



## Weld County School District RE-4

Financial Statements  
and Supplementary Information  
For the Year Ended June 30, 2014



# 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 business-type 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 and for the year ended June 30, 2014, 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 business-type 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 20, and the budgetary comparison information on page 51 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 52 through 65 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 18, 2014, 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 18, 2014

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

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, 2014. 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**

- The District's financial status improved over the course of the 2014 fiscal year. Total net position increased 6.8 percent, with net position related to governmental activities increasing 7.0 percent and net position related to business-type activities (nutrition services) decreasing 4.5 percent. Of this amount, approximately \$4.6 million is unrestricted and may be used to meet the District's ongoing responsibility for its educational programs for students.
- General revenues account for approximately \$39.7 million or 90.1 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions accounted for \$4.4 million or 9.9 percent of total revenues of \$44.1 million.
- Overall, the net position of business-type activities decreased approximately \$27,000 due to increased repair and maintenance costs as well as equipment purchased related to the implementation of a new software program. Revenues from charges for services and operating grants and contributions were slightly short by 2 percent of covering expenses in the 2014 fiscal year.
- The District had \$39.8 million in expenses related to governmental activities; only \$3.1 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 \$39.7 million were adequate to provide for these programs.
- Among major funds, the general fund had \$34.5 million in revenues and other financing sources and \$34.6 million in expenditures and other financing uses. The general fund's fund balance decreased slightly to \$5.3 million from \$5.4 million.

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

- Enrollment of the District increased 2.0% percent to a full-time equivalent (FTE) of 4,539 students, which represents an increase of 88.0 FTE.
- Outlays for capital assets were primarily comprised of equipment and vehicles, which came from the General Fund, Building 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 \$5.4 million or 10.9 percent for the annual debt service requirements on outstanding bonds and lease purchase agreements.

## **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 the activities the District operates like a business, such as nutritional services.
- 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

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Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

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.

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

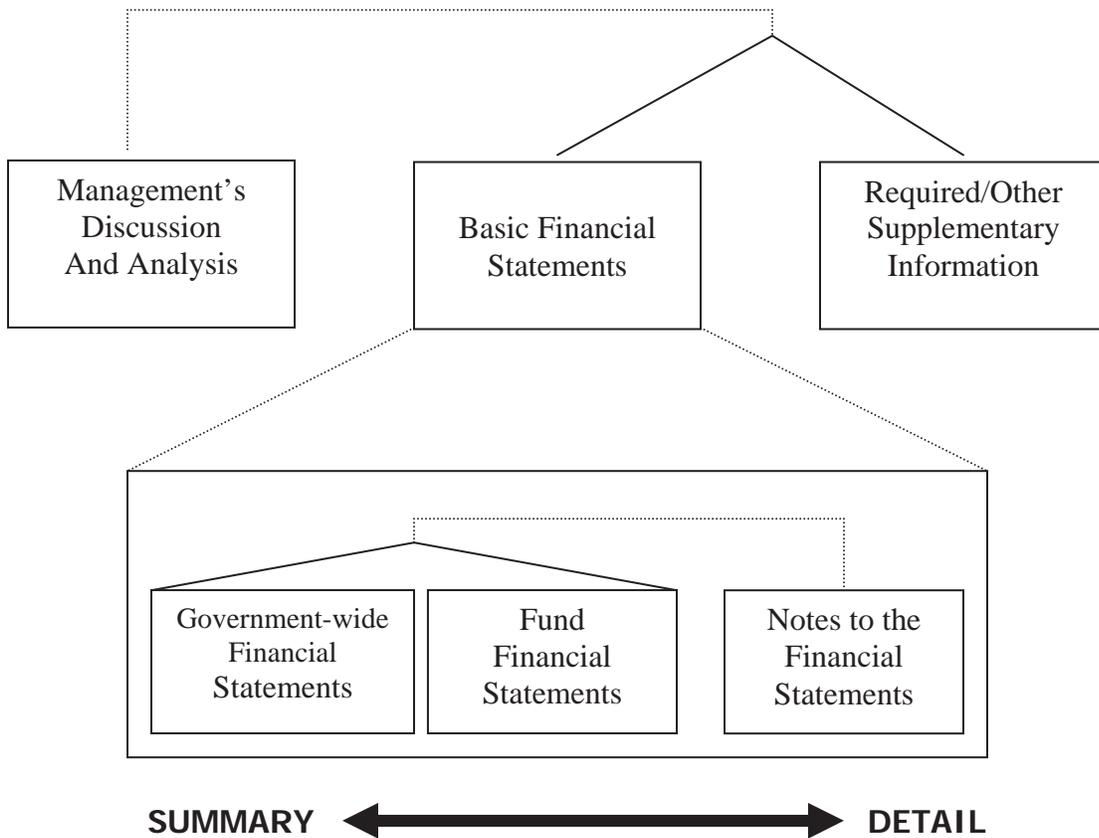


Table 2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and

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Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

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.

**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: nutritional services	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

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***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.

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*). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, maintenance and operations, and administration. The only services accounted for as business-type activities are the District's nutritional services.

The basic government-wide financial statements can be found on pages 21-23 of this report.

***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

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Management's Discussion and Analysis  
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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, building fund, capital projects fund, and school development 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 24-27 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. The District's enterprise funds (one-type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flows.

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The District currently has one enterprise fund which accounts for nutrition services activities. The proprietary fund financial statements provide separate information for the enterprise fund, which is considered by the District to be a major fund.

The basic proprietary fund statements can be found on pages 28-30 of this report.

- *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 31-32 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 33-50 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, proprietary funds, and fiduciary funds. 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.

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

## **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 *combined* net position was larger on June 30, 2014, than the year before, increasing 6.8 percent (\$3.0 million) to \$47.4 million. This increase in the District's financial position came from its governmental activities, the net position of which grew 7.0 percent (\$3 million) to \$46.8 million. The net position of the District's business-type activities (nutrition services) decreased \$27,000, which represents a decrease of 4.5 percent. This decrease was due to increased repair and maintenance costs as well as the implementation of a new software system and related equipment costs.

A portion of the net position is either restricted as to the purpose it can be used for or is invested in capital assets. The largest portion of the District's net position reflects its \$34.1 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. Unrestricted net position decreased by \$146,000 or 3.1 percent due to the purposeful use of reserve funds for technology needs. Unrestricted net position may be used to fund one-time projects in the next fiscal year. However, this does not mean that the District has significant surplus resources available. Restricted net position increased slightly by \$43,000 or .5 percent. Total net position has continued to increase as has been seen over the past few years as a result of new facilities and growth in the District. Table 3 provides a summary of the District's net position at June 30, 2014 and 2013.

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

**Table 3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
<b>Assets</b>							
Current Assets	\$ 20,321,199	\$ 20,155,253	\$ 469,302	\$ 489,999	\$ 20,790,501	\$ 20,645,252	0.7%
Capital Assets, Net	78,546,352	80,923,103	238,947	249,701	78,785,299	81,172,804	-2.9%
<b>Total Assets</b>	<b>98,867,551</b>	<b>101,078,356</b>	<b>708,249</b>	<b>739,700</b>	<b>99,575,800</b>	<b>101,818,056</b>	<b>-2.2%</b>
<b>Deferred Outflows</b>							
Deferred Loss on Refunding	155,914	289,515	-	-	155,914	289,515	-46.1%
<b>Liabilities</b>							
Current Liabilities	7,230,986	6,989,258	124,039	128,189	7,355,025	7,117,447	3.3%
Long-term Liabilities	44,950,729	50,624,470	-	-	44,950,729	50,624,470	-11.2%
<b>Total Liabilities</b>	<b>52,181,715</b>	<b>57,613,728</b>	<b>124,039</b>	<b>128,189</b>	<b>52,305,754</b>	<b>57,741,917</b>	<b>-9.4%</b>
<b>Deferred Inflows</b>							
Unearned Revenues	44,431	3,028	-	-	44,431	3,028	1367.3%
<b>Net Position</b>							
Net Investment in							
Capital Assets	33,910,065	30,777,716	238,947	249,701	34,149,012	31,027,417	10.1%
Restricted	8,639,860	8,596,731	-	-	8,639,860	8,596,731	0.5%
Unrestricted	4,247,394	4,376,668	345,263	361,810	4,592,657	4,738,478	-3.1%
<b>Total Net Position</b>	<b>\$ 46,797,319</b>	<b>\$ 43,751,115</b>	<b>\$ 584,210</b>	<b>\$ 611,511</b>	<b>\$ 47,381,529</b>	<b>\$ 44,362,626</b>	<b>6.8%</b>

At the end of the 2014 fiscal year, the District's net position reflects positive balances in all three categories, the District as a whole as well as its separate governmental and business-type activities. 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, 2014**

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

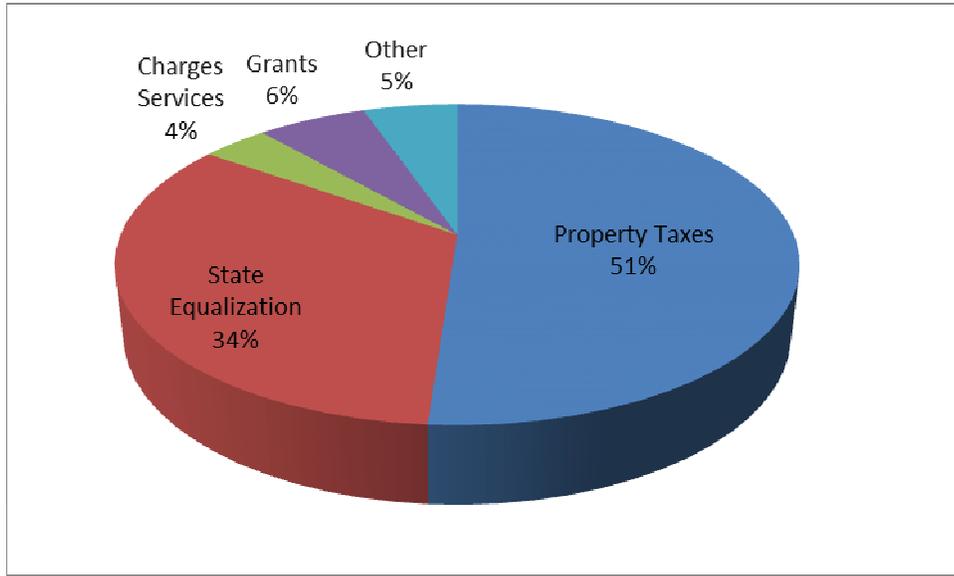
	Governmental		Business-Type		Total		Percentage Change 2013-2014
	Activities		Activities		School District		
	2014	2013	2014	2013	2014	2013	
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 935,267	\$ 993,210	\$ 726,084	\$ 721,421	\$ 1,661,351	\$ 1,714,631	-3.1%
Operating Grants & Contributions	2,199,941	2,211,970	523,735	509,628	2,723,676	2,721,598	0.1%
General Revenues							
Property Taxes	22,570,130	23,548,228	-	-	22,570,130	23,548,228	-4.2%
State Equalization	14,838,433	13,578,934	-	-	14,838,433	13,578,934	9.3%
Other	2,338,082	2,015,221	4,317	3,152	2,342,399	2,018,373	16.1%
<b>Total Revenues</b>	<b>42,881,853</b>	<b>42,347,563</b>	<b>1,254,136</b>	<b>1,234,201</b>	<b>44,135,989</b>	<b>43,581,764</b>	<b>1.3%</b>
<b>Expenses</b>							
Instruction	19,421,181	18,741,852	-	-	19,421,181	18,741,852	3.6%
Support Services:							
Pupil/Instructional	3,461,134	3,413,825	-	-	3,461,134	3,413,825	1.4%
General Administration	556,540	520,116	-	-	556,540	520,116	7.0%
School Administration	2,309,456	2,252,548	-	-	2,309,456	2,252,548	2.5%
Business Services	496,075	430,399	-	-	496,075	430,399	15.3%
Maintenance/Operations	4,042,043	3,824,550	-	-	4,042,043	3,824,550	5.7%
Pupil Transportation	1,081,273	1,078,426	-	-	1,081,273	1,078,426	0.3%
Central Support Services	1,816,191	1,417,208	-	-	1,816,191	1,417,208	28.2%
Other Facility Services	2,122,518	2,138,056	-	-	2,122,518	2,138,056	-0.7%
Other	126,326	117,247	-	-	126,326	117,247	7.7%
Food Service Operations	-	-	1,281,437	1,229,344	1,281,437	1,229,344	4.2%
Charter School Funding	2,632,871	2,673,189	-	-	2,632,871	2,673,189	-1.5%
Interest on Long Term Debt	1,770,041	1,939,041	-	-	1,770,041	1,939,041	-8.7%
<b>Total Expenses</b>	<b>39,835,649</b>	<b>38,546,457</b>	<b>1,281,437</b>	<b>1,229,344</b>	<b>41,117,086</b>	<b>39,775,801</b>	<b>3.4%</b>
<b>Increase in Net Position</b>	<b>\$ 3,046,204</b>	<b>\$ 3,801,106</b>	<b>\$ (27,301)</b>	<b>\$ 4,857</b>	<b>\$ 3,018,903</b>	<b>\$ 3,805,963</b>	<b>-20.7%</b>

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 51 cents and 34 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.

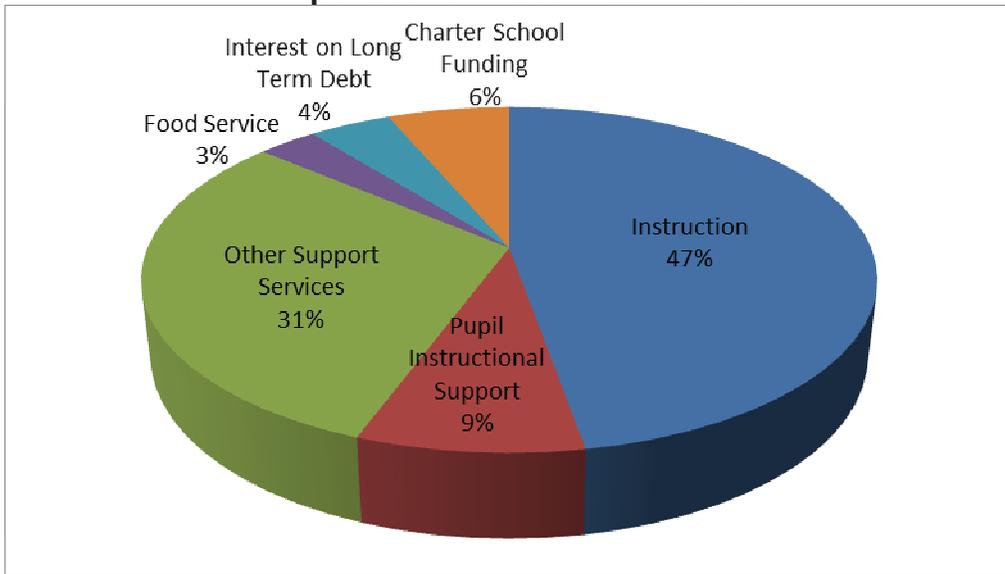
The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, transportation and others. Given that the District is a service organization providing education services to students,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

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

**Table 5  
Sources of Revenues for Fiscal Year 2014**



**Table 6  
Expenses for Fiscal Year 2014**



**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

***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 \$6,311 per funded student, representing a 2.7 percent funding increase from the previous year. For fiscal year 2014, 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 45 percent of this funding from property taxes, 51.5 percent from state equalization, and the remaining 3.5 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 \$3.0 million in the 2014 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 \$183,000 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 \$2.4 million for the year ended June 30, 2014.

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, 2014**

**Table 7  
Net Cost of Governmental Activities**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2014	2013	2013-2014	2014	2013	2013-2014
Instruction	\$ 19,421,181	\$ 18,741,852	3.6%	\$ 17,107,394	\$ 16,480,968	3.8%
Pupil/Instructional Support	3,461,134	3,413,825	1.4%	3,109,361	2,974,702	4.5%
General Administration	556,540	520,116	7.0%	556,540	520,116	7.0%
School Administration	2,309,456	2,252,548	2.5%	2,295,629	2,239,278	2.5%
Business Services	496,075	430,399	15.3%	467,860	402,710	16.2%
Maintenance/Operations	4,042,043	3,824,550	5.7%	3,877,818	3,627,233	6.9%
Pupil Transportation	1,081,273	1,078,426	0.3%	869,335	862,181	0.8%
Central Supporting Services	1,816,191	1,417,208	28.2%	1,764,748	1,366,556	29.1%
Other Facility Support	2,122,518	2,138,056	-0.7%	2,122,518	2,138,056	-0.7%
Charter School Funding	2,632,871	2,673,189	-1.5%	2,632,871	2,673,189	-1.5%
Interest on Long Term Debt	1,770,041	1,939,041	-8.7%	1,770,041	1,939,041	-8.7%
Other	126,326	117,247	7.7%	126,326	117,247	7.7%
<b>Total</b>	<b>\$ 39,835,649</b>	<b>\$ 38,546,457</b>	<b>3.3%</b>	<b>\$ 36,700,441</b>	<b>\$ 35,341,277</b>	<b>3.8%</b>

- The cost of all governmental activities this year was \$39.8 million.
- Some of the cost was financed by the users of the District's programs (\$935,000). Revenues in this category include items such as 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 (\$2.2 million).
- Most of the District's costs (\$36.7 million), however, were financed by District and state taxpayers.
- This portion of governmental activities was financed with \$14.8 million in state equalization from the School Finance Act, \$22.6 million in property tax, \$1.8 million in specific ownership taxes, and \$486,000 in investment earnings and other miscellaneous revenue.
- Business services saw an increase in costs due to the implementation of an electronic records management system.

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

- Central supporting services showed an increase in 2014 due to the allocation of annual recurring funding as well as one-time reserve funds for technology needs that include fiber upgrades, wireless upgrades and additional devices.
- Interest expense is decreasing as annual payments lower the principal amount of debt outstanding.

***Business-Type Activities***

Expenses of the District's business-type activities, related to the nutrition services program, were in excess of revenues by \$27,000. During the 2014 year, a new software program was implemented with related equipment costs. The program also had an increase in repairs and maintenance costs. Business-type activities received no support from tax revenues during the 2014 fiscal year.

**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 decreased \$133,000 from \$13.3 million in 2013 to \$13.2 million in 2014. The largest portion of the decrease was in the general fund and is detailed below. The building fund and capital projects fund also both saw decreases due to the use of funds for capital projects.

The general fund is the chief operating fund of the District. Unassigned fund balance represents 11.5 percent of general fund revenues, while total fund balance represents 15.3%. The District strives to maintain a 5% to 10% total reserve level and has met this goal. The total fund balance decreased \$111,000 to \$5.3 million due to the purposeful use of reserves for technology needs, as mentioned above. Additionally, the fund balance 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, 2014**

***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 would exceed revenues by approximately \$1.5 million (not including appropriated fund balance) due to the expending of one-time sources for certain projects. The actual results for the year showed expenditures in excess of revenues of approximately \$111,000.

- Actual total revenues were \$288,000 higher than anticipated. Other sources exceeded the budget due to the collection of royalties from oil and gas leases as well as donations received from the Weld RE-4 Educational Foundation.
- Actual expenditures were \$5.0 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 discretionary 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 as well as utility costs. The funds remaining for central supporting services represent the funds allocated but unspent for technology projects noted above, and will be budgeted for this purpose in the 2015 year.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2014, the District's TABOR reserve amounted to \$979,048.

**Capital Assets and Debt Administration**

***Capital Assets***

By the end of fiscal year 2014, the District had invested \$78.8 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 \$2.4 million or 2.9 percent from last year. The majority of this decrease is from the depreciation expense for the 2014 year. Total

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

depreciation expense related to governmental activities was \$2.6 million for the year while additions amounted to approximately \$183,000. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

**Table 8  
Capital Assets (Net of Depreciation)**

	Governmental		Business-Type		Total		Percentage Change
	Activities		Activities		School District		
	2014	2013	2014	2013	2014	2013	
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	1,274,222	1,468,936	-	-	1,274,222	1,468,936	-13.26%
Buildings	66,370,584	68,267,729	-	-	66,370,584	68,267,729	-2.78%
Equipment	2,537,473	2,792,408	238,947	249,701	2,776,420	3,042,109	-8.73%
Transportation	417,876	447,833	-	-	417,876	447,833	-6.69%
Totals	<u>\$ 78,546,352</u>	<u>\$ 80,923,103</u>	<u>\$ 238,947</u>	<u>\$ 249,701</u>	<u>\$ 78,785,299</u>	<u>\$ 81,172,804</u>	-2.94%

***Long-Term Debt***

At year-end, the District had a total of \$43.7 million outstanding in long-term debt. This included \$41.9 million in general obligation bonds and \$1.8 million in lease purchase agreements. The outstanding bonds saw a decrease of 11.1% 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 4.6% 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 6 to the financial statements.

**Table 9  
Outstanding Long-Term Debt**

	Total		Percentage Change
	School District		
	2014	2013	
Governmental Activities:			
Bonds Payable	\$ 41,935,000	\$ 47,195,000	-11.1%
Lease Purchase Agreements	\$ 1,788,250	\$ 1,875,137	-4.6%
Total	<u>\$ 43,723,250</u>	<u>\$ 49,070,137</u>	-10.9%

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

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.

## **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 2014 show District enrollment will continue to increase by an estimated 280 (FTE) students, which represents a 6.2 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 needs in the district. While the overall scope of the projects is currently being determined, additional capacity at the high school level is projected.
- Effective the 2015 audit the District will implement the Governmental Accounting Standards Board (GASB) Statement No. 68 – Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, which requires the reporting of the proportionate share of the net pension liability related to Colorado PERA (Public Employee Retirement Association). The liability will only be presented on the Government-wide financial statements and will not impact the fund financial statements that are utilized for operational purposes.
- 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. In addition to these one-time funds, annual funding is being added from revenues from student growth.

**Weld County School District RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2014**

- Preliminary assessed value figures for property tax year 2015 reflect an 8.7% increase to \$522.3 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. We monitor the current economic conditions for the potential impact on District revenues.

### **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

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**Weld County School District RE-4**  
**Statement of Net Position**  
**June 30, 2014**

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 12,028,392	\$ 387,842	\$ 12,416,234	\$ 42,995
Restricted cash and cash equivalents	7,403,832	-	7,403,832	766,278
Receivables	545,494	35,097	580,591	1,456
Due from other governments	343,481	-	343,481	1,242,099
Inventory	-	46,363	46,363	-
Capital assets, not being depreciated	7,946,197	-	7,946,197	197,450
Capital assets, being depreciated, net	70,600,155	238,947	70,839,102	5,553,623
<b>Total assets</b>	<b>98,867,551</b>	<b>708,249</b>	<b>99,575,800</b>	<b>7,803,901</b>
<b>Deferred outflow of resources</b>				
Deferred loss on refundings	155,914	-	155,914	-
<b>Total deferred inflows of resources</b>	<b>155,914</b>	<b>-</b>	<b>155,914</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	172,577	511	173,088	11,162
Accrued salaries and benefits	5,667,045	74,890	5,741,935	362,696
Accrued interest payable	149,265	-	149,265	59,348
Due to discretely presented component unit	1,242,099	-	1,242,099	-
Unearned revenue	-	48,638	48,638	-
Noncurrent liabilities:				
Accrued compensated absences	158,528	-	158,528	2,183
Due within one year	5,494,100	-	5,494,100	135,000
Due in more than one year	39,298,101	-	39,298,101	6,095,000
<b>Total liabilities</b>	<b>52,181,715</b>	<b>124,039</b>	<b>52,305,754</b>	<b>6,665,389</b>
<b>Deferred inflows of resources</b>				
Unearned grant revenues	40,828	-	40,828	2,575
Unearned revenues	3,603	-	3,603	-
<b>Total deferred inflows of resources</b>	<b>44,431</b>	<b>-</b>	<b>44,431</b>	<b>2,575</b>
<b>Net position</b>				
Net investment in capital assets	33,910,065	238,947	34,149,012	(478,927)
Restricted for:				
Emergencies	979,048	-	979,048	78,745
Debt service	7,220,573	-	7,220,573	170,422
Other	440,239	-	440,239	595,856
Unrestricted	4,247,394	345,263	4,592,657	769,841
<b>Total net position</b>	<b>\$ 46,797,319</b>	<b>\$ 584,210</b>	<b>\$ 47,381,529</b>	<b>\$ 1,135,937</b>

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

**Weld County School District RE-4**  
**Statement of Activities**  
**Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
Instruction	\$ 19,421,181	\$ 693,269	\$ 1,620,518	\$ -
Supporting services				
Pupil and instructional	3,461,134	-	351,773	-
General administration	556,540	-	-	-
School administration	2,309,456	-	13,827	-
Business services	496,075	28,215	-	-
Maintenance and operations	4,042,043	162,340	1,885	-
Pupil transportation	1,081,273	-	211,938	-
Central supporting services	1,816,191	51,443	-	-
Other facilities services	2,122,518	-	-	-
Community services and other	126,326	-	-	-
Charter school funding	2,632,871	-	-	-
Interest on long-term debt	1,770,041	-	-	-
<b>Total governmental activities</b>	<b>39,835,649</b>	<b>935,267</b>	<b>2,199,941</b>	<b>-</b>
<b>Business-type activities</b>				
Food services	1,281,437	726,084	523,735	-
<b>Total business-type activities</b>	<b>1,281,437</b>	<b>726,084</b>	<b>523,735</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 41,117,086</b>	<b>\$ 1,661,351</b>	<b>\$ 2,723,676</b>	<b>\$ -</b>
<b>Component unit</b>				
Instruction	\$ 1,532,418	\$ 38,805	\$ 107,954	\$ -
Support services	913,909	9,223	3,500	38,236
Interest on long-term debt	361,282	-	-	-
<b>Total component unit</b>	<b>\$ 2,807,609</b>	<b>\$ 48,028</b>	<b>\$ 111,454</b>	<b>\$ 38,236</b>
<b>General revenues</b>				
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				
<b>Total general revenues</b>				
<b>Change in net position</b>				
<b>Net position at beginning of year</b>				
<b>Net position at end of year</b>				

Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (17,107,394)	\$ -	\$ (17,107,394)	\$ -
(3,109,361)	-	(3,109,361)	-
(556,540)	-	(556,540)	-
(2,295,629)	-	(2,295,629)	-
(467,860)	-	(467,860)	-
(3,877,818)	-	(3,877,818)	-
(869,335)	-	(869,335)	-
(1,764,748)	-	(1,764,748)	-
(2,122,518)	-	(2,122,518)	-
(126,326)	-	(126,326)	-
(2,632,871)	-	(2,632,871)	-
(1,770,041)	-	(1,770,041)	-
(36,700,441)	-	(36,700,441)	-
-	(31,618)	(31,618)	-
-	(31,618)	(31,618)	-
(36,700,441)	(31,618)	(36,732,059)	-
-	-	-	(1,385,659)
-	-	-	(862,950)
-	-	-	(361,282)
-	-	-	(2,609,891)
15,463,029	-	15,463,029	-
7,107,101	-	7,107,101	-
1,852,513	-	1,852,513	-
14,838,433	-	14,838,433	2,632,871
119,807	-	119,807	-
356,423	4,209	360,632	98,430
9,339	108	9,447	414
39,746,645	4,317	39,750,962	2,731,715
3,046,204	(27,301)	3,018,903	121,824
43,751,115	611,511	44,362,626	1,014,113
\$ 46,797,319	\$ 584,210	\$ 47,381,529	\$ 1,135,937

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

**Weld County School District RE-4**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 11,676,120	\$ -	\$ 352,272	\$ 12,028,392
Restricted cash and cash equivalents	-	7,051,152	352,680	7,403,832
Receivables	376,073	169,421	-	545,494
Due from other governments	-	-	343,481	343,481
Due from other funds	72,370	-	7,878	80,248
<b>Totals assets</b>	<b>\$ 12,124,563</b>	<b>\$ 7,220,573</b>	<b>\$ 1,056,311</b>	<b>\$ 20,401,447</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 171,596	\$ -	\$ 981	\$ 172,577
Intergovernmental accounts payable	1,216,258	-	25,841	1,242,099
Accrued salaries and benefits	5,445,621	-	221,424	5,667,045
Due to other funds	-	-	80,248	80,248
<b>Total liabilities</b>	<b>6,833,475</b>	<b>-</b>	<b>328,494</b>	<b>7,161,969</b>
<b>Deferred inflows of resources</b>				
Unearned grant revenue	-	-	40,828	40,828
Unearned revenue	3,603	-	-	3,603
<b>Total deferred inflows of resources</b>	<b>3,603</b>	<b>-</b>	<b>40,828</b>	<b>44,431</b>
<b>Fund balances</b>				
Restricted	1,067,015	7,220,573	352,272	8,639,860
Committed	265,964	-	334,717	600,681
Unassigned	3,954,506	-	-	3,954,506
<b>Total fund balances</b>	<b>5,287,485</b>	<b>7,220,573</b>	<b>686,989</b>	<b>13,195,047</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,124,563</b>	<b>\$ 7,220,573</b>	<b>\$ 1,056,311</b>	<b>\$ 20,401,447</b>

*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, 2014**

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

Total fund balances - governmental funds	\$ 13,195,047
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported on the fund financial statements.

Capital assets	\$ 106,137,410	
Less: accumulated depreciation	<u>(27,591,058)</u>	78,546,352

The deferred loss on refunding is not a current financial resource, and therefore, not reported as a deferred outflow of resources in governmental funds.	155,914
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Long-term liabilities 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	\$ (41,935,000)	
Plus: bond premium	(1,068,951)	
Capital leases payable	(1,788,250)	
Accrued interest payable	(149,265)	
Compensated absences	(158,528)	(45,099,994)
Total net position of governmental activities		\$ 46,797,319

*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, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local	\$ 17,315,542	\$ 7,107,101	\$ -	\$ 24,422,643
State	15,887,478	-	25,144	15,912,622
Federal	-	-	1,121,867	1,121,867
Grants and contributions	-	-	3,885	3,885
Charges for services	935,267	-	-	935,267
Earnings on investments	8,946	-	393	9,339
Other	356,423	-	119,807	476,230
<b>Total revenues</b>	<b>34,503,656</b>	<b>7,107,101</b>	<b>1,271,096</b>	<b>42,881,853</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	18,630,808	-	793,859	19,424,667
Supporting services				
Pupil and instructional	3,110,303	-	348,773	3,459,076
General administration	556,540	-	-	556,540
School administration	2,301,925	-	-	2,301,925
Business services	482,567	-	-	482,567
Maintenance and operations	3,785,793	-	122,365	3,908,158
Pupil transportation	964,168	-	-	964,168
Central supporting services	1,385,544	-	295,058	1,680,602
Community services and other	112,499	-	13,827	126,326
Charter school funding	2,632,871	-	-	2,632,871
Debt service				
Principal	86,887	5,260,000	-	5,346,887
Interest and other	68,202	1,879,891	-	1,948,093
Capital outlay	81,344	-	101,653	182,997
<b>Total expenditures</b>	<b>34,199,451</b>	<b>7,139,891</b>	<b>1,675,535</b>	<b>43,014,877</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>304,205</b>	<b>(32,790)</b>	<b>(404,439)</b>	<b>(133,024)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	415,668	415,668
Transfers out	(415,668)	-	-	(415,668)
<b>Total other financing sources (uses)</b>	<b>(415,668)</b>	<b>-</b>	<b>415,668</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(111,463)</b>	<b>(32,790)</b>	<b>11,229</b>	<b>(133,024)</b>
<b>Fund balances at beginning of year</b>	<b>5,398,948</b>	<b>7,253,363</b>	<b>675,760</b>	<b>13,328,071</b>
<b>Fund balances at end of year</b>	<b>\$ 5,287,485</b>	<b>\$ 7,220,573</b>	<b>\$ 686,989</b>	<b>\$ 13,195,047</b>

*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, 2014**

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

Total net change in fund balances - governmental funds \$ (133,024)

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	\$ 182,997	
Depreciation expense	<u>(2,559,748)</u>	(2,376,751)

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. (133,601)

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. 295,814

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. 31,040

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. 5,346,887

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. 15,839

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Change in net position of governmental activities \$ 3,046,204

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

**Weld County School District RE-4**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2014**

	Food Service Fund
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 387,842
Receivables	35,097
Inventories	46,363
Total current assets	469,302
Noncurrent assets	
Capital assets, net	238,947
Total noncurrent assets	238,947
Total assets	708,249
<b>Liabilities</b>	
Current liabilities	
Accounts payable	511
Unearned revenue	48,638
Accrued salaries and benefits	74,890
Total liabilities	124,039
<b>Net position</b>	
Net investment in capital assets	238,947
Unrestricted	345,263
Total net position	\$ 584,210

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

**Weld County School District RE-4**  
**Statement of Revenues, Expenses and and Change in Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2014**

	Food Service Fund
<b>Operating revenues</b>	
Food sales	\$ 726,084
<b>Operating expenses</b>	
Salaries and benefits	640,581
Supplies and materials	477,310
USDA commodities	111,363
Depreciation	36,994
Other	15,189
<b>Total operating expenses</b>	<b>1,281,437</b>
<b>Operating loss</b>	<b>(555,353)</b>
<b>Nonoperating revenues</b>	
State reimbursement	18,319
Federal aid	
USDA reimbursements	394,053
Donated commodities	111,363
Earnings on investments	108
Miscellaneous	4,209
<b>Total nonoperating revenues</b>	<b>528,052</b>
<b>Change in net position</b>	<b>(27,301)</b>
<b>Net position at beginning of year</b>	<b>611,511</b>
<b>Net position at end of year</b>	<b>\$ 584,210</b>

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

**Weld County School District RE-4**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2014**

	Food Service Fund
<b>Cash flows from operating activities</b>	
Food sales	\$ 723,728
Cash payments to suppliers	(472,218)
Cash payments to employees	(638,232)
<b>Net cash flows from operating activities</b>	<b>(386,722)</b>
<b>Cash flows from non-capital financing activities</b>	
Federal and state assistance	412,372
Other nonoperating revenues	4,209
<b>Net cash flows from non-capital financing activities</b>	<b>416,581</b>
<b>Cash flows from capital financing activities</b>	
Purchase of equipment	(26,240)
<b>Cash flows from investing activities</b>	
Earnings on investments	108
<b>Net change in cash and cash equivalents</b>	<b>3,727</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>384,115</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 387,842</b>
<b>Reconciliation of operating loss to net cash flows from operating activities</b>	
Operating loss	\$ (555,353)
Adjustments to reconcile operating loss to net cash flows from operating activities:	
Depreciation	36,994
USDA commodities food used	111,363
(Increase) decrease in	
Accounts receivable	4,167
Inventories	20,257
Increase (decrease) in	
Accounts payable	24
Accrued salaries and benefits	2,349
Unearned revenue	(6,523)
<b>Net cash flows from operating activities</b>	<b>\$ (386,722)</b>
<b>Non-cash investing, capital and financing activities</b>	
Federal aid	
Donated USDA commodities	\$ 95,355

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

**Weld County School District RE-4**  
**Statement of Fiduciary Net Position**  
**June 30, 2014**

	Scholarship Fund (Trust Fund)	Student Activity (Agency Fund)
<b>Assets</b>		
Cash and cash equivalents	\$ 67,232	\$ 489,253
Investments	354,817	-
Accounts receivable	-	4,705
<b>Total assets</b>	<b>422,049</b>	<b>493,958</b>
<b>Liabilities</b>		
Due to student groups	-	\$ 493,958
<b>Net position</b>		
Reserved for scholarships	422,049	
<b>Total net position</b>	<b>\$ 422,049</b>	

*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, 2014**

	Scholarship Fund (Trust Fund)
<hr/>	
<b>Additions</b>	
Contributions	\$ 1,000
Earnings on investments	3,542
<hr/>	
Total additions	4,542
<hr/>	
<b>Deductions</b>	
Scholarships and awards	12,976
<hr/>	
Change in net position	(8,434)
Net position at beginning of year	430,483
<hr/>	
Net position at end of year	\$ 422,049
<hr/>	

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

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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## **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 ("CRS") Section 22-30.5-101" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, 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, 2014**

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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 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 and enterprise 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, as are the proprietary and fiduciary fund financial statements. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The District has one proprietary fund, the Food Service Fund.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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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.

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.

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, 2014**

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	\$ 375,230	\$ 427,504	\$ 427,504	\$ -
Additions (receipts)	1,032,186	1,195,000	1,214,776	19,776
Total funds available	1,407,416	1,622,504	1,642,280	19,776
Deductions (disbursements)	(1,407,416)	(1,622,504)	(1,148,322)	474,182
Ending funds available	\$ -	\$ -	\$ 493,958	\$ 493,958

The following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets in fiscal year 2014:

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General	\$ 38,687,454	\$ 927,511	\$ 39,614,965
Debt Service	14,412,814	29,322	14,442,136
Governmental Designated Purpose Grants	1,138,764	104,038	1,242,802
Local Building	58,472	(6,114)	52,358
Capital Projects	785,682	21,619	807,301
School Development	218,281	64,213	282,494
<b>Business-type fund:</b>			
Food Service	1,896,780	15,900	1,912,680
<b>Fiduciary funds:</b>			
Scholarship Trust	438,516	(2,841)	435,675
Student Activity	1,407,416	215,088	1,622,504
<b>Total funds</b>	<b>\$ 59,044,179</b>	<b>\$ 1,368,736</b>	<b>\$ 60,412,915</b>

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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*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, 2014. 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*

Enterprise fund 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. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Site improvements	10 - 20 years	N/A
Buildings and improvements	15 - 50 years	N/A
Equipment	3 - 15 years	5-20 years
Transportation	5 - 8 years	N/A

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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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.

***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. In the proprietary funds, the entire amount of compensated absences is reported as a liability.

***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.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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*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, 2014, 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, 2014**

As of June 30, 2014, fund balances are composed of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted:</b>				
Debt service payments	\$ -	\$ 7,220,573	\$ -	\$ 7,220,573
Emergencies	979,048	-	-	979,048
Operating costs of new facilities	87,967	-	-	87,967
School sites	-	-	352,272	352,272
<b>Committed:</b>				
Capital projects	-	-	334,717	334,717
Risk management	265,964	-	-	265,964
<b>Unassigned:</b>				
	3,954,506	-	-	3,954,506
<b>Total</b>	<b>\$ 5,287,485</b>	<b>\$ 7,220,573</b>	<b>\$ 686,989</b>	<b>\$ 13,195,047</b>

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.

***Contribution of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources for capital acquisition and construction.

***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.

***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.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

**2. 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, 2014, is as follows:

	District	Component Unit
Cash on hand	\$ 5,371	\$ 200
Cash with county treasurer	191,135	-
Bank deposits	15,420,600	828,049
Local government investment pools	4,759,445	-
<b>Total cash deposits</b>	<b>\$ 20,376,551</b>	<b>\$ 828,249</b>

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

<b>Statement of net position</b>		
Cash and cash equivalents	\$12,416,234	\$ 42,995
Restricted cash and cash equivalents	7,403,832	766,278
<b>Fiduciary Funds</b>		
Cash and cash equivalents	556,485	18,976
<b>Total cash and cash equivalents</b>	<b>\$ 20,376,551</b>	<b>\$ 828,249</b>

At June 30, 2014, the District held \$354,817 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 govern the entity's deposits of cash. For deposits in excess of federally insured limits, CRS 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, 2014, all of the District's cash and cash equivalents, and certificates of deposits were covered by either FDIC or collateralized under PDPA.

***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 part. The District does not have a specific policy for custodial credit risk. As of June 30, 2014, the District had no investments exposed to custodial credit risk outside of its investment in the Colorado Secure Assets Fund ("CSAFE") discussed below.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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*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
- 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, 2014, the District had invested \$4,759,445 in CSAFE, a local government investment pool. As an investment pool, CSAFE operates under the CRS (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](http://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.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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**3. 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, 2014, the District had the following interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General fund	Governmental designated purpose grants fund	\$ 72,370
Capital projects fund	Governmental designated purpose grants fund	7,878
<b>Total</b>		<b>\$ 80,248</b>

*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, 2014, were as follows:

	Transfers Out: General Fund
Transfers In:	
Governmental fund:	
Capital projects fund	\$ 415,668
<b>Total transfers</b>	<b>\$ 415,668</b>

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

**4. Capital Assets**

Capital asset activity of the District for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Sites	\$ 7,240,444	\$ -	\$ -	\$ 7,240,444
Water rights	705,753	-	-	705,753
<b>Total capital assets not being depreciated</b>	<b>7,946,197</b>	<b>-</b>	<b>-</b>	<b>7,946,197</b>
Capital assets, being depreciated:				
Site improvements	3,955,198	-	-	3,955,198
Buildings and improvements	87,363,160	-	-	87,363,160
Equipment	4,434,393	85,447	(41,616)	4,478,224
Transportation	2,297,081	97,550	-	2,394,631
<b>Total capital assets, being depreciated</b>	<b>98,049,832</b>	<b>182,997</b>	<b>(41,616)</b>	<b>98,191,213</b>
<b>Less accumulated depreciation for:</b>				
Site improvements	(2,486,262)	(194,714)	-	(2,680,976)
Buildings and improvements	(19,095,431)	(1,897,145)	-	(20,992,576)
Equipment	(1,641,985)	(340,382)	41,616	(1,940,751)
Transportation	(1,849,248)	(127,507)	-	(1,976,755)
<b>Total accumulated depreciation</b>	<b>(25,072,926)</b>	<b>(2,559,748)</b>	<b>41,616</b>	<b>(27,591,058)</b>
<b>Total capital assets, being depreciated, net</b>	<b>72,976,906</b>	<b>(2,376,751)</b>	<b>-</b>	<b>70,600,155</b>
<b>Governmental activities capital assets, net</b>				
	<b>\$80,923,103</b>	<b>\$(2,376,751)</b>	<b>\$ -</b>	<b>\$78,546,352</b>
<b>Business-type activities:</b>				
Furniture and equipment	\$ 560,506	\$ 26,240	\$ -	\$ 586,746
Less accumulated depreciation	(310,805)	(36,994)	-	(347,799)
<b>Business-type activities capital assets, net</b>	<b>\$ 249,701</b>	<b>\$ (10,754)</b>	<b>\$ -</b>	<b>\$ 238,947</b>

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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

Instruction	\$ 27,554
Pupil and instructional	2,058
School administration	7,531
Business services	13,508
Maintenance and operations	133,885
Pupil transportation	117,105
Central supporting services	135,589
Other facility services	2,122,518
<b>Depreciation expense allocated to governmental activities</b>	<b>\$ 2,559,748</b>

**5. 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, 2014, for the District were \$5,667,045 in the governmental activities and \$74,890 in the business-type activities. These accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

**6. Long-Term Debt**

The following is a summary of changes in long-term debt of the District for the period ended June 30, 2014:

	Balance Beginning	Additions	Reductions/ Amortizations	Balance Ending	Amounts Due in One Year
<b>Capital Lease:</b>					
Performance energy	\$ 1,875,137	\$ -	\$ (86,887)	\$ 1,788,250	\$ 94,100
Capital lease total	1,875,137	-	(86,887)	1,788,250	94,100
<b>G.O. Bonds:</b>					
Series 2004	3,745,000	-	(1,090,000)	2,655,000	1,135,000
Series 2007	9,650,000	-	-	9,650,000	-
Series 2008	24,285,000	-	(1,660,000)	22,625,000	1,710,000
Series 2010 (Refunding)	9,515,000	-	(2,510,000)	7,005,000	2,555,000
G.O. bond total	47,195,000	-	(5,260,000)	41,935,000	5,400,000
Unamortized bond premiums	1,364,765	-	(295,814)	1,068,951	n/a
Compensated absences	189,568	141,413	(172,453)	158,528	n/a
<b>Total Long-Term Debt</b>	<b>\$ 50,624,470</b>	<b>\$ 141,413</b>	<b>\$ (5,815,154)</b>	<b>\$ 44,950,729</b>	<b>\$ 5,494,100</b>

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

The annual requirements to amortize bonds outstanding as of June 30, 2014, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 5,400,000	\$ 1,698,997	\$ 7,098,997
2016	5,590,000	1,500,508	7,090,508
2017	4,005,000	1,319,535	5,324,535
2018	1,925,000	1,208,775	3,133,775
2019	2,000,000	1,120,275	3,120,275
2020 - 2024	11,740,000	3,944,625	15,684,625
2025 - 2028	11,275,000	979,413	12,254,413
Total	\$ 41,935,000	\$ 11,772,128	\$ 53,707,128

***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, 2014, are as follows:

Fiscal Year Ending June 30,	Amount
2015	\$ 158,988
2016	162,985
2017	167,083
2018	171,282
2019	175,585
2020 - 2024	946,355
2025 - 2027	478,625
Total minimum lease payments	2,260,903
Less: interest	(472,653)
Present value of minimum lease payments	\$ 1,788,250

The assets acquired through capital lease are as follows:

District-wide mechanical energy improvements	\$ 1,985,452
Less: accumulated depreciation	(415,738)
Total	\$ 1,569,714

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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*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.

*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.

*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.

## **7. Commitments and Contingencies**

*Self Insurance Pool*

As discussed in Note 11, 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 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, 2014, may be impaired. In the opinion of the District, there are no

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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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.

**8. Defined Benefit Pension Plan**

*Plan Description*

The District contributes to the School Division Trust Fund (“SDTF”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the CRS as amended, assigns the authority to establish 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 SDTF. That report may be obtained online at [www.copera.org](http://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 member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 percent and for the District it is 10.15 percent of covered salary. A portion of the District’s contribution (1.02 percent of covered salary) is allocated to the Health Care Trust Fund (see Note 9). The District is also required to pay an amortization equalization disbursement (“AED”) equal to 3.80 percent of the total payroll for the calendar year 2014 (3.40 percent of total payroll for the calendar year 2013 and 3.00 percent of total payroll for the calendar year 2012).

Additionally, the District is required to pay a supplemental amortization equalization disbursement (“SAED”) equal to 3.50 percent of the total payroll for the calendar year 2014 (3.00 percent of total payroll for the calendar year 2013 and 2.50 percent of total payroll for the calendar year ended 2012). If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including the AED and SAED) on the amounts paid for the retiree. Effective January 1, 2011, working retiree contributions are required at the same 8.0 percent member contribution rate. For the years ending June 30, 2012, 2013, and 2014, the District’s employer contributions for the SDTF were \$2,850,830, \$3,138,738 and \$3,393,462 respectively, which equal their required contributions for each year. The District payroll subject to PERA for the year ended June 30, 2014, was \$21,327,718.

**9. 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 CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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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](http://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 CRS, 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, 2012, 2013, and 2014 were \$206,047, \$213,299, and \$217,543 respectively, equal to their required contributions for each year.

## **10. Defined Contribution Pension Plan**

*Plan Description*

Employees of the District who are members of the SDTF 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 State Legislature. 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](http://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 (\$17,500 for calendar years 2014 and 2013). In addition, catch-up contributions, up to \$5,500 for the calendar years 2014 and 2013, were allowed for participants who had attained age fifty 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 CRS, as amended. For the years ended June 30, 2012, 2013, and 2014, the 401(k) Plan member contributions from the District were \$333,317, \$380,274 and \$341,287 respectively.

## **11. 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 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.

**Weld County School District RE-4**  
**Notes to Financial Statements**  
**June 30, 2014**

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## **12. 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 \$979,048 and the Charter School component unit has restricted \$78,745 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.

## **13. Subsequent Events**

Management of the District has evaluated subsequent events through November 18, 2014, the date that the financial statements were available to be issued. Effective July 1, 2014, based on guidance received from the Colorado Department of Education, the Food Service Fund will be reported in the financial statements of the District as a special revenue fund instead of an enterprise fund. In addition, in June 2012 the Governmental Accounting Standards Board (GASB) issued Statement No. 68—*Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 ("Statement 68")*. 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 provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

No additional transactions or events that would require adjustment to or disclosure in the financial statements were identified.

## Required Supplementary Information

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**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 17,933,542	\$ 17,295,626	\$ 17,315,542	\$ 19,916
State	14,912,951	15,844,200	15,887,478	43,278
Intermediate	16,550	16,550	18,670	2,120
Charges for services	880,259	916,259	935,267	19,008
Earnings on investments	8,010	8,010	8,946	936
Other	100,000	135,372	337,753	202,381
<b>Total revenues</b>	<b>33,851,312</b>	<b>34,216,017</b>	<b>34,503,656</b>	<b>287,639</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	19,267,930	19,419,805	18,630,808	788,997
<b>Supporting services</b>				
Pupil and instructional	3,174,546	3,187,798	3,110,303	77,495
General administration	582,926	585,475	556,540	28,935
School administration	2,284,490	2,270,258	2,301,925	(31,667)
Business services	546,399	573,615	482,567	91,048
Maintenance and operations	3,318,233	3,526,091	3,785,793	(259,702)
Transportation	987,692	1,020,219	964,168	56,051
Central supporting services	1,404,863	2,194,925	1,385,544	809,381
Community services and other	112,498	112,498	112,499	(1)
Capital outlay	-	-	81,344	(81,344)
Charter school funding	2,710,327	2,632,746	2,632,871	(125)
<b>Debt service</b>				
Principal	86,885	86,885	86,887	(2)
Interest and other	68,200	68,200	68,202	(2)
Reserves	3,746,871	3,520,782	-	3,520,782
<b>Total expenditures</b>	<b>38,291,860</b>	<b>39,199,297</b>	<b>34,199,451</b>	<b>4,999,846</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(4,440,548)</b>	<b>(4,983,280)</b>	<b>304,205</b>	<b>5,287,485</b>
<b>Other financing uses</b>				
Transfers out	(395,594)	(415,668)	(415,668)	-
<b>Total other financing uses</b>	<b>(395,594)</b>	<b>(415,668)</b>	<b>(415,668)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(4,836,142)</b>	<b>(5,398,948)</b>	<b>(111,463)</b>	<b>5,287,485</b>
<b>Fund balance at beginning of year</b>	<b>4,836,142</b>	<b>5,398,948</b>	<b>5,398,948</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,287,485</b>	<b>\$ 5,287,485</b>

*See accompanying Independent Auditor's Report.*

## Other Supplementary Information

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**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local	\$ 7,188,773	\$ 7,188,773	\$ 7,107,101	\$ (81,672)
<b>Total revenues</b>	<b>7,188,773</b>	<b>7,188,773</b>	<b>7,107,101</b>	<b>(81,672)</b>
<b>Expenditures</b>				
Debt service				
Principal	5,260,000	5,260,000	5,260,000	-
Interest and other	1,881,141	1,881,141	1,879,891	1,250
Operating reserves	7,271,673	7,300,995	-	7,300,995
<b>Total expenditures</b>	<b>14,412,814</b>	<b>14,442,136</b>	<b>7,139,891</b>	<b>7,302,245</b>
<b>Net change in fund balance</b>	<b>(7,224,041)</b>	<b>(7,253,363)</b>	<b>(32,790)</b>	<b>7,220,573</b>
<b>Fund balance at beginning of year</b>	<b>7,224,041</b>	<b>7,253,363</b>	<b>7,253,363</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,220,573</b>	<b>\$ 7,220,573</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Designated Purpose Grants Fund	Local Building Fund	Capital Projects Fund	School Development Fund	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 352,272	\$ 352,272
Restricted cash and cash equivalents	-	-	352,680	-	352,680
Due from other governments	343,481	-	-	-	343,481
Due from other funds	-	-	7,878	-	7,878
<b>Total assets</b>	<b>\$ 343,481</b>	<b>\$ -</b>	<b>\$ 360,558</b>	<b>\$ 352,272</b>	<b>\$ 1,056,311</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 981	\$ -	\$ -	\$ -	\$ 981
Intergovernmental accounts payable	-	-	25,841	-	25,841
Accrued salaries and benefits	221,424	-	-	-	221,424
Due to other funds	80,248	-	-	-	80,248
<b>Total liabilities</b>	<b>302,653</b>	<b>-</b>	<b>25,841</b>	<b>-</b>	<b>328,494</b>
<b>Deferred inflows of resources</b>					
Deferred grant revenue	40,828	-	-	-	40,828
<b>Total deferred inflows of resources</b>	<b>40,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,828</b>
<b>Fund balances</b>					
Restricted	-	-	-	352,272	352,272
Committed	-	-	334,717	-	334,717
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>334,717</b>	<b>352,272</b>	<b>686,989</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 343,481</b>	<b>\$ -</b>	<b>\$ 360,558</b>	<b>\$ 352,272</b>	<b>\$ 1,056,311</b>

*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, 2014**

	Designated Purpose Grants Fund	Building Fund	Capital Projects Fund	School Development Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Federal	\$ 1,121,867	\$ -	\$ -	\$ -	\$ 1,121,867
State	25,144	-	-	-	25,144
Grants and contributions	3,885	-	-	-	3,885
Earnings on investments	-	17	55	321	393
Other	-	-	-	119,807	119,807
<b>Total revenues</b>	<b>1,150,896</b>	<b>17</b>	<b>55</b>	<b>120,128</b>	<b>1,271,096</b>
<b>Expenditures</b>					
Current					
Instruction	786,411	-	7,448	-	793,859
Supporting services					
Pupil and instructional	348,773	-	-	-	348,773
Maintenance and operations	1,885	44,563	75,917	-	122,365
Central supporting services	-	2,888	292,170	-	295,058
Community services and other	13,827	-	-	-	13,827
Capital outlay	-	4,899	96,754	-	101,653
<b>Total expenditures</b>	<b>1,150,896</b>	<b>52,350</b>	<b>472,289</b>	<b>-</b>	<b>1,675,535</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(52,333)</b>	<b>(472,234)</b>	<b>120,128</b>	<b>(404,439)</b>
<b>Other financing sources</b>					
Transfers in	-	-	415,668	-	415,668
<b>Net change in fund balances</b>	<b>-</b>	<b>(52,333)</b>	<b>(56,566)</b>	<b>120,128</b>	<b>11,229</b>
<b>Fund balances at beginning of year</b>	<b>-</b>	<b>52,333</b>	<b>391,283</b>	<b>232,144</b>	<b>675,760</b>
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 334,717</b>	<b>\$ 352,272</b>	<b>\$ 686,989</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**Governmental Designated Purpose Grants Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Federal	\$ 1,128,764	\$ 1,159,802	\$ 1,121,867	\$ (37,935)
State	-	63,000	25,144	(37,856)
Grants and contributions	10,000	20,000	3,885	(16,115)
<b>Total revenues</b>	<b>1,138,764</b>	<b>1,242,802</b>	<b>1,150,896</b>	<b>(91,906)</b>
<b>Expenditures</b>				
Current				
Instruction	794,541	895,189	786,411	108,778
Supporting services				
Pupil and instructional	330,967	334,357	348,773	(14,416)
Maintenance and operations	-	-	1,885	(1,885)
Central and other support services	13,256	13,256	13,827	(571)
<b>Total expenditures</b>	<b>1,138,764</b>	<b>1,242,802</b>	<b>1,150,896</b>	<b>91,906</b>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**Building Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Earnings on investments	\$ 25	\$ 25	\$ 17	\$ (8)
<b>Total revenues</b>	<b>25</b>	<b>25</b>	<b>17</b>	<b>(8)</b>
<b>Expenditures</b>				
Current				
Supporting services				
Maintenance and operations	49,200	44,564	44,563	1
Central supporting services and other	9,272	7,794	2,888	4,906
Capital outlay	-	-	4,899	(4,899)
<b>Total expenditures</b>	<b>58,472</b>	<b>52,358</b>	<b>52,350</b>	<b>8</b>
<b>Net change in fund balance</b>	<b>(58,447)</b>	<b>(52,333)</b>	<b>(52,333)</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>58,447</b>	<b>52,333</b>	<b>52,333</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**Capital Projects Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Earnings on investments	\$ 350	\$ 350	\$ 55	\$ (295)
<b>Total revenues</b>	<b>350</b>	<b>350</b>	<b>55</b>	<b>(295)</b>
<b>Expenditures</b>				
Current				
Instruction	7,500	7,500	7,448	52
Maintenance and operations	21,000	72,664	75,917	(3,253)
Transportation	2,974	2,974	-	2,974
Central supporting services	356,750	356,750	292,170	64,580
Capital outlay	79,500	79,500	96,754	(17,254)
Reserves/contingencies	317,958	287,913	-	287,913
<b>Total expenditures</b>	<b>785,682</b>	<b>807,301</b>	<b>472,289</b>	<b>335,012</b>
<b>Deficiency of revenues over expenditures</b>	<b>(785,332)</b>	<b>(806,951)</b>	<b>(472,234)</b>	<b>334,717</b>
<b>Other financing sources</b>				
Transfers in	395,594	415,668	415,668	-
<b>Total other financing sources</b>	<b>395,594</b>	<b>415,668</b>	<b>415,668</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(389,738)</b>	<b>(391,283)</b>	<b>(56,566)</b>	<b>334,717</b>
<b>Fund balance at beginning of year</b>	<b>389,738</b>	<b>391,283</b>	<b>391,283</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 334,717</b>	<b>\$ 334,717</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**School Development Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Cash in lieu of land dedication	\$ 20,000	\$ 50,000	\$ 119,807	\$ 69,807
Earnings on investments	350	350	321	(29)
<b>Total revenues</b>	<b>20,350</b>	<b>50,350</b>	<b>120,128</b>	<b>69,778</b>
<b>Expenditures</b>				
Operating reserves	218,281	282,494	-	282,494
<b>Total expenditures</b>	<b>218,281</b>	<b>282,494</b>	<b>-</b>	<b>282,494</b>
<b>Net change in fund balance</b>	<b>(197,931)</b>	<b>(232,144)</b>	<b>120,128</b>	<b>352,272</b>
<b>Fund balance at beginning of year</b>	<b>197,931</b>	<b>232,144</b>	<b>232,144</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 352,272</b>	<b>\$ 352,272</b>

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Budgetary Comparison Schedule (Non-GAAP Basis)**  
**Food Service Fund**  
**Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Food sales	\$ 771,420	\$ 771,420	\$ 726,084	\$ (45,336)
USDA reimbursements	418,450	418,450	394,053	(24,397)
Donated commodities	93,000	93,000	111,363	18,363
Earnings on investments	-	-	108	108
State reimbursement	18,300	18,300	18,319	19
Miscellaneous	-	-	4,209	4,209
<b>Total revenues</b>	<b>1,301,170</b>	<b>1,301,170</b>	<b>1,254,136</b>	<b>(47,034)</b>
<b>Expenses</b>				
Salaries and benefits	667,488	667,488	640,581	26,907
Supplies and materials	504,633	504,633	477,310	27,323
USDA commodities	93,000	93,000	111,363	(18,363)
Other	36,049	36,049	15,189	20,860
Operating reserves	595,610	611,510	-	611,510
<b>Total expenses</b>	<b>1,896,780</b>	<b>1,912,680</b>	<b>1,244,443</b>	<b>668,237</b>
<b>Change in net position, non-GAAP basis</b>	<b>\$ (595,610)</b>	<b>\$ (611,510)</b>	<b>9,693</b>	<b>\$ 621,203</b>
<b>Reconciliation of budgetary basis to GAAP basis:</b>				
Depreciation			(36,994)	
Change in net position - GAAP basis			(27,301)	
Net position at beginning of year			611,511	
Net position at end of year			\$ 584,210	

*See accompanying Independent Auditor's Report.*

**Weld County School District RE-4**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**Year Ended June 30, 2014**

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
<b>High school student activity fund</b>				
<b>Assets</b>				
Cash	\$ 177,298	\$ 821,178	\$ 761,731	\$ 236,745
Accounts receivable	3,862	843	-	4,705
<b>Total assets</b>	<b>\$ 181,160</b>	<b>\$ 822,021</b>	<b>\$ 761,731</b>	<b>\$ 241,450</b>
<b>Liabilities</b>				
Due to student groups	\$ 181,160	\$ 822,021	\$ 761,731	\$ 241,450
<b>Middle schools student activity funds</b>				
<b>Assets</b>				
Cash	\$ 108,509	\$ 222,188	\$ 209,352	\$ 121,345
Accounts receivable	387	-	387	-
<b>Total assets</b>	<b>\$ 108,896</b>	<b>\$ 222,188</b>	<b>\$ 209,739</b>	<b>\$ 121,345</b>
<b>Liabilities</b>				
Due to student groups	\$ 108,896	\$ 222,188	\$ 209,739	\$ 121,345
<b>Elementary schools student activity funds</b>				
<b>Assets</b>				
Cash	\$ 137,448	\$ 170,567	\$ 176,852	\$ 131,163
<b>Total assets</b>	<b>\$ 137,448</b>	<b>\$ 170,567</b>	<b>\$ 176,852</b>	<b>\$ 131,163</b>
<b>Liabilities</b>				
Due to student groups	\$ 137,448	\$ 170,567	\$ 176,852	\$ 131,163
<b>Total of all agency funds</b>	<b>\$ 427,504</b>	<b>\$ 1,214,776</b>	<b>\$ 1,148,322</b>	<b>\$ 493,958</b>

**Weld County School District RE-4**  
**Budgetary Comparison Schedule**  
**Scholarship Trust Fund**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Additions</b>				
Contributions	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Earnings on investments	4,192	4,192	3,542	(650)
<b>Total additions</b>	<b>5,192</b>	<b>5,192</b>	<b>4,542</b>	<b>(650)</b>
<b>Deductions</b>				
Scholarships and awards	15,500	15,500	12,976	2,524
Reserves	423,016	420,175	-	420,175
<b>Total deductions</b>	<b>438,516</b>	<b>435,675</b>	<b>12,976</b>	<b>422,699</b>
<b>Change in net position</b>	<b>(433,324)</b>	<b>(430,483)</b>	<b>(8,434)</b>	<b>422,049</b>
<b>Net position at beginning of year</b>	<b>433,324</b>	<b>430,483</b>	<b>430,483</b>	<b>-</b>
<b>Net position at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 422,049</b>	<b>\$ 422,049</b>

*See accompanying Independent Auditor's Report.*



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3100 - WINDSOR RE-4  
 Fiscal Year 2013-14  
 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
<b>Governmental</b>						
10 General Fund	5,148,552		30,888,525	31,015,558		5,021,519
18 Risk Mgmt Sub-Fund of General Fund	280,708		693,802	634,411		340,100
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>5,429,260</b>		<b>31,582,328</b>	<b>31,649,969</b>		<b>5,361,619</b>
11 Charter School Fund	717,331		2,797,176	2,704,366		810,141
20.26-29 Special Revenue Fund	232,144		120,128	0		352,272
21 Capital Reserve Spec Revenue Fund	0		0	0		0
22 Govt Designated-Purpose Grants Fund	0		1,154,395	1,154,395		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	7,253,364		7,107,100	7,139,891		7,220,574
39 Non-Voter Approved Debt Service Fund	0		0	0		0
41 Building Fund	52,333		16	52,350		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	424,442		415,756	479,639		360,558
<b>Totals</b>	<b>14,108,874</b>		<b>43,176,900</b>	<b>43,180,610</b>		<b>14,105,164</b>
<b>Proprietary</b>						
51 Food Service Fund	611,511		1,254,143	1,281,443		584,211
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	186,551		1,515	-971		189,037
<b>Totals</b>	<b>798,062</b>		<b>1,255,658</b>	<b>1,280,472</b>		<b>773,248</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	430,484		4,542	12,978		422,048
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	475,869		1,276,860	1,244,102		508,627
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>906,353</b>		<b>1,281,402</b>	<b>1,257,080</b>		<b>930,675</b>
<b>FINAL</b>						

\*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 2013-14

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	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					
Cash and Investments (8100-8104,8111)	11,494,991	42,996	0	352,272	0	352,680	387,842	0	0	0	930,280	0	13,561,061					
Cash with Fiscal Agent (8105)	181,128	0	0	0	7,051,152	0	0	0	766,278	0	0	0	7,998,558					
Taxes Receivable (8121,8122)	367,682	0	0	0	169,421	0	0	0	0	0	0	0	537,103					
Interfund Loans Receivable (8131,8132)	72,370	0	0	0	0	7,878	0	0	0	0	0	0	80,248					
Intergovernmental Accounts Rec (8141)	74,136	1,142,122	0	0	0	25,841	0	0	0	0	0	0	1,242,099					
Grants Accounts Receivable (8142)	0	0	0	343,481	0	0	35,096	0	0	0	0	0	378,578					
Other Receivables (8151-8154,8161)	8,391	1,456	0	0	0	0	0	0	0	4,705	0	0	14,552					
Inventories (8171,8172,8173)	0	0	0	0	0	0	46,363	0	0	0	0	0	46,363					
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	5,514,656	0	0	0	5,514,656					
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	238,948	0	0	0	0	0	238,948					
<b>Total Assets</b>	<b>12,198,698</b>	<b>1,186,574</b>	<b>0</b>	<b>695,753</b>	<b>7,220,574</b>	<b>386,399</b>	<b>708,250</b>	<b>0</b>	<b>6,478,385</b>	<b>934,985</b>	<b>0</b>	<b>0</b>	<b>29,809,617</b>					

	Governmental						Proprietary						Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	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		
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	0	0	0	80,248	0	0	0	0	0	0	0	0	0	0	80,248
Intergovernmental Payables (7411)	1,216,258	0	0	0	0	25,841	0	0	0	0	0	0	0	0	1,242,099
Other Payables (7421-7423)	171,597	11,162	0	981	0	0	510	0	0	4,310	0	0	0	0	188,560
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,289,348
Accrued Expenses (7461)	5,445,621	362,696	0	221,424	0	0	74,890	0	6,289,348	0	0	0	0	0	6,104,631
Deferred Revenue (7481)	850	2,575	0	0	0	0	35,222	0	0	0	0	0	0	0	38,647
Grants Deferred Revenue (7482)	2,753	0	0	40,828	0	0	13,416	0	0	0	0	0	0	0	56,997
<b>Total Liabilities</b>	<b>6,837,079</b>	<b>376,433</b>	<b>0</b>	<b>343,481</b>	<b>0</b>	<b>25,841</b>	<b>124,039</b>	<b>0</b>	<b>6,289,348</b>	<b>4,310</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,000,530</b>	

Governmental ..... Proprietary ..... Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	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	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	87,967	0	0	352,272	7,220,574	0	0	0	0	0	0	0	7,660,812
TABOR 3% Emergency Reserve 6721	979,048	78,745	0	0	0	0	0	0	0	0	0	0	1,057,793
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	340,100	0	0	0	0	0	0	0	0	0	0	0	340,100
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	360,558	0	0	0	0	0	0	360,558
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	930,675	0	930,675
Unassigned Fund Balance 6770	3,954,504	731,396	0	0	0	0	0	0	0	0	0	0	4,685,900
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	238,948	0	0	-517,893	0	0	-278,945
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	766,279	0	0	766,279
Unrestricted Net Assets 6792	0	0	0	0	0	0	345,263	0	0	-59,349	0	0	285,914
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>5,361,619</b>	<b>810,141</b>	<b>0</b>	<b>352,272</b>	<b>7,220,574</b>	<b>360,558</b>	<b>584,211</b>	<b>0</b>	<b>0</b>	<b>189,037</b>	<b>930,675</b>	<b>0</b>	<b>15,809,087</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	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
<b>Total Liabilities &amp; Fund Equity</b>	12,198,698	1,186,574	0	695,753	7,220,574	386,399	708,250	0	0	6,478,385	934,985	0	29,809,617
	<b>General Funds 10,12-18</b>	<b>Charter School Fund 11</b>	<b>Preschool Fund 19</b>	<b>Special Revenue Funds 20-29</b>	<b>Debt Service Funds 30-39</b>	<b>Capital Projects Funds 40-49</b>	<b>Enterprise Fund 51 (Food)</b>	<b>Other Enterprise Funds 50, 52-59</b>	<b>Risk-Related activity Funds 63-64</b>	<b>Other Internal Service Funds 60</b>	<b>Trust &amp; Agency Funds 70-79</b>	<b>Foundations Fund 85</b>	<b>Totals</b>
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

## Reports to Governmental Agencies

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**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 Weld County School District RE-4's (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 the District's major federal programs for the year ended June 30, 2014. 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, 2014.

**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 18, 2014



**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 business-type 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, 2014, 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 18, 2014.

**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 18, 2014

**Weld County School District RE-4**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2014**

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**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
10.555	National School Lunch Program

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

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Weld County School District RE-4**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2013 - 2014 Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through Colorado Department of Education:			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	4553	\$ 29,455
National School Lunch Program	10.555	4555	475,961
Child Nutrition Cluster subtotal			505,416
Total U.S. Department of Agriculture			505,416
<b>U.S. Department of Education</b>			
Passed through Colorado Department of Education:			
<i>Title I, Part A Cluster</i>			
Title I Grants to Local Educational Agencies	84.010	4010	220,710
Title I, Part A Cluster subtotal			220,710
<i>Special Education Cluster (IDEA):</i>			
Special Education - Grants to States	84.027	4027	567,922
Special Education - Preschool Grants	84.173	4173	16,656
Special Education Cluster Subtotal			584,578
<i>Other Programs:</i>			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	4126	224,996
English Language Acquisition State Grants	84.365	4365	3,580
Improving Teacher Quality State Grants	84.367	4367	64,694
Career and Technical Education - Basic Grants to States	84.048	4048	23,309
Total U.S. Department of Education			1,121,867
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,627,283</b>

*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, 2014**

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**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. Basis of Accounting**

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. Encumbrances are used during the year for budgetary control purposes and lapse at fiscal year end.

**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 expenses when commodities are used. At June 30, 2014, the District had food commodities on hand totaling \$13,416.