



Weld County School District RE-4

Financial Statements
and Supplementary Information
For the Year Ended June 30, 2015

Weld County School District RE-4

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Independent Auditor's Report

Board of Education
Weld County School District RE-4
Windsor, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Weld County School District RE-4 (the "District"), as of June 30, 2015, and for the year then ended and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Weld County School District RE-4, as of June 30, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 2 to the basic financial statements, the District has changed its method for accounting and reporting pension plans during 2015 due to the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The adoption of the standard required retrospective application resulting in a \$61,384,898 reduction of previously reported net position for governmental activities. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the basic financial statements, the District has determined that the food service operations should be reported as a special revenue fund, instead of as an enterprise fund. The beginning fund balance of the Food Service Fund was increased by \$345,263 and increased the governmental activities by \$584,210. Our opinion is not modified with respect to this matter.

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 4 through 21, budgetary comparison information on page 54, Schedule of the District's Proportionate Share of the Net Pension Liability on page 55, and Schedule of District Contributions on pages 56 through 57 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 as a whole. The combining and individual major and nonmajor fund financial statements and budgetary comparisons, Auditor's Integrity Report, and Bolded Balance Sheet on pages 58 through 70 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual major and nonmajor fund financial statements and budgetary comparisons, Bolded Balance Sheet, Auditor's 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Greeley, Colorado
November 16, 2015

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

This section of the Weld County School District RE-4's (the "District") annual financial report offers readers of the District's financial statements its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Financial Highlights

- Effective fiscal year 2015, the District is required to implement Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This new GASB pronouncement is discussed in more detail under New Accounting Pronouncements below.
- GASB 68 revises and establishes 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 benefit retirement program administered by the Public Employee's Retirement Association of Colorado (PERA).
- Among other requirements, the District is now required to report its proportionate share of the total PERA net pension liability in its government-wide financial statements. The District's share of the PERA net pension liability is \$67.7 million as of June 30, 2015. 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 Colorado State Legislature.
- Fund level statements, including the General Fund Statements, are not impacted by GASB 68 reporting.
- Due to the effect of GASB 68, the District has a negative net position. The governmental liabilities and deferred inflows of resources exceed its assets and deferred outflows of resources by \$11.3 million.
- In prior years, the District reported its Food Services operations as a business-type activity separate from governmental activities. Due to a change in State

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

regulations, the Food Service Fund is now reported as a governmental fund and its operations are included in governmental activities.

- The District's financial status improved over the course of the 2015 fiscal year. Total net position increased \$2.7 million or 19 percent. The District has a negative unrestricted net position of (\$58.6) million due to the recording of the net pension liability of \$67.7 million, as discussed above.
- General revenues account for approximately \$44.3 million or 90.5 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions accounted for \$4.6 million or 9.5 percent of total revenues of \$48.9 million.
- The District had \$46.2 million in expenses related to governmental activities; only \$4.6 million of these expenses were offset by program specific charges for services, operating grants and contributions, and capital grants and contributions. General revenues, primarily state equalization payments and property taxes, of \$44.3 million were adequate to provide for these programs.
- Among major funds, the general fund had \$38.6 million in revenues and other financing sources and \$38.0 million in expenditures and other financing uses. The general fund's fund balance increased \$571,000 to \$5.9 million from \$5.3 million.
- Enrollment of the District increased 6.1% percent to a full-time equivalent (FTE) of 4,816.5 students, which represents an increase of 277.5 FTE.
- Outlays for capital assets were primarily comprised of equipment and vehicles, which came from the General Fund and the Capital Projects Fund. See the Capital Assets section of this management's discussion and analysis for more information.
- The District reduced its outstanding long-term debt approximately \$4.2 million or 9.6 percent for the annual debt service requirements on outstanding bonds and lease purchase agreements. During 2015, the district refinanced bonds issued in 2007 and 2008 at a lower interest rate with present value savings of \$1.3 million over the life of the bonds.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Overview of the Financial Statements

This annual financial report consists of four parts: management's discussion and analysis, the basic financial statements, supplementary information, and reports to governmental agencies. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about activities the District operates like a business.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by both the required and other supplementary information sections that further explain and support the financial statements as well as provide budgetary comparisons for the year. Included are Colorado mandated reports for financial data submissions to the Colorado Department of Education. Finally, the reports to governmental agencies section includes reports on internal control and federal programs as well as related schedules.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Table 1
Organization of Weld County School District's Annual Financial Report**

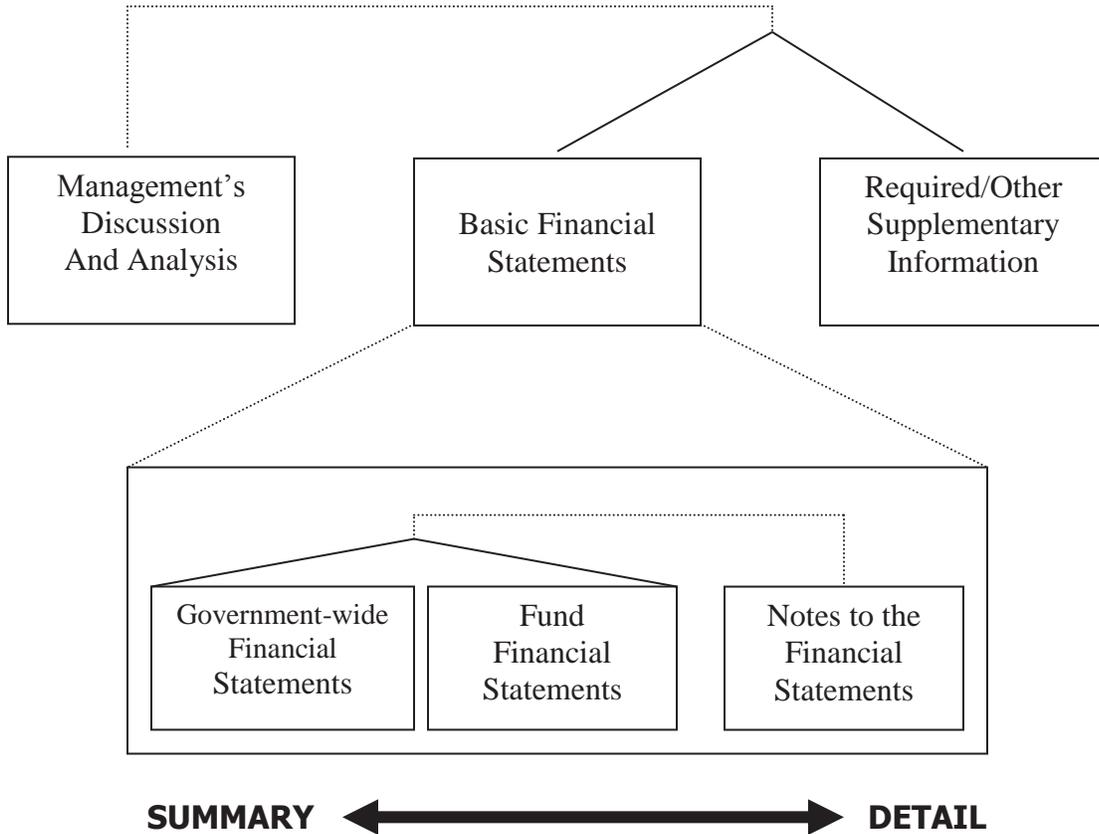


Table 2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund, found in the basic financial statements.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Table 2
Major Features of the Government-wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflow of resources, liabilities, and deferred inflow of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets, deferred outflow of resources, liabilities, and deferred inflow of resources, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the Weld County School District RE-4's finances, in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both *short-term* and *long-term* information about the District's *overall* financial status.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). In prior years, the District reported its food service operations as a business-type activity separate from governmental activities. Due to a change in State regulations, the Food Service Fund is now reported as a governmental fund and its operations are included in governmental activities, effective with fiscal year 2015. Included in governmental activities are most of the District's basic services such as regular and special education, transportation, maintenance and operations, food service, and administration.

The basic government-wide financial statements can be found on pages 22-24 of this report.

New Accounting Pronouncements

Effective with fiscal year 2015, the District is required to adopt GASB 68. GASB 68 significantly changes pension accounting and financial reporting by separating pension accounting methodologies from pension funding methodologies and by requiring a net pension liability 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 supplemental information. Financial statements now reflect a net pension liability based on a model similar to single employer plans. The District doesn't have the ability to affect funding, benefits, or annual required contribution decisions made by PERA in administering the defined benefit pension plan.

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Management's Discussion and Analysis
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See Note 10 on pages 46-51 for the full disclosure related to PERA.

Fund Financial Statements

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and debt service fund, which are considered to be major funds. A budget-to-actual comparison for the general fund is provided in the required supplementary section. Budget-to-actual comparisons for the other major funds are provided in the other supplementary information section. Data from the other governmental funds are combined into a single, aggregated presentation. The other governmental funds consist of the designated purpose grants fund, capital projects fund, school development fund, and food service fund. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the other supplementary information section of this report. Also included in the other supplementary information section is budget-to-actual information for all non-major funds as required by state law.

The basic governmental fund financial statements can be found on pages 25-28 of this report.

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements.

Weld County School District RE-4 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2015

The District does not currently have any proprietary funds due to the change of the Food Service Fund to a governmental fund as discussed previously.

- *Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The District currently has two fiduciary funds, the private purpose trust fund and the agency fund. The private-purpose trust fund is used to account for scholarship activity. The agency fund is used to account for student activities.

The basic fiduciary fund statements can be found on pages 29-30 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* and *other supplementary information*. This includes combining statements and budget-to-actual comparisons of governmental funds and fiduciary funds. The additional schedules required as part of GASB 68 implementation are also presented in this section. Additionally, the Colorado Department of Education electronic data transmission reports are included after the other supplementary information. Finally, the *reports to governmental agencies* section includes the single audit information related to federal funding awards as well as the schedule of expenditures of federal awards.

Financial Analysis of the District as a Whole

Net Position and Changes in Net Position

Net position may serve over time as a useful indicator of the District's financial position. The District's net position was larger on June 30, 2015, than the year before, increasing 19 percent or \$2.7 million to (\$11.3) million. These figures are after consideration of

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

the prior period adjustment required for GASB 68 reporting. This increase in the District's financial position came from its governmental activities.

A portion of the net position is either restricted as to the purpose it can be used for or is invested in capital assets. A large portion of the District's net position reflects its \$37.3 million investment in capital assets net of depreciation and related debt. The District uses these capital assets to provide educational services to students; consequently, these assets are not available for future spending. Restricted net position increased by \$1.4 million or 16.5 percent and includes required TABOR reserves, debt service fund reserves for principal and interest payments, as well as cash-in-lieu of land dedication payments to be utilized for school site purchase and development. Unrestricted net position is at (\$58.6) million due to the recording of the net pension liability required by GASB 68. Table 3 provides a summary of the District's net position at June 30, 2015 and 2014.

**Table 3
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2015	2014	2015	2014	2015	2014	2014-2015
Assets							
Current Assets	\$ 22,387,512	\$ 20,321,199	\$ -	\$ 469,302	\$ 22,387,512	\$ 20,790,501	7.7%
Capital Assets, Net	76,583,347	78,546,352	-	238,947	76,583,347	78,785,299	-2.8%
Total Assets	98,970,859	98,867,551	-	708,249	98,970,859	99,575,800	-0.6%
Deferred Outflows	6,055,340	155,914	-	-	6,055,340	155,914	3783.8%
Liabilities							
Current Liabilities	6,820,788	7,230,986	-	124,039	6,820,788	7,355,025	-7.3%
Long-term Liabilities	109,306,740	44,950,729	-	-	109,306,740	44,950,729	143.2%
Total Liabilities	116,127,528	52,181,715	-	124,039	116,127,528	52,305,754	122.0%
Deferred Inflows	179,647	44,431	-	-	179,647	44,431	304.3%
Net Position							
Net Investment in							
Capital Assets	37,250,509	33,910,065	-	238,947	37,250,509	34,149,012	9.1%
Restricted	10,065,840	8,639,860	-	-	10,065,840	8,639,860	16.5%
Unrestricted	(58,597,325)	4,247,394	-	345,263	(58,597,325)	4,592,657	-1375.9%
Total Net Position	<u>\$(11,280,976)</u>	<u>\$ 46,797,319</u>	<u>\$ -</u>	<u>\$ 584,210</u>	<u>\$(11,280,976)</u>	<u>\$ 47,381,529</u>	-123.8%

Net position for 2014 was not restated as presented above for the implementation of GASB 68 and changing the Food Service Fund from a business-type activity to a governmental activity.

Table 4 provides a comparative summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Table 4
Changes in Net Position from Operating Results**

	Governmental		Business-Type		Total		Percentage Change 2014-2015
	Activities		Activities		School District		
	2015	2014	2015*	2014	2015	2014	
Revenues							
Program Revenues							
Charges for Services	\$ 1,791,874	\$ 935,267	\$ -	\$ 726,084	\$ 1,791,874	\$ 1,661,351	7.9%
Operating Grants & Contributions	2,850,461	2,199,941	-	523,735	2,850,461	2,723,676	4.7%
General Revenues							
Property Taxes	24,625,488	22,570,130	-	-	24,625,488	22,570,130	9.1%
State Equalization	17,125,501	14,838,433	-	-	17,125,501	14,838,433	15.4%
Other	2,562,024	2,338,082	-	4,317	2,562,024	2,342,399	9.4%
Total Revenues	48,955,348	42,881,853	-	1,254,136	48,955,348	44,135,989	10.9%
Expenses							
Instruction	22,435,465	19,421,181	-	-	22,435,465	19,421,181	15.5%
Support Services:							
Pupil/Instructional	4,020,339	3,461,134	-	-	4,020,339	3,461,134	16.2%
General Administration	754,145	556,540	-	-	754,145	556,540	35.5%
School Administration	2,600,954	2,309,456	-	-	2,600,954	2,309,456	12.6%
Business Services	530,159	496,075	-	-	530,159	496,075	6.9%
Maintenance/Operations	4,311,660	4,042,043	-	-	4,311,660	4,042,043	6.7%
Pupil Transportation	1,227,622	1,081,273	-	-	1,227,622	1,081,273	13.5%
Central Support Services	2,155,124	1,816,191	-	-	2,155,124	1,816,191	18.7%
Other Facility Services	2,127,507	2,122,518	-	-	2,127,507	2,122,518	0.2%
Other	63,352	126,326	-	-	63,352	126,326	-49.9%
Food Service Operations	1,433,677	-	-	1,281,437	1,433,677	1,281,437	11.9%
Charter School Funding	3,248,238	2,632,871	-	-	3,248,238	2,632,871	23.4%
Bond Issuance Costs	187,152	-	-	-	187,152	-	N/A
Interest on Long Term Debt	1,137,561	1,770,041	-	-	1,137,561	1,770,041	-35.7%
Total Expenses	46,232,955	39,835,649	-	1,281,437	46,232,955	41,117,086	12.4%
Increase in Net Position	\$ 2,722,393	\$ 3,046,204	\$ -	\$ (27,301)	\$ 2,722,393	\$ 3,018,903	-9.8%
Net Position at Beginning of Year *	\$ (14,003,369)	\$ 43,751,115	\$ -	\$ 611,511	(14,003,369)	44,362,626	
Net Position at End of Year	\$ (11,280,976)	\$ 46,797,319	\$ -	\$ 584,210	\$ (11,280,976)	\$ 47,381,529	
Percent Change	19.44%	6.51%	N/A	-4.67%	19.44%	6.37%	
* The Net Position at Beginning of Year is restated by (\$61,384,898) from the implementation of GASB 68 and by \$584,210 for the change of the Food Service Fund to a governmental activity.							

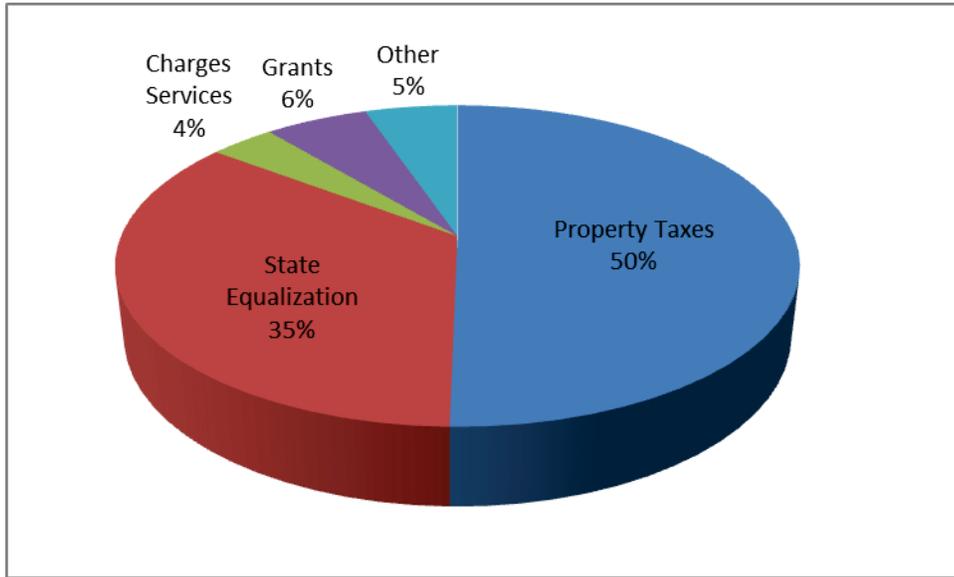
The District's property tax revenue consists of three separate components, the general fund, override, and debt service mill levies. Property taxes and per-pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 50 cents and 35 cents respectively for every dollar raised (see Table 5). Another 6 cents came from grants and contributions with the remaining 9 cents coming from fees charged for services and other miscellaneous sources.

The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, transportation and others. Given that the District is a service organization

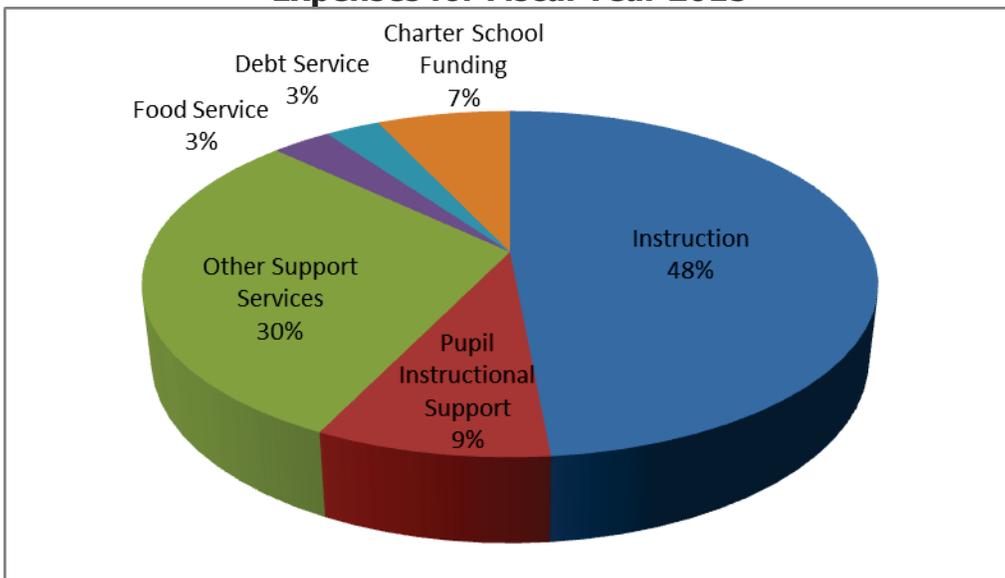
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees. Detailed below in Tables 5 and 6 are charts displaying revenues by source and expenses by program for the total District.

**Table 5
Sources of Revenues for Fiscal Year 2015**



**Table 6
Expenses for Fiscal Year 2015**



**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$6,667 per funded student, representing a 5.6 percent funding increase from the previous year. For fiscal year 2015, the District continued to be one of the lowest funded districts in the state at the minimum or "floor" funding level. Funding for the School Finance Act comes from property taxes, specific ownership tax, and state equalization. The District receives approximately 44 percent of this funding from property taxes, 53 percent from state equalization, and the remaining 3 percent from specific ownership tax. In addition, the District passed mill levy override ballot questions in 2001 and 2007 in the amounts of \$595,350 and \$2.0 million respectively. These funds are for the operating costs of new and expanded facilities.

The increase in net position for governmental activities was \$2.7 million in the 2015 fiscal year. This increase in net position attributable to governmental activities is reflective of the growth and expansion in the District.

The governmental funds monitor cash resources and expenditures. Capital outlay within these funds aggregated approximately \$390,000 during the fiscal year. This expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities (page 27), the net difference between capital outlays and depreciation expense was approximately \$2.2 million for the year ended June 30, 2015.

The statement of activities shows the cost of program services and the related charges for services and grants offsetting those costs. Table 7 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

**Table 7
Net Cost of Governmental Activities**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2014	2014-2015	2015	2014	2014-2015
Instruction	\$ 22,435,465	\$ 19,421,181	15.5%	\$ 19,949,828	\$ 17,107,394	16.6%
Pupil/Instructional Support	4,020,339	3,461,134	16.2%	3,701,502	3,109,361	19.0%
General Administration	754,145	556,540	35.5%	754,145	556,540	35.5%
School Administration	2,600,954	2,309,456	12.6%	2,586,303	2,295,629	12.7%
Business Services	530,159	496,075	6.9%	477,276	467,860	2.0%
Maintenance/Operations	4,311,660	4,042,043	6.7%	4,144,082	3,877,818	6.9%
Pupil Transportation	1,227,622	1,081,273	13.5%	992,627	869,335	14.2%
Central Supporting Services	2,155,124	1,816,191	18.7%	2,126,119	1,764,748	20.5%
Other Facility Support	2,127,507	2,122,518	0.2%	2,127,507	2,122,518	0.2%
Food Service Operations	1,433,677	-	N/A	94,928	-	N/A
Charter School Funding	3,248,238	2,632,871	23.4%	3,248,238	2,632,871	23.4%
Bond Issuance Costs	187,152	-	N/A	187,152	-	N/A
Interest on Long Term Debt	1,137,561	1,770,041	-35.7%	1,137,561	1,770,041	-35.7%
Other	63,352	126,326	-49.9%	63,352	126,326	-49.9%
Total	\$ 46,232,955	\$ 39,835,649	16.1%	\$ 41,590,620	\$ 36,700,441	13.3%

- The cost of all governmental activities this year was \$46.2 million.
- Some of the cost was financed by the users of the District's programs (\$1.8 million). Revenues in this category include items such as student meal purchases, tuition payments for preschool and kindergarten programs, building rentals, and services purchased by the District's component unit, Windsor Charter Academy.
- The federal and state government subsidized certain programs with grants and contributions (\$2.8 million).
- Most of the District's costs (\$41.6 million), however, were financed by District and state taxpayers.
- This portion of governmental activities was financed with \$17.1 million in state equalization from the School Finance Act, \$24.6 million in property tax, \$1.9 million in specific ownership taxes, and \$693,000 in investment earnings and other miscellaneous revenue.

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- All programs saw increased costs over last year due to the recording of pension expenditures, as required by GASB 68. These costs were allocated by program, with instruction seeing the largest amount at \$1.5 million. The total annual amount for all programs was \$2.4 million, which represents 5.7 percent of total net costs of services.
- Food service operations are included as a governmental activity this year, per new State requirements. Thus, there are no comparison figures to the previous year. Of the total expenditures for this program, 55 percent are covered by meal purchases by users of the program and 39 percent are covered by grants and contributions, including state and federal nutrition programs.
- General administration saw increased expenditure levels due to the transition of the superintendent position and an administrator on special assignment for a one year assignment.
- Interest expense is decreasing as annual payments lower the principal amount of debt outstanding.

Financial Analysis of District's 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 balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Combined fund balances increased \$2.0 million from \$13.5 million in 2014 (inclusive of food service fund prior period adjustment per Note 3) to \$15.5 million in 2015. The general fund, debt service fund, capital projects fund, and school development fund all saw increases in fund balance.

The General Fund is the chief operating fund of the District. Unassigned fund balance represents 10.8 percent of general fund revenues, while total fund balance represents 15.2%. The total fund balance increased \$571,000 to \$5.9 million due to higher than anticipated property tax collections. Additionally, other areas of the budget, including salaries and benefits, had positive budget variances. Fund balance also includes one-time carryover amounts as detailed below. The District is continually reviewing its reserves and allocating funds to one-time projects if appropriate.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the general fund anticipated that expenditures and transfers out would exceed revenues by approximately \$2.3 million (not including appropriated fund balance) due to the expending of one-time sources for certain projects, including technology and facility planning. The actual results for the year showed revenues in excess of expenditures of approximately \$571,000.

- Actual total revenues were \$935,000 higher than anticipated. Local sources exceeded the budget due to the higher than anticipated collection property taxes.
- Actual expenditures were \$5.1 million below budget, due primarily to the appropriated fund balance budgeted as a contingency reserve. Additionally, one-time sources including override funds, growth/contingency funds (budgeted under instruction), building and department budgets, beverage contract revenue funds, and prior year's unspent resources were carried into the next fiscal year. Maintenance and operations exceeded the budget due to higher than anticipated repair and maintenance costs. The funds remaining for central supporting services represent the funds allocated but unspent for technology projects and facility planning efforts, and will be budgeted for this purpose in the 2016 year.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2015, the District's TABOR reserve amounted to \$1,104,695.

Capital Assets and Debt Administration

Capital Assets

By the end of fiscal year 2015, the District had invested \$76.6 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (See Table 8). This amount represents a net decrease of approximately \$2.2 million or 2.8 percent from last year. The majority of this decrease is from the depreciation expense for the 2015 year. Total depreciation expense related to governmental activities was \$2.6 million for the year while additions amounted to approximately \$390,000. Additional information on the District's capital assets can be found in Note 6 to the financial statements.

**Weld County School District RE-4
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**Table 8
Capital Assets (Net of Depreciation)**

	Governmental		Business-Type		Total		Percentage
	Activities		Activities		School District		Change
	2015	2014	2015	2014	2015	2014	2014-2015
Sites	\$ 7,240,444	\$ 7,240,444	\$ -	\$ -	\$ 7,240,444	\$ 7,240,444	0.00%
Water Rights	705,753	705,753	-	-	705,753	705,753	0.00%
Site Improvements	1,081,050	1,274,222	-	-	1,081,050	1,274,222	-15.16%
Buildings	64,473,439	66,370,584	-	-	64,473,439	66,370,584	-2.86%
Equipment	2,682,216	2,537,473	-	238,947	2,682,216	2,776,420	-3.39%
Transportation	400,445	417,876	-	-	400,445	417,876	-4.17%
Totals	<u>\$ 76,583,347</u>	<u>\$ 78,546,352</u>	<u>\$ -</u>	<u>\$ 238,947</u>	<u>\$ 76,583,347</u>	<u>\$ 78,785,299</u>	-2.79%

Long-Term Debt

At year-end, the District had a total of \$39.5 million outstanding in long-term debt. This included \$37.8 million in general obligation bonds and \$1.7 million in lease purchase agreements. The outstanding bonds saw a decrease of 9.8 percent from the previous year, as shown below in Table 9. This decrease is due to the scheduled principal payments made during the fiscal year. The District has lease purchase agreements related to performance contracts for energy efficiency improvements, which saw a 5.3 percent decrease due to payments made during the fiscal year. Energy savings are guaranteed to cover the payment on the leases. More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.

**Table 9
Outstanding Long-Term Debt**

	Total		Percentage
	School District		Change
	2015	2014	2014-2015
Governmental Activities:			
Bonds Payable	\$ 37,825,000	\$ 41,935,000	-9.8%
Lease Purchase Agreements	\$ 1,694,150	\$ 1,788,250	-5.3%
Total	<u>\$ 39,519,150</u>	<u>\$ 43,723,250</u>	-9.6%

Colorado Revised Statute 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

Factors Bearing on the District's Future

The local economy, student enrollment trends, school finance and legislative activity, and funding trends affect the financial condition of the District. At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- Early projections for the fall of 2015 show District enrollment will continue to increase by an estimated 380 (FTE) students, which represents a 7.9 percent growth level. To plan for growth in the District, the District's Long Range Facility Planning Committee reviews building permits and population growth trends for the District. The Committee also utilizes the services of a planning firm to review new housing developments in the District's boundaries and provide five year enrollment projections. The District is anticipating an average of 5 percent growth in student enrollment over the next three years.
- The District is currently in the planning stages of a potential 2016 bond election to address facility capacity and building maintenance needs in the district. While the overall scope of the projects is currently being determined, additional capacity at the high school level is projected. The District is purposefully utilizing a portion of its reserves over multiple years for this facility planning process.
- One of the District's budget priorities is technology improvements and the increase in the number of devices available for classroom use and testing requirements. The District is purposefully utilizing a portion of its reserves over multiple years for fiber upgrades to schools in the Severance area as well as the purchase of additional devices.
- Preliminary assessed value figures for property tax year 2016 reflect a 16.3 percent increase to \$608 million, which is reflective of growth and expansion in the district.
- The future financial outlook for the District continues to be impacted by the local, state, and federal economy. While the economy in Colorado continues to improve, the State is limited to the amount of revenue that can be retained due to provisions in TABOR, Article X, Section 20 of the Colorado Constitution, which limits the growth in a large portion of State revenue to the sum of inflation plus population growth in the previous calendar year. Revenue collected above the TABOR limit must be returned to taxpayers, unless voters decide the State can retain the revenue. The State forecast expects the 2016 fiscal year and the

**Weld County School District RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

foreseeable future years to be above the TABOR limits, requiring refunds to taxpayers, which will impact the amount of State funds available to fund education.

Component Unit

Only summary information regarding the District's component unit, Windsor Charter Academy, appears in the District's financial statements. Their financial information is presented in a separate column in the Government-wide Statement of Net Position and the Statement of Activities. Additional information on the financial condition of the school is available in their separate, audited financial statements.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Business Services, Weld County School District RE-4, 1020 Main Street, Windsor, Colorado 80550.

Basic Financial Statements

Weld County School District RE-4

Statement of Net Position

June 30, 2015

	Primary Government Governmental Activities	Component Unit Windsor Charter Academy
Assets		
Cash and cash equivalents	\$ 12,943,202	\$ 1,533,597
Restricted cash and cash equivalents	8,756,791	595,840
Receivables	317,440	7,130
Due from other governments	311,059	210,083
Inventories	59,020	-
Prepaid items	-	140,471
Capital assets, not being depreciated	7,946,197	197,450
Capital assets, being depreciated, net	68,637,150	5,424,792
Total assets	98,970,859	8,109,363
Deferred outflows of resources		
Deferred loss on refundings	2,090,135	-
Contributions subsequent to measurement date	1,903,028	113,306
Change in investment earnings	1,557,708	92,745
Change in proportionate share	504,469	30,036
Total deferred outflows of resources	6,055,340	236,087
Liabilities		
Accounts payable	241,104	4,388
Accrued salaries and benefits	6,261,406	408,530
Accrued interest payable	108,195	58,062
Due to discretely presented component unit	210,083	-
Noncurrent liabilities:		
Accrued compensated absences	147,695	2,468
Due within one year	6,676,683	145,000
Due in more than one year	34,746,290	5,950,000
Net pension liability	67,736,072	4,032,978
Total liabilities	116,127,528	10,601,426
Deferred inflows of resources		
Unearned revenues	174,589	1,920
Change in experience	5,058	301
Total deferred inflows of resources	179,647	2,221
Net position		
Net investment in capital assets	37,250,509	(472,758)
Restricted for:		
Emergencies	1,104,695	102,015
Debt service	8,373,444	-
Other	587,701	595,840
Unrestricted	(58,597,325)	(2,483,294)
Total net position	\$ (11,280,976)	\$ (2,258,197)

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

Weld County School District RE-4
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 22,435,465	\$ 759,992	\$ 1,725,645	\$ -
Supporting services				
Pupil and instructional	4,020,339	-	318,837	-
General administration	754,145	-	-	-
School administration	2,600,954	-	14,651	-
Business services	530,159	52,883	-	-
Maintenance and operations	4,311,660	164,463	3,115	-
Pupil transportation	1,227,622	-	234,995	-
Central supporting services	2,155,124	29,005	-	-
Other facilities services	2,127,507	-	-	-
Community services and other	63,352	-	-	-
Food service operations	1,433,677	785,531	553,218	-
Charter school funding	3,248,238	-	-	-
Bond issuance costs	187,152	-	-	-
Interest on long-term debt	1,137,561	-	-	-
Total governmental activities/ primary government	\$ 46,232,955	\$ 1,791,874	\$ 2,850,461	\$ -
Component unit - Windsor Charter Academy				
Instruction	\$ 1,938,134	\$ 59,118	\$ 349,908	\$ -
Support services	1,286,072	12,457	15,326	80,194
Interest on long-term debt	353,824	-	-	-
Total component unit	\$ 3,578,030	\$ 71,575	\$ 365,234	\$ 80,194
General revenues				
Property taxes levied for:				
General purposes				
Debt services				
Specific ownership taxes for:				
General purposes				
Intergovernmental:				
State equalization/per pupil funding				
Payment in lieu of land dedication				
Other revenues				
Earnings on investments				
Total general revenues				
Change in net position				
Net position at beginning of year				
Prior period adjustment (Notes 2 and 3)				
Net position at end of year				

Net (Expense) Revenue and Change in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit Windsor Charter Academy
\$ (19,949,828)	\$ -	\$ (19,949,828)	\$ -
(3,701,502)	-	(3,701,502)	-
(754,145)	-	(754,145)	-
(2,586,303)	-	(2,586,303)	-
(477,276)	-	(477,276)	-
(4,144,082)	-	(4,144,082)	-
(992,627)	-	(992,627)	-
(2,126,119)	-	(2,126,119)	-
(2,127,507)	-	(2,127,507)	-
(63,352)	-	(63,352)	-
(94,928)	-	(94,928)	-
(3,248,238)	-	(3,248,238)	-
(187,152)	-	(187,152)	-
(1,137,561)	-	(1,137,561)	-
(41,590,620)	-	(41,590,620)	-
-	-	-	(1,529,108)
-	-	-	(1,178,095)
-	-	-	(353,824)
-	-	-	(3,061,027)
16,962,371	-	16,962,371	-
7,663,117	-	7,663,117	-
1,869,020	-	1,869,020	-
17,125,501	-	17,125,501	-
168,607	-	168,607	3,248,238
513,840	-	513,840	73,046
10,557	-	10,557	441
44,313,013	-	44,313,013	3,321,725
2,722,393	-	2,722,393	260,698
46,797,319	584,210	47,381,529	1,135,937
(60,800,688)	(584,210)	(61,384,898)	(3,654,832)
\$ (11,280,976)	\$ -	\$ (11,280,976)	\$ (2,258,197)

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

Weld County School District RE-4
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,019,769	\$ -	\$ 923,433	\$ 12,943,202
Restricted cash and cash equivalents	-	8,323,534	433,257	8,756,791
Receivables	219,677	97,763	-	317,440
Inventories	-	-	59,020	59,020
Due from other governments	-	-	311,059	311,059
Due from other funds	-	-	35,829	35,829
Totals assets	\$ 12,239,446	\$ 8,421,297	\$ 1,762,598	\$ 22,423,341
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 185,188	\$ 47,853	\$ 8,063	\$ 241,104
Intergovernmental accounts payable	190,141	-	19,942	210,083
Accrued salaries and benefits	5,965,478	-	295,928	6,261,406
Due to other funds	35,829	-	-	35,829
Total liabilities	6,376,636	47,853	323,933	6,748,422
Deferred inflows of resources				
Unearned revenue	4,629	-	169,960	174,589
Total deferred inflows of resources	4,629	-	169,960	174,589
Fund balances				
Nonspendable	-	-	59,020	59,020
Restricted	1,326,751	8,373,444	521,417	10,221,612
Committed	342,678	-	405,820	748,498
Assigned	-	-	282,448	282,448
Unassigned	4,188,752	-	-	4,188,752
Total fund balances	5,858,181	8,373,444	1,268,705	15,500,330
Total liabilities, deferred inflows of resources and fund balances	\$ 12,239,446	\$ 8,421,297	\$ 1,762,598	\$ 22,423,341

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

Weld County School District RE-4
Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position
June 30, 2015

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

Total fund balances - governmental funds	\$ 15,500,330
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported on the fund financial statements.

Capital assets	\$ 107,007,469	
Less: accumulated depreciation	<u>(30,424,122)</u>	76,583,347

The deferred loss on refunding is not a current financial resource, and therefore, not reported as a deferred outflow of resources in governmental funds.	2,090,135
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Deferred outflows of resources relating to pensions are not current financial resources and, therefore, are not reported in the governmental fund financial statements.

Contributions subsequent to measurement date	\$ 1,903,028	
Change in investment earnings	1,557,708	
Change in proportionate share	<u>504,469</u>	3,965,205

Long-term liabilities, including net pension obligations, are not due and payable from current financial resources, and therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities at year-end consist of:

Bonds payable	\$ (37,825,000)	
Plus: bond premium	(1,903,823)	
Capital leases payable	(1,694,150)	
Accrued interest payable	(108,195)	
Compensated absences	(147,695)	
Net pension liability	<u>(67,736,072)</u>	(109,414,935)

Deferred inflows of resources relating to pensions are not due from current financial resources and, therefore, are not reported in the governmental fund financial

Change in experience	(5,058)
Total net position of governmental activities	\$ (11,280,976)

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

Weld County School District RE-4
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local	\$ 18,831,391	\$ 7,663,117	\$ -	\$ 26,494,508
State	18,285,317	-	106,425	18,391,742
Federal	-	-	1,576,505	1,576,505
Grants and contributions	-	-	7,715	7,715
Charges for services	1,006,343	-	785,531	1,791,874
Earnings on investments	9,860	-	697	10,557
Other	513,840	-	168,607	682,447
Total revenues	38,646,751	7,663,117	2,645,480	48,955,348
Expenditures				
Current				
Instruction	20,080,187	-	808,474	20,888,661
Supporting services				
Pupil and instructional	3,435,644	-	315,837	3,751,481
General administration	710,631	-	-	710,631
School administration	2,414,404	-	-	2,414,404
Business services	483,254	-	-	483,254
Maintenance and operations	3,938,700	-	89,035	4,027,735
Pupil transportation	1,051,326	-	-	1,051,326
Central supporting services	1,617,838	-	336,451	1,954,289
Community services and other	48,701	-	14,651	63,352
Food service operations	-	-	1,342,657	1,342,657
Charter school funding	3,248,238	-	-	3,248,238
Debt service				
Principal	94,100	5,400,000	-	5,494,100
Interest and other	64,888	1,113,859	-	1,178,747
Bond issuance costs	-	187,152	-	187,152
Capital outlay	226,102	-	163,964	390,066
Total expenditures	37,414,013	6,701,011	3,071,069	47,186,093
Excess (deficiency) of revenues				
over expenditures	1,232,738	962,106	(425,589)	1,769,255
Other financing sources (uses)				
Transfers in	-	-	662,042	662,042
Transfers out	(662,042)	-	-	(662,042)
Proceeds from bond issuance	-	26,305,000	-	26,305,000
Bond premium	-	1,839,707	-	1,839,707
Payments to bond escrow agent	-	(27,953,942)	-	(27,953,942)
Total other financing sources (uses)	(662,042)	190,765	662,042	190,765
Net change in fund balances	570,696	1,152,871	236,453	1,960,020
Fund balances at beginning of year	5,287,485	7,220,573	686,989	13,195,047
Prior period adjustment (Note 3)	-	-	345,263	345,263
Fund balances at end of year	\$ 5,858,181	\$ 8,373,444	\$ 1,268,705	\$ 15,500,330

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

Weld County School District RE-4
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances with the Government-wide Statement of Activities
Year Ended June 30, 2015

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

Total net change in fund balances - governmental funds \$ 1,960,020

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	\$ 390,066	
Depreciation expense	<u>(2,592,021)</u>	(2,201,955)

Amortization of the deferred loss on refunding is included in the statement of activities as interest expense, but not reflected on the statement of revenues, expenditures and changes in fund balances. (91,876)

Accretion of the bond premium is included in the statement of activities against interest expense, but not reflected on the statement of revenues, expenditures and changes in fund balances. 91,992

Decrease in accrued compensated absences liability reflected against expense on the statement of activities and not reflected on the governmental statement of revenues, expenditures and changes in fund balances. 10,833

The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds; however, issuing debt increases long-term debt liabilities in the statement of net position. (28,144,707)

Repayments of bond principal and capital lease obligations are recorded as expenditures in the governmental funds, but as reductions in long-term liabilities in the statement of net position and does not affect the statement of activities. 5,494,100

Payment to refunded bonds escrow agent is reported as an expenditure in the governmental funds, but is shown as a reduction in long-term liabilities in the statement 27,953,942

Decrease in accrued interest payable is reflected against interest expense on the statement of activities, but not reflected on the governmental fund statement of revenues, expenditures and changes in fund balances. 41,070

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 fund financial statements.

Change in contributions subsequent to measurement date	\$ 223,407	
Pension expense - first year amortization	(186,840)	
Employer pension contribution expense	<u>(2,427,593)</u>	(2,391,026)

Change in net position of governmental activities \$ 2,722,393

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

Weld County School District RE-4
Statement of Fiduciary Net Position
June 30, 2015

	Scholarship Fund (Trust Fund)	Student Activity (Agency Fund)
Assets		
Cash and cash equivalents	\$ 62,652	\$ 573,914
Investments	354,544	-
Total assets	417,196	573,914
Liabilities		
Due to student groups	-	\$ 573,914
Net position		
Reserved for scholarships	417,196	
Total net position	\$ 417,196	

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

Weld County School District RE-4
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2015

	Scholarship Fund (Trust Fund)
<hr/>	
Additions	
Earnings on investments	\$ 3,647
<hr/>	
Total additions	3,647
<hr/>	
Deductions	
Scholarships and awards	8,500
<hr/>	
Change in net position	(4,853)
Net position at beginning of year	422,049
<hr/>	
Net position at end of year	\$ 417,196
<hr/>	

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

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

1. Summary of Significant Accounting Policies

The financial statements of Weld County School District RE-4 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The District meets the criteria of a primary government: its District Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As required by GAAP, these financial statements present the primary government and its component unit. Component units are legally separate organizations that are financially accountable to the primary government. The component unit has 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 Unit - Charter School

The Legislature of the State of Colorado enacted the "Charter School Act - Colorado Revised Statutes ("C.R.S.") 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, the District's Board of Education must approve all charter school applications and budgets. There is one charter school in the District: the Windsor Charter Academy. The charter school is a discretely presented component unit because of the significance of its financial relationship with the District.

Complete financial statements for the charter school are available at the school's administration office, 680 Academy Court, Windsor, Colorado 80550.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. Likewise, the primary government is reported separately from its legally separate component unit. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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.

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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. Expenditures are recorded when a liability is incurred.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 180 days of the end of the current fiscal. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences claims and judgments, are recognized only when payment is due (matured).

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile the ending net position and the change in net position.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds) and capital projects funds.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

The following are the District's 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 to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the resources accumulated for the payments of general long-term debt principal and interest.

Additionally, the District reports the following nonmajor governmental funds:

Governmental Designated Purpose Grants Fund - This special revenue fund is used to account for the revenues and expenditures of specific local, state and federal grant awards.

Local Building Fund - This capital projects fund is used to account for financial resources received to construct buildings and building improvements.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources received to construct capital assets.

School Development Fund - This fund is a special revenue fund with primary revenues of cash-in-lieu of land dedication fees from agreements the District has with the Town of Windsor, Town of Severance, and Weld County. The fees are paid by developers and their purpose is to assist with the costs to the District associated with growth and expansion within the District boundaries. The funds must be used within ten years of collection and can be utilized for site acquisition and development as well as capital facilities planning.

Food Service Fund - This special revenue fund is used to account for revenues and expenditures from food service operations.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has one private-purpose trust fund, the Scholarship Trust Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one agency fund, the Student Activity Fund.

Budgets and Budgetary Accounting

Budgets are adopted by the Board of Education. Annual budgets are adopted on a basis consistent with GAAP, except for enterprise funds, where capital asset acquisitions and debt payments are treated as expenditures and depreciation is not included.

The District adheres to the following procedures in establishing the budgetary data:

1. Budgets are required by state law for all funds. During May, the Superintendent of schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted by the Board of Education to obtain comments.
3. Prior to June 30, the budget is adopted by formal resolution.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations. All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board throughout the year.

The Student Activity Fund is an agency fund. GAAP does not require budgetary accounting for agency funds. However, Colorado Local Government Accounting and Reporting Laws require that a budget be adopted and reported for these funds.

The following represents the financial activities for the Student Activity Fund as compared to the budget:

	Original Budget	Final Budget	Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
Beginning funds available	\$ 354,655	\$ 493,960	\$ 493,958	\$ (2)
Additions (receipts)	932,550	1,231,000	1,102,606	(128,394)
Total funds available	1,287,205	1,724,960	1,596,564	(128,396)
Deductions (disbursements)	(1,287,205)	(1,724,960)	(1,022,650)	702,310
Ending funds available	\$ -	\$ -	\$ 573,914	\$ 573,914

The following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets in fiscal year 2015:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General	\$ 41,896,887	\$ 1,332,948	\$ 43,229,835
Debt Service	14,504,052	28,560,377	43,064,429
Governmental Designated Purpose Grants	1,116,805	174,655	1,291,460
Capital Projects	921,167	75,667	996,834
School Development	411,718	40,954	452,672
Food Service	1,892,905	(231,642)	1,661,263
Fiduciary funds:			
Scholarship Trust	429,552	(1,443)	428,109
Student Activity	1,287,205	437,755	1,724,960
Total funds	\$ 62,460,291	\$ 30,389,271	\$ 92,849,562

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

Assets, Liabilities and Fund Balances/Net Position

Cash and Cash Equivalents

The District considers all highly liquid investments of three months or less, including deposits in a pooled investment fund, to be cash equivalents.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value, and are included in cash and cash equivalents.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2015. Property taxes levied on December 31, but not received by June 30, are identified as property taxes receivable and recorded as revenue if they are collected within 60 days of year end.

Inventories

Inventories consist of purchased and donated food, and non-food supplies. Purchased inventories are stated at the lower of cost or market as determined by the first-in, first-out method. Food donated by the federal government at no cost to the District is stated at cost in accordance with the United States Department of Agriculture ("USDA") furnished price list.

Capital Assets

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed.

Depreciation of capital assets is charged as an expense against operations in the statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Site improvements	10 - 20 years
Buildings and improvements	15 - 50 years
Equipment	3 - 15 years
Transportation	5 - 8 years

The payment for capital assets acquired by the District is recorded as expenditures in the fund financial statements in the year of acquisition. Therefore, capital assets used in governmental fund type operations (capital assets) are not accounted for in the individual funds and no depreciation is provided.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

Bond Issuance Costs, Premium and Discounts, and Bond Refunding

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium and discount. Debt issuance costs are recognized as an expense in the period of issuance.

For bond refundings resulting in the defeasement of debt, the difference between the acquisition price and the net carrying amount of the old debt is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums and discounts on the debt issuance are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other debt service expenditures.

Unearned Revenues

The District includes grant funds that have been collected within 180 days of year end, where the corresponding expenditures have not been incurred, in unearned revenues in the financial statements.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Amounts of accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable and available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position/Fund Balance

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

As of June 30, 2015, fund balances of the governmental funds are classified as follows:

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Education (the "Board"). The Board 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.

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. Only the Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

As of June 30, 2015, fund balances are composed of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ -	\$ -	\$ 59,020	\$ 59,020
Restricted:				
Debt service payments	-	8,373,444	-	8,373,444
Emergencies	1,104,695	-	-	1,104,695
Operating costs of new facilities	66,284	-	-	66,284
School sites	-	-	521,417	521,417
Multi-year obligations	155,772	-	-	155,772
Committed:				
Capital projects	-	-	405,820	405,820
Risk management	342,678	-	-	342,678
Assigned:				
Food Service	-	-	282,448	282,448
Unassigned:	4,188,752	-	-	4,188,752
Total	\$ 5,858,181	\$ 8,373,444	\$ 1,268,705	\$ 15,500,330

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources 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 has provided otherwise in its commitment or assignment actions.

Pensions

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

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Financial Policies and Procedures

The District believes it is in compliance with applicable state requirements, which includes adherence to the accounting policies and procedures described in the financial Policies and Procedures Handbook issued by the Colorado Department of Education.

2. New Accounting Pronouncement

During fiscal year 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The result of the implementation of this standard was to decrease the net position at the beginning of the fiscal year by \$61,384,898 in the governmental activities.

3. Change in Fund Categorization

In prior years, the District presented the food service operations as an enterprise fund. Based on guidance received from the Colorado Department of Education, management has determined that these operations should be presented as a special revenue fund for the year ended June 30, 2015. Beginning fund balance for the Food Service Fund was increased by \$345,263 and governmental activities increased by \$584,210.

4. Cash and Cash Equivalents and Investments

The composition of the District’s cash and cash equivalents, including restricted cash and cash equivalents, on June 30, 2015, is as follows:

	District	Windsor Charter Academy
Cash on hand	\$ 6,140	\$ 208
Cash with county treasurer	51,462	-
Bank deposits	17,985,947	2,154,198
Local government investment pools	4,293,010	-
Total cash deposits	\$ 22,336,559	\$ 2,154,406

Cash and investments per the government-wide statement of net position and fiduciary fund statements are as follows:

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

	District	Windsor Charter Academy
Statement of net position		
Cash and cash equivalents	\$ 12,943,202	\$ 1,533,597
Restricted cash and cash equivalents	8,756,791	595,840
Fiduciary Funds		
Cash and cash equivalents	636,566	24,969
Total cash and cash equivalents	\$ 22,336,559	\$ 2,154,406

At June 30, 2015, the District held \$354,544 in long-term certificates of deposit. The total balance is reflected in the Private-purpose Scholarship Trust Fund statement of fiduciary net position in investments.

Custodial Credit Risk - Deposits

Colorado state statutes ("C.R.S.") govern the entity's deposits of cash. For deposits in excess of federally insured limits, C.R.S require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act ("PDPA") requires state regulators to certify eligible depositories for public deposit. PDPA requires eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation ("FDIC") to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State.

The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposit. At June 30, 2015, the District had deposits with financial institutions with a carrying amount of \$17,985,947. The bank balances with the financial institutions were \$18,434,968, of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$17,434,968 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of June 30, 2015, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Secure Assets Fund ("CSAFE") discussed below.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which school Districts may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- 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
- Banker's acceptance of certain banks
- Commercial paper

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

District policy is to hold investments until maturity.

Local Government Investment Pools

Pooled investment funds (trusts) are supervised by the participating governments and must comply with the same restrictions on cash deposits and investments explained in the preceding paragraphs. Investment funds or money market funds are not categorized because they are not evidenced by securities that exist in physical or book form. At June 30, 2015, the District had invested \$4,293,010 in CSAFE, a local government investment pool. As an investment pool, CSAFE operates under the C.R.S. (24-75-701) and is overseen by the Colorado Securities Commissioner.

CSAFE invests in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). CSAFE operates similarly to a money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. CSAFE is rated AAAM by the Standard & Poor's Corporation. U.S. Bank provides banking services and trust custody for securities held on behalf of the participating governments in CSAFE. The custodian's internal records identify the investments owned by the participating governments. Separate financial statements can be obtained by calling (303) 296-6340 or going to www.csafe.org.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

5. Individual Fund Interfund Receivables/Payables and Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position and as due from other funds or due to other funds on the fund statement balance sheets. Internal balances are eliminated in the statement of net position. The District considers all interfund receivable and payables to be temporary and in compliance with state law, which requires all balances to be repaid within three months of the year end.

As of June 30, 2015, the District had the following interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
Governmental designated purpose grants fund	General fund	\$ 35,829
Total		\$ 35,829

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them or use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Total transfers for the year ended June 30, 2015, were as follows:

	Transfers Out: General Fund
Transfers In:	
Governmental fund:	
Capital projects fund	\$ 662,042
Total transfers	\$ 662,042

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

6. Capital Assets

Capital asset activity of the District for the year ended June 30, 2015, was as follows:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Sites	\$ 7,240,444	\$ -	\$ -	\$ 7,240,444
Water rights	705,753	-	-	705,753
Total capital assets not being depreciated	7,946,197	-	-	7,946,197
Capital assets, being depreciated:				
Site improvements	3,955,198	-	-	3,955,198
Buildings and improvements	87,363,160	-	-	87,363,160
Equipment	5,064,971	287,008	(106,754)	5,245,225
Transportation	2,394,631	103,058	-	2,497,689
Total capital assets, being depreciated	98,777,960	390,066	(106,754)	99,061,272
Less accumulated depreciation for:				
Site improvements	(2,680,976)	(193,172)	-	(2,874,148)
Buildings and improvements	(20,992,576)	(1,897,145)	-	(22,889,721)
Equipment	(2,288,548)	(381,215)	106,754	(2,563,009)
Transportation	(1,976,755)	(120,489)	-	(2,097,244)
Total accumulated depreciation	(27,938,855)	(2,592,021)	106,754	(30,424,122)
Total capital assets, being depreciated, net	70,839,105	(2,201,955)	-	68,637,150
Governmental activities				
capital assets, net	\$78,785,302	\$(2,201,955)	\$ -	\$76,583,347

Depreciation is allocated to the following activities on the statement of activities:

Instruction	\$ 20,250
Pupil and instructional	1,308
School administration	4,748
Business services	13,432
Maintenance and operations	131,379
Pupil transportation	110,087
Central supporting services	145,547
Other facility services	2,127,507
Food service operations	37,763
Depreciation expense allocated to governmental activities	\$ 2,592,021

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

7. Accrued Salaries and Benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from October to September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2015, for the District were \$6,261,406. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

8. Long-Term Debt

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2015:

	Balance Beginning	Additions	Reductions/ Amortizations	Balance Ending	Amounts Due in One Year
Capital Lease:					
Performance energy	\$ 1,788,250	\$ -	\$ (94,100)	\$ 1,694,150	\$ 101,683
Capital lease total	1,788,250	-	(94,100)	1,694,150	101,683
G.O. Bonds:					
Series 2004 (Refunding)	2,655,000	-	(1,135,000)	1,520,000	1,180,000
Series 2007	9,650,000	-	(9,650,000)	-	-
Series 2008	22,625,000	-	(17,075,000)	5,550,000	1,775,000
Series 2010 (Refunding)	7,005,000	-	(2,555,000)	4,450,000	2,635,000
Series 2015 (Refunding)	-	26,305,000	-	26,305,000	985,000
G.O. bond total	41,935,000	26,305,000	(30,415,000)	37,825,000	6,575,000
Unamortized bond premiums	1,068,951	1,839,707	(1,004,835)	1,903,823	n/a
Compensated absences	158,528	157,021	(167,854)	147,695	n/a
Total Long-Term Debt	\$ 44,950,729	\$ 28,301,728	\$ (31,681,789)	\$ 41,570,668	\$ 6,676,683

The annual requirements to amortize bonds outstanding as of June 30, 2015, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 6,575,000	\$ 1,165,781	\$ 7,740,781
2017	5,145,000	940,710	6,085,710
2018	2,060,000	816,525	2,876,525
2019	2,140,000	762,625	2,902,625
2020	2,165,000	727,600	2,892,600
2021 - 2025	11,655,000	2,729,225	14,384,225
2026 - 2028	8,085,000	493,500	8,578,500
Total	\$ 37,825,000	\$ 7,635,966	\$ 45,460,966

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Notes to Financial Statements
June 30, 2015

Capital Lease Obligations

In November of 2010, the District entered into a lease purchase agreement with a third party for energy savings conservation projects to be constructed by an Energy Services Contractor (“ESCO”). The lease refinanced the two previous capital leases the District held. The new lease term is sixteen years and calls for quarterly payments commencing upon project completion varying in amounts from \$36,548 to \$51,670.

The future minimum lease obligation and net present value of the minimum lease payments as of June 30, 2015, are as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ 162,985
2017	167,083
2018	171,282
2019	175,585
2020	179,988
2021 - 2025	970,318
2026 - 2027	274,664
Total minimum lease payments	2,101,905
Less: interest	(407,755)
Present value of minimum lease payments	\$ 1,694,150

The assets acquired through capital lease are as follows:

District-wide mechanical energy improvements	\$ 1,985,452
Less: accumulated depreciation	(527,121)
Total	\$ 1,458,331

General Obligation Bonds - Series 2004

During 2004, the District issued general obligation bonds for \$9,785,000, with varying interest rates of 2.25% to 4.0%, for the purpose of acquiring property and the construction of new school buildings; and improving, repairing and making additions to existing school buildings. The bonds were issued for a twelve year period with final maturity during fiscal year 2017.

General Obligation Bonds - Series 2007

During 2007, the District issued general obligation bonds for \$9,650,000, with varying interest rates of 4.0% to 4.25%, for the purpose of acquiring property and the construction of new school buildings; and improving, repairing and making additions to existing school buildings. The bonds were issued for a nineteen year period with final maturity during fiscal year 2028. Though the first principal payment is not due until December 1, 2024, the bonds are callable after December 1, 2018. This bond was advanced refunded with the 2015 refunding general obligation bond.

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June 30, 2015

General Obligation Bonds - Series 2008

During 2008, the District issued general obligation bonds for \$31,850,000, with varying interest rates of 3.0% to 5.0%, for the purpose of acquiring property and the construction of new school buildings; and improving, repairing and making additions to existing school buildings. The bonds were issued for a sixteen year period with final maturity during fiscal year 2025. \$15,635,000 of this bond was advance refunded with the 2015 refunding general obligation. The remaining \$5,550,000 of this bond is due in 2016 through 2018.

General Obligation Bonds - Series 2010 (Refunding)

On July 28, 2010, the District advance refunded the total balance of the 2001 bond series and a portion of the 2002 bond issuance and issued \$12,300,000 in general obligations bonds, with varying interest rates of 2.0% to 5.0%. The bonds were sold at a premium of \$819,385, with associated issuance costs of \$124,415. The bonds were issued for an eighteen year period with final maturity during fiscal year 2028. On July 28, 2010, \$12,993,370 was placed into an escrow account to provide for all future debt service payments on the refunded 2001 and 2002 general obligation bonds. As a result, the total balance of \$9,765,000 of the 2001 series bonds and \$2,410,000 of the 2002 series bonds were considered to be defeased and the liability for those bonds were reduced by that amount.

General Obligation Bonds - Series 2015 (Refunding)

On May 5, 2015, the District advance refunded the total balance of the 2007 bond series and a portion of the 2008 bond issuance, with varying interest rates of 1.25% to 4.00%. The bonds were sold at a premium of \$1,839,707, with associated issuance costs of \$187,152. The bonds were issued for a thirteen year period with final maturity during fiscal year 2027. On May 21, 2015, \$27,953,942 was placed into an escrow account to provide for all future debt service payments on the refunded 2007 and 2008 general obligation bonds. As a result, the total balance of \$9,650,000 of the 2007 series bonds and \$15,365,000 of the 2008 series bonds were considered to be defeased and the liability for those bonds were reduced by that amount.

The deferred loss on refunding of \$2,026,097 is the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. This difference, reported in the accompanying financial statements as a deferred outflow of resources, will be charged to operations through 2027 using the effective-interest method. The advance refunding reduced total debt service payments over the next thirteen by approximately \$1.1 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$5.9 million.

9. Commitments and Contingencies

Self Insurance Pool

As discussed in Note 13, the District is a member of the Colorado School Districts' Self-insurance Pool. The Pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the Pool is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the District's financial statements.

Grant Programs

The District participated in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

and adjustment by the grantor agencies; therefore, to the extent the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The District is subject to claims and litigation from outside parties in the ordinary course of operations. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

10. Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

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

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

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

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

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

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Notes to Financial Statements
June 30, 2015

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

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

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

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

Contributions

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

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
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	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF¹	16.43%	17.33%

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

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Notes to Financial Statements
June 30, 2015

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$ 21,533,824 for the year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of \$67,736,072 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the District's proportion was 0.49 percent, which was a decrease of .00574 from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,391,026. At June 30, 2015, the School 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
Differences between expected and actual experience	\$ -	\$ 5,058
Net difference between projected and actual earnings on pension plan investments	1,557,708	-
Changes in proportionate share	504,469	-
District contributions subsequent to the measurement date	1,903,028	-
	\$ 3,965,205	\$ 5,058

\$1,903,028 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, 2016. 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,	Amortization
2016	\$ 574,394
2017	574,394
2018	518,904
2019	389,427
	\$ 2,057,119

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Notes to Financial Statements
June 30, 2015

Actuarial assumptions

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

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

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

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

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Notes to Financial Statements
June 30, 2015

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

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 89,316,200	\$ 67,736,072	\$ 49,673,140

Weld County School District RE-4
Notes to Financial Statements
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11. Postemployment Healthcare Benefits

Plan Description

The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550.

Funding Policy

The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District contributions to the HCTF for the years ending June 30, 2013, 2014, and 2015 were \$200,913, \$205,748 and \$219,645 respectively, equal to their required contributions for each year.

12. Defined Contribution Pension Plan

Plan Description

Employees of the District who are members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program ("401(k) Plan"), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the 401(k) Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report for Colorado PERA's 401(k) and DC Plans. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550.

Funding Policy

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service (\$18,000 for calendar year 2015, and \$17,500 for the calendar years 2014 and 2013). In addition, catch-up contributions, up to \$6,000 for calendar year 2015 and \$5,500 for the calendar years 2014 and 2013, were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of Internal Revenue Code §414(v). The contribution requirements for the District are established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. For the years ended June 30, 2013, 2014, and 2015, the 401(k) Plan member contributions from the District and the component unit were \$380,274, \$341,287, \$353,501 respectively.

13. Risk Management

The District belongs to the Colorado School Districts Self-insurance Pool (the "Pool") that was formed in 1981 to give individual districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by the Pool is property, crime, general liability, auto liability and physical damage, and errors and omissions. The Board of Directors is composed of seven

Weld County School District RE-4
Notes to Financial Statements
June 30, 2015

persons who are district school board members, superintendents or district business officials. The Pool became self-administered in May 1997, and currently has eleven employees.

Each member's premium contribution is determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income, and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuary study is conducted annually. These reports may be obtained by contacting the Pool's administrative offices at 6857 South Spruce Street, Centennial, Colorado 80112.

14. Related Party Transactions

The District provides administrative and other services to its charter school, shown as a discretely presented component unit. The amount of charges for services received from the charter school for the fiscal year ended June 30, 2015, was \$223,714.

15. Tax, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financial sources such as the federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$1,104,695 and the component unit - Windsor Charter Academy has restricted \$102,105 for this purpose.

On November 4, 1997, the voting citizens of the District authorized the District to retain, appropriate, and utilize, by expenditure, retention for reserves, or carryover fund balance the full proceeds and revenues received from every source, without limitation, in 1997 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. This effectively removed all revenue and spending limits imposed by TABOR.

16. Subsequent Events

Management of the District has evaluated subsequent events through November 16, 2015, the date these financial statements were available to be issued. No transactions or events that would require adjustment to or disclosures in the financial statements were identified.

Required Supplementary Information

Weld County School District RE-4
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local	\$ 17,627,374	\$ 18,262,418	\$ 18,831,391	\$ 568,973
State	17,978,009	18,173,639	18,285,317	111,678
Intermediate	16,550	16,550	30,612	14,062
Charges for services	927,568	964,568	1,006,343	41,775
Earnings on investments	8,010	8,015	9,860	1,845
Other	115,000	286,147	483,228	197,081
Total revenues	36,672,511	37,711,337	38,646,751	935,414
Expenditures				
Current				
Instruction	20,548,828	20,897,784	20,080,187	817,597
Supporting services				
Pupil and instructional	3,361,657	3,462,463	3,435,644	26,819
General administration	750,890	761,163	710,631	50,532
School administration	2,401,452	2,399,682	2,414,404	(14,722)
Business services	567,583	616,283	483,254	133,029
Maintenance and operations	3,693,621	3,733,555	3,938,700	(205,145)
Pupil transportation	960,356	1,121,287	1,051,326	69,961
Central supporting services	2,068,611	2,947,797	1,617,838	1,329,959
Community services and other	-	-	48,701	(48,701)
Charter school funding	3,087,653	3,248,177	3,248,238	(61)
Capital outlay	-	-	226,102	(226,102)
Debt service				
Principal	94,100	94,100	94,100	-
Interest and other	113,588	113,588	64,888	48,700
Reserves	3,628,254	3,171,914	-	3,171,914
Total expenditures	41,276,593	42,567,793	37,414,013	5,153,780
Excess (deficiency) of revenues over expenditures	(4,604,082)	(4,856,456)	1,232,738	6,089,194
Other financing uses				
Transfers out	(620,294)	(662,042)	(662,042)	-
Total other financing uses	(620,294)	(662,042)	(662,042)	-
Net change in fund balance	(5,224,376)	(5,518,498)	570,696	6,089,194
Fund balance at beginning of year	5,224,376	5,518,498	5,287,485	(231,013)
Fund balance at end of year	\$ -	\$ -	\$ 5,858,181	\$ 5,858,181

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Years

	2015	2014
District's proportion of the net pension liability	0.49505%	0.49977%
District's proportionate share of the net pension liability	\$ 67,736,072	\$ 61,384,898
District's covered-employee payroll	\$ 20,936,917	\$ 19,956,956
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	323.52%	307.59%
Plan fiduciary net position as a percentage of the total pension	62.84%	64.07%

* The amounts presented for each fiscal year were determined as of 12/31.

Information for the prior eight years was not available to report.

See accompanying Independent Auditor's Report

Weld County School District RE-4
Schedule of District Contributions
Last Ten Years

	2015	2014	2013
Contractually Required Contribution	\$ 3,635,831	\$ 3,224,069	\$ 2,956,468
Contributions in Relation to the Contractually Required Contribution	3,635,831	3,224,069	2,956,468
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 21,533,824	\$ 20,171,373	\$ 19,697,328
Contributions as a Percentage of Covered Employee Payroll	16.88%	15.98%	15.01%

Information for the prior three years was not available to report.

See accompanying Independent Auditor's Report

2012	2011	2010	2009
\$ 2,687,368	\$ 2,500,886	\$ 2,296,375	\$ 1,959,357
2,687,368	2,500,886	2,296,375	1,959,357
\$ -	\$ -	\$ -	\$ -
\$ 19,042,410	\$ 18,930,703	\$ 18,154,850	\$ 17,045,164
14.11%	13.21%	12.65%	11.50%

Other Supplementary Information

Weld County School District RE-4
Budgetary Comparison Schedule
Debt Service Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local	\$ 7,199,220	\$ 7,699,149	\$ 7,663,117	\$ (36,032)
Total revenues	7,199,220	7,699,149	7,663,117	(36,032)
Expenditures				
Debt service				
Principal	5,400,000	5,400,000	5,400,000	-
Interest and other	1,700,246	1,700,246	1,113,859	586,387
Bond issuance costs	-	190,765	187,152	3,613
Operating reserves	7,403,806	7,819,476	-	7,819,476
Total expenditures	14,504,052	15,110,487	6,701,011	8,409,476
Other financing sources (uses)				
Proceeds from bond issuance	-	26,305,000	26,305,000	-
Bond premium	-	1,839,707	1,839,707	-
Payments to bond escrow agent	-	(27,953,942)	(27,953,942)	-
Total other financing sources (uses)	-	190,765	190,765	-
Net change in fund balance	(7,304,832)	(7,220,573)	1,152,871	8,373,444
Fund balance at beginning of year	7,304,832	7,220,573	7,220,573	-
Fund balance at end of year	\$ -	\$ -	\$ 8,373,444	\$ 8,373,444

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Designated Purpose Grants Fund	Capital Projects Fund	School Development Fund	Food Service Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 521,417	\$ 402,016	\$ 923,433
Restricted cash and cash equivalents	-	433,257	-	-	433,257
Inventories	-	-	-	59,020	59,020
Due from other governments	309,809	-	-	1,250	311,059
Due from other funds	35,829	-	-	-	35,829
Total assets	\$ 345,638	\$ 433,257	\$ 521,417	\$ 462,286	\$ 1,762,598
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 268	\$ 7,495	\$ -	\$ 300	\$ 8,063
Intergovernmental accounts payable	-	19,942	-	-	19,942
Accrued salaries and benefits	215,862	-	-	80,066	295,928
Total liabilities	216,130	27,437	-	80,366	323,933
Deferred inflows of resources					
Unearned revenue	129,508	-	-	40,452	169,960
Total deferred inflows of resources	129,508	-	-	40,452	169,960
Fund balances					
Nonspendable	-	-	-	59,020	59,020
Restricted	-	-	521,417	-	521,417
Committed	-	405,820	-	-	405,820
Assigned	-	-	-	282,448	282,448
Total fund balances	-	405,820	521,417	341,468	1,268,705
Total liabilities, deferred inflows of resources and fund balances	\$ 345,638	\$ 433,257	\$ 521,417	\$ 462,286	\$ 1,762,598

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015

	Designated Purpose Grants Fund	Capital Projects Fund	School Development Fund	Food Service Fund	Total Nonmajor Governmental Funds
Revenues					
Federal	\$ 1,044,018	\$ -	\$ -	\$ 532,487	\$ 1,576,505
State	85,694	-	-	20,731	106,425
Grants and contributions	7,715	-	-	-	7,715
Charges for services	-	-	-	785,531	785,531
Earnings on investments	-	46	538	113	697
Other	-	-	168,607	-	168,607
Total revenues	1,137,427	46	169,145	1,338,862	2,645,480
Expenditures					
Current					
Instruction	803,824	4,650	-	-	808,474
Supporting services					
Pupil and instructional	315,837	-	-	-	315,837
Maintenance and operations	3,115	85,920	-	-	89,035
Central supporting services	-	336,451	-	-	336,451
Community services and other	14,651	-	-	-	14,651
Food service operations	-	-	-	1,342,657	1,342,657
Capital outlay	-	163,964	-	-	163,964
Total expenditures	1,137,427	590,985	-	1,342,657	3,071,069
Excess (deficiency) of revenues over expenditures	-	(590,939)	169,145	(3,795)	(425,589)
Other financing sources					
Transfers in	-	662,042	-	-	662,042
Net change in fund balances	-	71,103	169,145	(3,795)	236,453
Fund balances at beginning of year	-	334,717	352,272	-	686,989
Prior period adjustment (Note 3)	-	-	-	345,263	345,263
Fund balances at end of year	\$ -	\$ 405,820	\$ 521,417	\$ 341,468	\$ 1,268,705

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Budgetary Comparison Schedule
Governmental Designated Purpose Grants Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal	\$ 1,075,805	\$ 1,083,185	\$ 1,044,018	\$ (39,167)
State	26,000	185,160	85,694	(99,466)
Grants and contributions	15,000	23,115	7,715	(15,400)
Total revenues	1,116,805	1,291,460	1,137,427	(154,033)
Expenditures				
Current				
Instruction	801,829	971,546	803,824	167,722
Supporting services				
Pupil and instructional	300,003	301,826	315,837	(14,011)
Maintenance and operations	-	-	3,115	(3,115)
Central and other support services	14,973	18,088	14,651	3,437
Total expenditures	1,116,805	1,291,460	1,137,427	154,033
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Budgetary Comparison Schedule
Capital Projects Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Earnings on investments	\$ 100	\$ 75	\$ 46	\$ (29)
Total revenues	100	75	46	(29)
Expenditures				
Current				
Instruction	9,500	9,500	4,650	4,850
Maintenance and operations	68,400	68,400	85,920	(17,520)
Central supporting services	368,394	402,349	336,451	65,898
Capital outlay	224,000	224,000	163,964	60,036
Reserves/contingencies	250,873	292,585	-	292,585
Total expenditures	921,167	996,834	590,985	405,849
Deficiency of revenues over expenditures	(921,067)	(996,759)	(590,939)	405,820
Other financing sources				
Transfers in	620,294	662,042	662,042	-
Total other financing sources	620,294	662,042	662,042	-
Net change in fund balance	(300,773)	(334,717)	71,103	405,820
Fund balance at beginning of year	300,773	334,717	334,717	-
Fund balance at end of year	\$ -	\$ -	\$ 405,820	\$ 405,820

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Budgetary Comparison Schedule
School Development Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Cash in lieu of land dedication	\$ 100,000	\$ 100,000	\$ 168,607	\$ 68,607
Earnings on investments	400	400	538	138
Total revenues	100,400	100,400	169,145	68,745
Expenditures				
Operating reserves	411,718	452,672	-	452,672
Total expenditures	411,718	452,672	-	452,672
Net change in fund balance	(311,318)	(352,272)	169,145	521,417
Fund balance at beginning of year	311,318	352,272	352,272	-
Fund balance at end of year	\$ -	\$ -	\$ 521,417	\$ 521,417

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Budgetary Comparison Schedule
Food Service Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Food sales	\$ 792,093	\$ 792,093	\$ 785,531	\$ (6,562)
USDA reimbursements	408,931	408,931	408,040	(891)
Donated commodities	93,000	93,000	124,447	31,447
Earnings on investments	-	-	113	113
State reimbursement	21,976	21,976	20,731	(1,245)
Total revenues	1,316,000	1,316,000	1,338,862	22,862
Expenditures				
Salaries and benefits	694,641	694,641	678,882	15,759
Supplies and materials	487,500	503,459	518,947	(15,488)
USDA commodities	93,000	93,000	124,447	(31,447)
Other	40,859	24,900	20,381	4,519
Operating reserves	576,905	345,263	-	345,263
Total expenses	1,892,905	1,661,263	1,342,657	318,606
Net change in fund balance	\$ (576,905)	\$ (345,263)	(3,795)	\$ 341,468
Fund balance at beginning of year			-	
Prior period adjustment (Note 3)			<u>345,263</u>	
Fund balance at end of year			<u>\$ 341,468</u>	

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Combining Statement of Changes in Assets and Liabilities
Student Activity Fund
June 30, 2015

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
High school student activity fund				
Assets				
Cash	\$ 236,745	\$ 667,910	\$ 590,377	\$ 314,278
Accounts receivable	4,705	-	4,705	-
Total assets	\$ 241,450	\$ 667,910	\$ 595,082	\$ 314,278
Liabilities				
Due to student groups	\$ 241,450	\$ 667,910	\$ 595,082	\$ 314,278
Middle schools student activity funds				
Assets				
Cash	\$ 121,345	\$ 248,677	\$ 237,422	\$ 132,600
Total assets	\$ 121,345	\$ 248,677	\$ 237,422	\$ 132,600
Liabilities				
Due to student groups	\$ 121,345	\$ 248,677	\$ 237,422	\$ 132,600
Elementary schools student activity funds				
Assets				
Cash	\$ 131,163	\$ 186,019	\$ 190,146	\$ 127,036
Total assets	\$ 131,163	\$ 186,019	\$ 190,146	\$ 127,036
Liabilities				
Due to student groups	\$ 131,163	\$ 186,019	\$ 190,146	\$ 127,036
Total of all agency funds	\$ 493,958	\$ 1,102,606	\$ 1,022,650	\$ 573,914

See accompanying Independent Auditor's Report.

Weld County School District RE-4
Budgetary Comparison Schedule
Scholarship Trust Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Additions				
Contributions	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Earnings on investments	4,560	4,560	3,647	(913)
Total additions	6,060	6,060	3,647	(2,413)
Deductions				
Scholarships and awards	13,500	13,500	8,500	5,000
Reserves	416,052	414,609	-	414,609
Total deductions	429,552	428,109	8,500	419,609
Change in net position	(423,492)	(422,049)	(4,853)	417,196
Net position at beginning of year	423,492	422,049	422,049	-
Net position at end of year	\$ -	\$ -	\$ 417,196	\$ 417,196

See accompanying Independent Auditor's Report.



Colorado Department of Education
Auditors Integrity Report
 District: 3100 - WINDSOR RE-4
 Fiscal Year 2014-15
 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	5,021,519		34,043,211	33,549,227		5,515,504
18 Risk Mgmt Sub-Fund of General Fund	340,100		729,112	675,504		393,708
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	5,361,619		34,772,324	34,224,731		5,909,211
11 Charter School Fund	810,141		3,788,945	3,343,043		1,256,043
20.26-29 Special Revenue Fund	352,272		169,145	0		521,417
21 Food Service Spec Revenue Fund	345,263		1,338,861	1,342,657		341,468
22 Govt Designated-Purpose Grants Fund	0		1,152,753	1,152,753		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	7,220,574		35,807,824	34,654,953		8,373,444
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	360,558		682,087	616,883		425,762
Totals	14,450,427		77,711,999	75,335,021		16,827,346
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	189,037		-21,391	-6,805		174,451
Totals	189,037		-21,391	-6,805		174,451
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	422,048		3,647	8,500		417,196
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	508,627		1,179,630	1,089,373		596,883
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	930,675		1,183,277	1,097,873		1,016,079

DRAFT

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



Colorado Department of Education

Bolded Balance Sheet Report

District: 3100 - WINDSOR RE-4

Fiscal Year 2014-15

Colorado School District/BOCES

ASSETS	Governmental							Proprietary				Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85		
Cash and Investments (8100-8104,8111)	11,968,308	1,384,165	0	402,016	521,417	0	433,257	0	0	0	1,016,079	0	15,725,241	
Cash with Fiscal Agent (8105)	51,462	0	0	0	0	8,323,533	0	0	745,271	0	0	0	9,120,267	
Taxes Receivable (8121,8122)	215,871	0	0	0	0	97,764	0	0	0	0	0	0	313,635	
Interfund Loans Receivable (8131,8132)	0	0	0	0	35,829	0	0	0	0	0	0	0	35,829	
Intergovernmental Accounts Rec (8141)	51,030	139,111	0	0	0	0	19,942	0	0	0	0	0	210,083	
Grants Accounts Receivable (8142)	0	0	0	0	309,809	0	0	0	0	0	0	0	309,809	
Other Receivables (8151-8154,8161)	3,806	7,130	0	1,250	0	0	0	0	0	0	0	0	12,186	
Inventories (8171,8172,8173)	0	0	0	59,020	0	0	0	0	0	0	0	0	59,020	
Prepaid Expenses 8181,8182)	0	140,471	0	0	0	0	0	0	0	0	0	0	140,471	
Sites (8211)	0	0	0	0	0	0	0	0	197,451	0	0	0	197,451	
Buildings (8231-8234)	0	0	0	0	0	0	0	0	5,384,791	0	0	0	5,384,791	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	12,290,477	1,670,878	0	462,286	867,055	8,421,297	453,198	0	6,327,513	1,016,079	0	0	31,508,783	

	Governmental						Proprietary				Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	35,829	0	0	0	0	0	0	0	0	0	0	0	35,829
Intergovernmental Payables (7411)	190,141	0	0	0	0	0	19,942	0	0	0	0	0	210,083
Other Payables (7421-7423)	185,188	4,385	0	300	269	0	7,495	0	0	0	0	0	197,636
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	6,153,062	0	0	0	6,153,062
Accrued Expenses (7461)	5,965,478	408,530	0	80,066	215,862	0	0	0	0	0	0	0	6,669,936
Deferred Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	47,853	0	0	0	0	0	0	47,853
Deferred Inflow (7800)	4,629	1,920	0	40,452	0	0	0	0	0	0	0	0	47,001
Deferred Inflow Grants (7801)	0	0	0	0	129,508	0	0	0	0	0	0	0	129,508
Total Liabilities	6,381,266	414,835	0	120,818	345,638	47,853	27,436	0	6,153,062	0	0	0	13,490,908

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	140,471	0	59,020	0	0	0	0	0	0	0	0	199,491
Restricted Fund Balance 6720	222,056	0	0	0	521,417	8,373,444	0	0	0	0	0	0	9,116,917
TABOR 3% Emergency Reserve 6721	1,104,696	102,015	0	0	0	0	0	0	0	0	0	0	1,206,711
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	393,708	0	0	0	0	0	425,762	0	0	0	0	0	819,470
Assigned Fund Balance 6760	0	0	0	282,448	0	0	0	0	0	0	1,016,079	0	1,298,526
Unassigned Fund Balance 6770	4,188,752	1,013,557	0	0	0	0	0	0	0	91,369	0	0	5,293,678
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	-512,758	0	0	-512,758
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	595,840	0	0	595,840
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	5,909,211	1,256,043	0	341,468	521,417	8,373,444	425,762	0	0	174,451	1,016,079	0	18,017,876

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	12,290,477	1,670,878	0	462,286	867,055	8,421,297	453,198	0	0	6,327,513	1,016,079	0	31,508,783

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Foundations Agency Funds 70-79	Foundations Fund 85
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Independent Auditor's 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 RE-4
Windsor, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Weld County School District RE-4 (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 the District'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.

Anton Collins Mitchell LLP

Greeley, Colorado
November 16, 2015



Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Board of Education
Weld County School District RE-4
Windsor, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Weld County School District RE-4 (the "District") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the District'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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2015.

Report on Internal Control Over Compliance

Management of the District 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 OMB Circular A-133, 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 the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Anton Collins Mitchell LLP

Greeley, Colorado
November 16, 2015

Weld County School District RE-4
Schedule of Findings and Questioned Costs
June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA/Contract Number</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program for Children (NSLP)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Weld County School District RE-4
Schedule of Findings and Questioned Costs
June 30, 2015

Section II - Financial Statement Findings

No findings were identified for financial statements.

Section III - Federal Award Findings and Questioned Costs

No findings were identified for federal awards.

Weld County School District RE-4
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2014 - 2015 Expenditures
U.S. Department of Agriculture			
Passed through Colorado Department of Education:			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	4553	\$ 34,780
National School Lunch Program	10.555	4555	373,260
Passed through Colorado Department of Human Services:			
Food Commodities	10.555	4555	124,447
Child Nutrition Cluster subtotal			532,487
Total U.S. Department of Agriculture			532,487
U.S. Department of Education			
Passed through Colorado Department of Education:			
<i>Title I, Part A Cluster</i>			
Title I Grants to Local Educational Agencies	84.010	4010	240,095
Title I, Part A Cluster subtotal			240,095
<i>Special Education Cluster (IDEA):</i>			
Special Education - Grants to States	84.027	4027	574,932
Special Education - Preschool Grants	84.173	4173	19,724
Special Education Cluster Subtotal			594,656
<i>Other Programs:</i>			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	4126	121,753
English Language Acquisition State Grants	84.365	4365	3,492
Improving Teacher Quality State Grants	84.367	4367	63,397
Career and Technical Education - Basic Grants to States	84.048	4048	24,318
RTTT Early Childhood Assessment	84.412	4142	307
Total U.S. Department of Education			1,048,018
Total Expenditures of Federal Awards			\$ 1,580,505

See accompanying notes to Schedule of Expenditures of Federal Awards.

Weld County School District RE-4
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in the financial statements.

2. Summary of Significant Accounting Policies

The schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources.

3. Food Distribution

Commodities donated to the District by the U.S. Department of Agriculture ("USDA") are valued based on the USDA's Donated Commodity Price List and by values provided by the USDA. The commodities are recognized as revenue and expenditures when the commodities are used. As of June 30, 2015, the District has received food commodities totaling \$124,447.