29	202	231
Administration	84	6	90	95	10	105	81	19	100	68	-	68	72	-	72
Other Professionals	116	44	160	142	42	184	138	54	192	56	1	57	78	1	79
School Support	354	228	582	353	262	615	327	231	558	278	217	495	343	262	605
Total	1,819	462	2,281	1,906	519	2,425	1,674	630	2,304	1,569	483	2,052	1,599	506	2,105

Function/Program	2014			2015			2016			2017			2018		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Teachers	1,073	41	1,114	1,054	46	1,100	1,076	44	1,120	1,084	49	1,133	1,060	50	1,110
Paraprofessionals	31	193	224	40	183	223	35	198	233	36	191	227	38	167	205
Administration	75	-	75	80	-	80	82	-	82	87	-	87	83	2	85
Other Professionals	79	-	79	93	1	94	85	-	85	81	2	83	78	-	78
School Support	346	284	630	345	273	618	356	245	601	352	240	592	360	247	607
Total	1,604	518	2,122	1,612	503	2,115	1,634	487	2,121	1,640	482	2,122	1,619	466	2,085

Source: Weld County School District 6 records.

Notes:

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



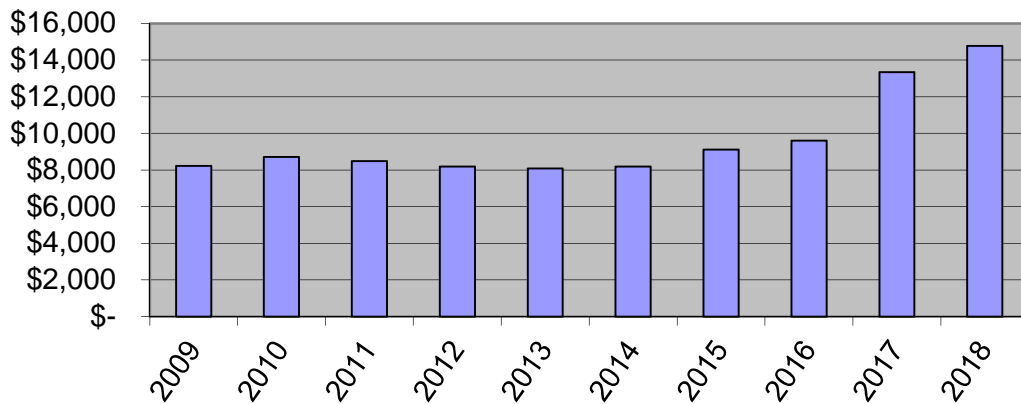
**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities Expenses	FTE Enrollment	Cost Per Pupil	Percentage Change	Full-Time Teaching Staff	Pupil FTE/Teacher Ratio	Students Receiving Free or Reduced Meals	Percent Students Receiving Free or Reduced Meals
2009	148,610,116	18,089	8,215	-0.08%	1,009	17.9	9,537	52.72%
2010	157,626,855	18,098	8,710	6.03%	1,055	17.2	10,984	60.69%
2011	156,499,616	18,437	8,488	-2.54%	902	20.4	11,817	64.09%
2012	153,365,631	18,749	8,180	-3.63%	1,078	17.4	11,849	63.20%
2013	165,316,272	20,440	8,088	-1.12%	1,077	19.0	12,328	60.31%
2014	172,448,271	21,037	8,197	1.35%	1,073	19.6	13,421	63.80%
2015	198,324,534	21,760	9,114	11.18%	1,054	20.6	13,365	61.42%
2016	212,419,532	22,120	9,603	5.36%	1,076	20.6	14,450	65.33%
2017	300,767,816	22,547	13,340	38.91%	1,084	20.8	14,528	64.43%
2018	342,362,846	23,093	14,825	11.14%	1,060	21.8	14,556	63.04%

Notes:

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

Cost Per Pupil



**School Building Information
Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Capacity	% of Capacity Used	Square Footage
Elementary Schools													
A.K. Heiman	699	728	749	690	661	669	702	713	677	667	600	111.17%	75,632
Cameron	404	378	-	-	-	-	-	-	-	-	480	-	-
Centennial	774	677	733	651	609	622	591	636	636	547	648	84.41%	53,347
Dos Rios	553	534	490	469	483	440	533	559	583	525	576	91.15%	52,708
East Memorial	486	501	580	559	575	498	-	-	-	-	528	-	52,396
Jackson	401	473	566	456	419	461	480	464	458	416	552	75.36%	51,795
Jefferson	413	427	-	-	-	-	-	-	-	-	-	-	-
Madison	541	501	492	503	527	504	506	504	518	502	576	87.15%	52,325
Maplewood	-	-	548	627	595	649	633	597	593	611	864	70.72%	79,908
Martinez	521	553	558	606	578	612	594	574	506	559	672	83.18%	62,619
Meeker	609	612	627	603	461	414	457	484	496	522	600	87.00%	44,375
Monfort	590	625	609	538	509	508	511	481	513	469	648	72.38%	55,075
Scott	557	546	585	631	480	440	481	492	506	551	648	85.03%	57,978
Shawsheen	483	493	455	452	429	446	388	396	384	445	552	80.62%	38,635
Total	7,031	7,048	6,992	6,785	6,326	6,263	5,876	5,900	5,870	5,814	7,944	73.19%	676,793
K-8 Schools													
Bella Romero Academy	484	576	658	614	665	722	984	1,039	1,129	1,164	600	194.00%	72,400
Chappelow	681	636	658	674	677	708	717	687	691	676	696	97.13%	68,193
Fred Tjardes	-	-	-	-	-	-	-	-	-	119	343	34.69%	9,500
McAuliffe STEM Academy	559	553	594	717	580	546	539	501	608	720	576	125.00%	53,189
Winograd	512	504	568	598	629	623	684	698	730	702	672	104.46%	75,984
Total	2,236	2,269	2,478	2,603	2,551	2,599	2,924	2,925	3,158	3,381	2,887	117.11%	279,266
Middle Schools													
Brentwood	561	610	654	674	632	571	442	438	433	601	744	80.78%	69,815
Franklin	454	440	745	698	759	776	803	645	574	536	744	72.04%	72,840
Heath	810	803	793	700	652	654	609	740	727	713	960	74.27%	92,949
Jefferson Junior	-	-	-	-	-	-	-	-	40	52	288	18.06%	35,000
Maplewood	371	381	-	-	-	-	-	-	-	-	864	-	-
Prairie Heights	614	596	678	761	648	624	632	752	849	719	650	110.62%	103,395
Total	2,810	2,830	2,870	2,833	2,691	2,625	2,486	2,575	2,623	2,621	4,250	61.67%	373,999
High Schools													
Central	1,353	1,406	1,418	1,382	1,440	1,414	1,464	1,410	1,435	1,448	1,464	98.91%	198,466
Early College Academy	-	-	-	-	-	-	-	140	208	257	600	42.83%	29,300
Northridge	1,131	1,085	1,019	990	932	1,038	1,086	1,160	1,143	1,186	1,656	71.62%	195,000
West	1,464	1,461	1,457	1,503	1,449	1,506	1,554	1,551	1,613	1,645	1,416	116.17%	177,307
Jefferson Senior	-	-	301	261	275	256	247	279	333	297	504	58.93%	47,767
Trademark	115	206	-	-	-	-	-	-	-	-	150	0.00%	-
Total	4,063	4,158	4,195	4,136	4,096	4,214	4,351	4,540	4,732	4,833	5,790	83.47%	647,840
Other													
Carson/Littler	18	9	9	-	-	-	-	-	-	-	N/A	N/A	-
Colorado High	107	115	-	-	-	-	-	-	-	-	N/A	N/A	-
Eng@ge	-	-	-	3	78	98	137	99	36	-	N/A	N/A	-
GAP / CCP	68	105	121	113	124	120	128	130	136	272	686	39.65%	19,011
Home School	126	147	106	105	-	-	-	-	-	-	N/A	N/A	-
IBAC	-	-	-	10	18	14	-	-	-	-	N/A	N/A	-
Night School	2	-	-	-	-	-	-	-	-	-	N/A	N/A	-
Out/District	37	-	-	-	-	-	-	-	-	-	N/A	N/A	-
Platte Valley Youth Services	56	34	51	47	41	33	33	31	32	82	150	54.67%	-
Pre-School	150	144	148	238	658	648	657	674	669	686	244	281.15%	-
Transitional	25	16	15	22	29	31	27	10	12	11	N/A	N/A	-
Weld Opportunity	88	-	-	-	-	-	-	-	-	-	80	-	-
Total	677	570	450	538	948	944	982	944	885	1,051	1,160	90.60%	19,011
Non-District Owned Sites													
Frontier Academy Charter	1,080	1,108	1,266	1,367	1,459	1,502	1,559	1,593	1,598	1,624	835	194.49%	-
Salida Dei Sol	-	-	-	-	-	-	644	705	743	686	725	94.62%	-
Union Colony Preparatory	398	388	408	419	428	492	488	485	450	449	405	110.86%	-
Union Colony Elementary	-	-	-	-	377	446	441	438	445	448	600	74.67%	-
University Schools	1,042	1,071	1,192	1,283	1,319	1,765	1,781	1,782	1,785	1,780	912	195.18%	-
WestRidge	-	-	-	187	213	187	228	233	258	406	200	203.00%	-
Total	2,520	2,567	2,866	3,256	3,796	4,392	5,141	5,236	5,279	5,393	3,677	146.67%	-
Total for District	17,101	17,173	17,373	17,548	17,857	18,438	18,836	19,195	22,547	23,093	25,708	89.83%	-

Source: Weld County School District 6 Finance Department

Teacher Salary Information
Last Ten Fiscal Years

Education	2008-2009			2009-2010			2010-2011			2011-2012		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	12.0	\$ 939,315	\$ 78,276	11.0	\$ 865,772	\$ 78,707	7.0	\$ 579,854	\$ 82,836	4.0	\$ 304,624	\$ 76,156
Ldrshp 2	7.1	569,152	80,162	4.0	330,792	82,698	8.0	681,403	85,175	7.0	555,299	79,328
Ldrshp 3	5.1	414,816	81,336	6.0	479,068	79,845	2.0	162,396	81,198	2.0	162,396	81,198
Ldrshp 4	-	-	-	4.0	318,690	79,673	5.0	412,128	82,426	4.0	330,415	82,604
BA	170.9	5,995,783	35,084	209.8	7,285,241	34,718	208.4	7,001,700	33,597	236.3	7,916,575	33,504
BA12	75.3	3,023,279	40,150	72.4	2,849,019	39,329	66.2	2,571,049	38,838	64.5	2,468,153	38,266
BA24	82.7	3,586,494	43,368	77.3	3,287,094	42,540	70.0	2,962,347	42,319	74.1	3,056,810	41,252
BA36	47.0	2,162,989	46,021	46.5	2,195,221	47,209	38.0	1,788,443	47,064	45.5	2,105,799	46,281
BA48	33.0	1,764,411	53,467	31.1	1,572,552	50,489	27.0	1,385,235	51,305	24.0	1,181,708	49,238
BA60	82.9	4,965,301	59,895	82.3	4,900,545	59,511	73.4	4,344,308	59,187	66.4	3,840,630	57,800
MA	114.3	5,174,898	45,275	162.0	7,101,921	43,828	158.3	6,611,360	41,765	154.4	6,429,100	41,633
MA12	92.0	4,671,742	50,780	85.1	4,313,216	50,656	83.2	4,172,994	50,156	74.4	3,645,374	48,967
MA24	50.3	2,814,204	55,948	49.8	2,742,035	55,050	54.1	2,840,351	52,502	54.2	2,826,869	52,112
MA36	52.9	3,031,844	57,313	52.6	2,959,300	56,260	43.8	2,564,427	58,549	45.3	2,590,910	57,194
MA48	62.6	4,204,332	67,162	47.8	3,140,760	65,775	33.8	2,191,339	64,833	43.0	2,651,365	61,660
MA60	134.2	9,261,999	69,016	141.7	9,668,021	68,229	148.8	10,034,581	67,437	141.6	9,443,598	66,716
PHD/EDS	27.0	1,627,191	60,266	31.5	1,848,720	58,612	38.9	2,257,154	58,025	38.6	2,233,123	57,793
TOTAL	1049.3	\$ 54,207,750	\$ 51,661	1114.9	\$ 55,857,967	\$ 50,103	1065.9	\$ 52,561,069	\$ 49,311	1079.3	\$ 51,742,748	\$ 47,943

Education	2012-2013			2013-2014			2014-2015			2015-2016		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	2.0	\$ 166,342	\$ 83,171	1.0	\$ 85,333	\$ 85,333	-	-	-	4.00	356,257	89,064
Ldrshp 2	3.0	246,406	82,135	3.0	260,464	86,821	1.0	90,018	90,018	-	-	-
Ldrshp 3	1.0	84,256	84,256	-	-	-	1.0	87,743	87,743	-	-	-
Ldrshp 4	4.0	342,905	85,726	3.0	263,860	87,953	1.0	91,192	91,192	1.0	93,015	93,015
Ldrshp 5	0.0	-	-	3.0	266,531	88,844	2.0	177,776	88,888	-	-	-
Ldrshp 6	0.0	-	-	-	-	-	3.0	272,287	90,762	3.0	277,729	92,576
Ldrshp 7	0.0	-	-	-	-	-	-	-	-	1.0	91,847	91,847
BA	236.8	8,549,374	36,104	237.7	8,733,549	36,742	246.2	9,359,538	38,016	277.7	10,261,096	36,950
BA12	80.8	3,237,298	40,066	80.7	3,431,236	42,518	66.1	2,819,752	42,659	71.4	3,020,067	42,298
BA24	62.1	2,720,425	43,807	63.3	2,845,339	44,950	60.7	2,806,596	46,237	49.8	2,276,474	45,712
BA36	47.3	2,255,736	47,690	48.7	2,446,504	50,236	49.3	2,521,832	51,153	38.2	2,003,131	52,438
BA48	24.0	1,260,291	52,512	18.5	1,042,713	56,363	16.2	919,101	56,735	25.0	1,367,753	54,710
BA60	62.2	3,682,691	59,207	60.5	3,679,787	60,823	55.0	3,495,168	63,549	53.0	3,315,815	62,563
MA	196.4	8,558,230	43,576	198.3	8,917,086	44,968	215.8	9,885,011	45,806	241.6	10,871,442	44,998
MA12	65.5	3,258,118	49,742	69.9	3,667,329	52,465	77.9	4,084,159	52,428	81.4	4,274,748	52,515
MA24	70.2	3,795,649	54,069	67.6	3,774,176	55,831	57.4	3,257,645	56,753	46.1	2,613,121	56,684
MA36	41.2	2,461,404	59,743	50.8	3,028,173	59,610	46.1	2,767,274	60,028	44.5	2,785,711	62,600
MA48	38.4	2,428,123	63,232	36.4	2,366,377	65,010	41.7	2,756,805	66,110	37.6	2,334,264	62,081
MA60	130.2	9,013,641	69,229	117.3	8,574,697	73,101	113.6	8,282,740	72,911	113.6	8,175,707	71,969
PHD/EDS	41.1	2,472,208	60,151	41.8	2,606,102	62,347	31.4	2,078,923	66,208	38.1	2,305,293	60,506
TOTAL	1106.2	\$ 54,533,097	\$ 49,298	1101.5	\$ 55,989,256	\$ 50,830	1085.4	\$ 55,753,561	\$ 51,367	1127.0	\$ 56,423,470	\$ 50,065

Education	2016-2017			2017-2018		
	Total FTE	Total Wages	Average Salary	Total FTE	Total Wages	Average Salary
Ldrshp 1	1.00	91,224	91,224	2.0	181,412	90,706
Ldrshp 2	3.0	266,756	88,919	-	-	-
Ldrshp 3	-	-	-	-	-	-
Ldrshp 4	-	-	-	0.5	48,722	97,444
Ldrshp 6	1.5	139,362	92,908	-	-	-
Ldrshp 7	1.0	95,842	95,842	-	-	-
BA	278.7	10,652,420	38,222	286.6	11,338,006	39,560
BA12	69.3	3,089,523	44,582	16.5	832,147	50,433
BA15	-	-	-	61.2	2,594,812	42,399
BA24	50.5	2,410,637	47,735	4.0	244,028	61,007
BA30	-	-	-	45.6	2,173,481	47,664
BA36	39.6	2,106,648	53,198	-	-	-
BA45	-	-	-	32.3	1,720,191	53,257
BA48	17.1	988,838	57,827	18.2	1,071,737	58,887
BA60	49.2	3,157,242	64,172	48.2	3,207,947	66,555
MA	220.0	10,560,240	48,001	255.5	12,266,312	48,009
MA12	105.9	5,719,613	54,010	3.0	229,023	76,341
MA15	-	-	-	108.9	6,023,577	55,313
MA24	52.6	3,011,559	57,254	-	-	-
MA30	-	-	-	47.5	2,781,011	58,548
MA36	39.6	2,521,512	63,675	-	-	-
MA45	-	-	-	41.8	2,715,445	64,963
MA48	32.7	2,211,919	67,643	29.5	2,056,834	69,723
MA60	118.1	8,626,728	73,046	-	-	-
MA60/EDS	-	-	-	149.4	10,772,480	72,105
PHD/EDS	43.6	2,846,174	65,279	-	-	-
EDD/PHD	-	-	-	15.5	993,713	64,111
TOTAL	1123.4	\$ 58,496,237	\$ 52,071	1166.2	\$ 61,250,878	\$ 52,522

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

Notes:

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

Schedule 19

**Miscellaneous Statistics
Last Ten Fiscal Years**

Fiscal Year	General Fund Expenditures (1)	FTE Student Enrollment	General Fund Expenditures Per Pupil	Percentage Increase (Decrease)	Inflation Rate
2009	123,570,652	18,089	6,831.26	13.34%	-0.70%
2010	128,681,404	18,098	7,110.26	4.08%	1.90%
2011	126,966,355	18,437	6,886.50	-3.15%	1.78%
2012	128,090,698	18,749	6,831.87	-0.79%	2.1%
2013	140,695,331	20,440	6,883.33	0.75%	2.77%
2014	146,960,075	21,037	6,985.79	1.49%	2.78%
2015	159,123,315	21,760	7,312.65	4.68%	2.79%
2016	168,802,700	22,120	7,631.23	4.36%	2.77%
2017	172,852,410	22,547	7,666.32	0.46%	3.39%
2018	196,935,099	23,093	8,527.91	11.24%	(2)

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

Notes:

(1) The General Fund expenditures include the General Operating Fund, Dental Fund, Poudre Learning Center Fund, Risk Management Fund, and Colorado Preschool Fund.

(2) 2018 inflation rate not yet available as of November 2018.



Single Audit Section

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





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

Board of Education
Weld County School District 6
Greeley, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weld County School District 6, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Weld County School District 6's basic financial statements, and have issued our report thereon dated November 15, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Broomfield, Colorado
November 15, 2018



CliftonLarsonAllen

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

Board of Education
Weld County School District 6
Greeley, Colorado

Report on Compliance for Each Major Federal Program

We have audited Weld County School District 6's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Weld County School District 6's major federal programs for the year ended June 30, 2018. Weld County School District 6's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Weld County School District 6 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 15, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	5334	\$ 676,969
Passed through Colorado Department of Education			
Education for Homeless Children and Youth	84.196A	5196	37,138
21st Century Community Learning Centers	84.287	5287	574,867
Multi-Tiered System of Supports	84.323A	5323	3,219
Race to the Top - Phase 3	84.412	5412	15,631
Department of Education Title I Cluster			
Title I, Part A: Improving Basic Programs	84.010	4010	4,317,145
Title I, Part A: Turnaround Network Program	84.010A	5010	355,722
Title I, Part A: Pathways Implementation	84.010A	5010	120,000
Title I, Part A: Engagement Planning	84.010A	5010	3,608
Title I, Part A: Diagnostic Review	84.010A	5010	74,292
Title I, Part D: Alternative Homes for Youth	84.010A	7010	14,758
Total of Department of Education Title I Cluster			4,885,525
Title II, Part A: Improving Teacher Quality	84.367	4367	669,758
Title III, Part A: English Language Acquisition	84.365	4365	364,952
Title III, Part A: Immigrant Set-Aside	84.365	7365	5,706
Title IV, Part A: Student Support and Academic Enrichment	84.424A	4424	42,082
Special Education Cluster			
Individuals with Disabilities Education Act Part B	84.027	4027	3,732,294
Individuals with Disabilities Education Act Preschool	84.173	4173	87,874
Indicator 14	84.027A	5027	2,225
Total of Special Education Cluster			3,822,393
Passed through Colorado Community College and Occupational Education System			
Carl Perkins: Career and Technical Education	84.048	4048	164,689
TOTAL U.S. DEPARTMENT OF EDUCATION			11,262,929
U.S. Department of Agriculture			
Passed through Colorado Department of Education			
Fresh Fruit/Vegetable	10.582	4582	319,854
Child Nutrition Cluster			
School Breakfast Program	10.553	4553	2,295,437
National School Lunch Program	10.555	4555	4,396,899
Special Milk Program	10.556	4556	3,392
Summer Food Service Program for Children	10.559	4559	239,533
Total of Child Nutrition Cluster			6,935,261
Passed through Colorado Department of Human Services			
Child Nutrition Cluster			
Donated Commodities	10.555		575,753
TOTAL U.S. DEPARTMENT OF AGRICULTURE			7,830,868
U.S. Department of Transportation			
Passed through Regional Air Quality Council			
Highway Planning and Construction	20.205	7205	2,321
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			2,321
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 19,096,118

* All numbers are based upon actual verified amounts.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2018

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – NONCASH FEDERAL AWARDS

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program and are valued based on the USDA's Donated Commodity Price List. Commodities are recorded under CFDA #10.555 on the Schedule of Federal Awards. The commodities, in the amount of \$575,753, are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools.

NOTE 3 – INDIRECT COSTS

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

NOTE 4 – SUBRECIPIENTS

The District provided no federal awards to subrecipients.

**WELD COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)

84.010

Name of Federal Program or Cluster

Department of Education Title 1

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

\$ \$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**WELD COUNTY SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

**WELD COUNTY SCHOOL DISTRICT NO. 6
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

Weld County School District 6 respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDIT

There were no federal award program audit findings in the prior year.





Colorado State Mandated Schedule Section

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

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





Colorado Department of Education

Auditors Integrity Report

District: 3120 - GREELEY 6
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+	-	=	
Governmental				
10 General Fund	27,063,687	148,001,096	145,258,314	29,806,469
18 Risk Mgmt Sub-Fund of General Fund	393,974	9,189,816	7,709,262	1,874,529
19 Colorado Preschool Program Fund	242,831	2,309,208	2,293,607	258,433
Sub- Total	27,700,492	159,500,120	155,261,182	31,939,430
11 Charter School Fund	27,410,561	73,431,911	74,484,197	26,358,275
20:26-29 Special Revenue Fund	3	1,596,022	1,596,022	3
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,849,244	9,422,787	10,411,789	860,241
22 Govt Designated-Purpose Grants Fund	0	16,550,693	16,550,693	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	13,373,640	12,833,225	9,822,246	16,384,620
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	4,535,856	5,477,844	5,781,345	4,232,356
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	74,869,796	278,812,602	273,907,473	79,774,925
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60:65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	420,497	141,247	15,196	546,548
74 Pupil Activity Agency Fund	1,285,444	1,820,742	1,791,203	1,314,983
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	1,705,941	1,961,989	1,806,399	1,861,531

FINAL

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