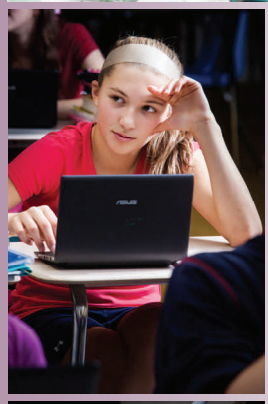
Arapahoe County School District Number Six

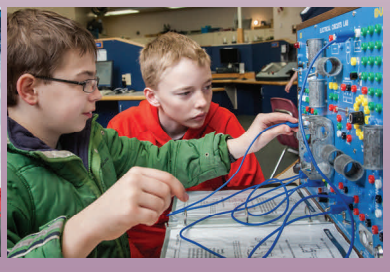


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

5776 S. Crocker Street
Littleton, Colorado 80120

www.littletonpublicschools.net



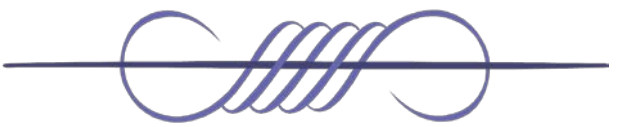
ON THE COVER—*Clockwise from top left*: Kylan Adamson (Moody Elementary School); Angela Young, Amy Caran, and Kimberly Nguyen (Heritage High School); Vincent Bilancia-Arcuri (Highland Elementary School); Brea Giancaterino and Kara Arnold (Arapahoe High School); Neharika Singh (Franklin Elementary School); Javon Moore and Wyatt Roos (Moody Elementary School); Gracie Fix (Franklin Elementary School); Miles Fu and Nathan Jeffries (Franklin Elementary School); Vivian Hartford (Franklin Elementary School); Alex Baxman and Hayden Chilton (Euclid Middle School); Davis Bonner, Riku Ochida, and David McCarrow (Heritage High School); Aiden Carlson (The Village Preschool); Davis Bonner (Heritage High School); and Katie Puchino (Euclid Middle School).

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX

Littleton, Colorado

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Prepared by Financial Services

Diane Doney
Assistant Superintendent of Business Services/Chief Financial Officer

Donna Villamor
Director of Finance and Risk Management

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal 1
GFOA Certificate of Achievement for Excellence in Financial Reporting 7
Principal Officials 8
Organizational Chart 9

FINANCIAL SECTION

Independent Auditors' Report 10
Management's Discussion and Analysis 12
Basic Financial Statements:
Government-Wide Financial Statements:
Statement of Net Position 22
Statement of Activities 23
Fund Financial Statements:
Balance Sheet—Governmental Funds 24
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds 25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 26
Statement of Fiduciary Assets and Liabilities—Fiduciary Fund (Agency Fund) 27
Notes to Basic Financial Statements 28
Required Supplementary Information:
General Fund—Budgetary Comparison Schedule 49
Risk Management Fund—Budgetary Comparison Schedule 50
Notes to Required Supplementary Information 51
Schedules of Required Supplementary Information 52
Combining and Individual Fund Statements and Schedules:
Nonmajor Governmental Funds 53
Combining Balance Sheet—Nonmajor Governmental Funds 54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds 56

Budgetary Comparison Schedules:
Designated Purpose Grants Fund 58
Extended Day Care Program Fund 59
Nutrition Services Fund 60
Student Athletic and Activities Fund 61
Capital Projects Fund 62
Debt Service Fund 63
Capital Projects—Building Fund 64
Statement of Changes in Assets and Liabilities—Fiduciary Fund (Agency Fund) 65
Combining Statement of Net Position—Component Units 66
Combining Statement of Activities—Component Units 67

STATISTICAL SECTION

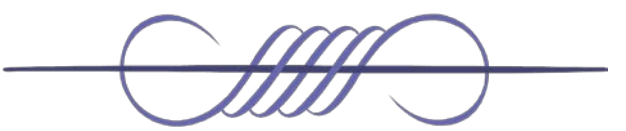
Statistical Section 68
Net Position by Component 69
Expenses, Program Revenues, and Net (Expense)/Revenue 71
General Revenues and Total Change in Net Position 73
Governmental Funds, Fund Balances 75
Governmental Funds, Revenues, Expenditures, and Debt Service Ratio 76
Assessed Value and Estimated Actual Value of Taxable Property 77
Direct and Overlapping Property Tax Rates 79
Principal Property Taxpayers 80
Property Tax Levies and Collections 81
Outstanding Debt by Type 82
Direct and Overlapping Governmental Activities Debt 83
Legal Debt Margin Information 84
Demographic and Economic Statistics 85
Principal Employers 86
Full-Time Equivalent District Employees by Type 87
Operating Statistics 88
Schedule of Insurance 89
Facilities Statistics 90

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 91

Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 93
Schedule of Findings and Questioned Costs 95
Summary Schedule of Prior Findings 97
Schedule of Expenditures of Federal Awards 98
Note to the Schedule of Expenditures of Federal Awards 100
Auditors' Integrity Report 101

INTRODUCTORY SECTION



This page left blank and
unnumbered intentionally
for presentation purposes

LITTLETON
PUBLIC SCHOOLS

Education Services Center
5776 South Crocker Street
Littleton, Colorado 80120-2094
303-347-3300
www.littletonpublicschools.net

October 29, 2015

Board of Education and Citizens
Arapahoe County School District Number Six
Littleton, Colorado

The Comprehensive Annual Financial Report (CAFR) of the Arapahoe County School District Number Six (the District), as of June 30, 2015, and for the fiscal year then ended, is hereby submitted. Colorado state law requires that each local government undergo an annual audit of the financial statements by independent certified public accountants, in accordance with generally accepted auditing standards. This report fulfills that requirement.

Responsibility for the accuracy, completeness, and fairness of the information presented in this report rests with the management of the District, based upon a comprehensive framework of internal control that it has established for this purpose. The District's Financial Services Department prepared this report which contains management's representations concerning the finances of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, reported in a manner to present fairly the financial position and results of operations of the District's funds. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

The CAFR is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board (GASB), titled *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments (as amended)*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities into a single total column for government-wide activities. GASB Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

This is the first year the CAFR is required to conform to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (as amended)*, which establishes new financial reporting requirements for most governments that provide pension benefits through a multiple-employer cost-sharing defined benefit pension plan. Statement No. 68 requires the District to record a proportionate share of the unfunded pension liability of Public Employee's Retirement Association of

Colorado (PERA). The District has no legal obligation to fund any shortfall, nor does it have any liability to affect funding, benefits, or annual required contribution decisions made by PERA.

Profile of the District

Arapahoe County School District Number Six, commonly referred to as Littleton Public Schools (LPS), is a political subdivision of the State of Colorado and a corporate body duly organized in 1889 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District provides a full range of educational programs and services, including K–12 instruction, special education and special education preschool, vocational education, and numerous other programs. The number of students enrolled in fiscal year 2014–2015 was 15,269.

The District encompasses approximately 28 square miles in western Arapahoe County, in the southern portion of the Denver metropolitan area. The District's boundaries include the town of Columbine Valley, the majority of the city of Littleton, and portions of the municipalities of Bow Mar, Centennial, Englewood, and Greenwood Village.

The District is governed by a five-member Board of Education (the Board), whose members are elected by the qualified electors within the District's boundaries. General duties which the Board is empowered to perform include the powers to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation, to fix attendance boundaries, to establish annual budgets, to determine the educational programs to be offered in the schools of the District, to prescribe the textbooks of any course of instruction or study in such educational programs, and to levy a property tax on both real and personal properties located within the District's boundaries.

The District includes as component units two charter schools. The charter schools are public schools, authorized by state statutes, and under the supervision of the Board providing alternatives in education for pupils, parents, and teachers. Each charter school has a separate governing board, but they are fiscally dependent on the District for the majority of their funding. The component units are discretely presented in the CAFR and have separate, audited financial statements.

Factors Affecting Financial Condition

State funding. The state has not fully funded the Colorado Public School Finance Act of 1994 (SFA) based on the full requirement of the state constitution's Amendment 23 since the national fiscal crisis in 2008. The SFA for fiscal year 2014–2015 included a 13.0 percent reduction (negative factor) or an $880.2 million statewide K–12 funding reduction. The District's program revenue negative factor reduction for the 2014–2015 school year was decreased by $2.4 million from the previous year to $14.9 million. For 2015–2016, the state funded student growth and inflation and further reduced the negative factor to 12.1 percent. The negative factor results in a $14.3 million annual loss of District program revenue when compared to the state fully funding the program revenue. The negative factor was originally adopted in 2008 by the state's General Assembly to reduce the overall statewide

contribution to K–12 education since local funding of the SFA is primarily fixed. The District continues to incorporate budget balancing strategies, including program reductions along with additional revenues from the $12.0 million property tax mill levy override approved by local voters in 2010, to help offset the state's funding cuts.

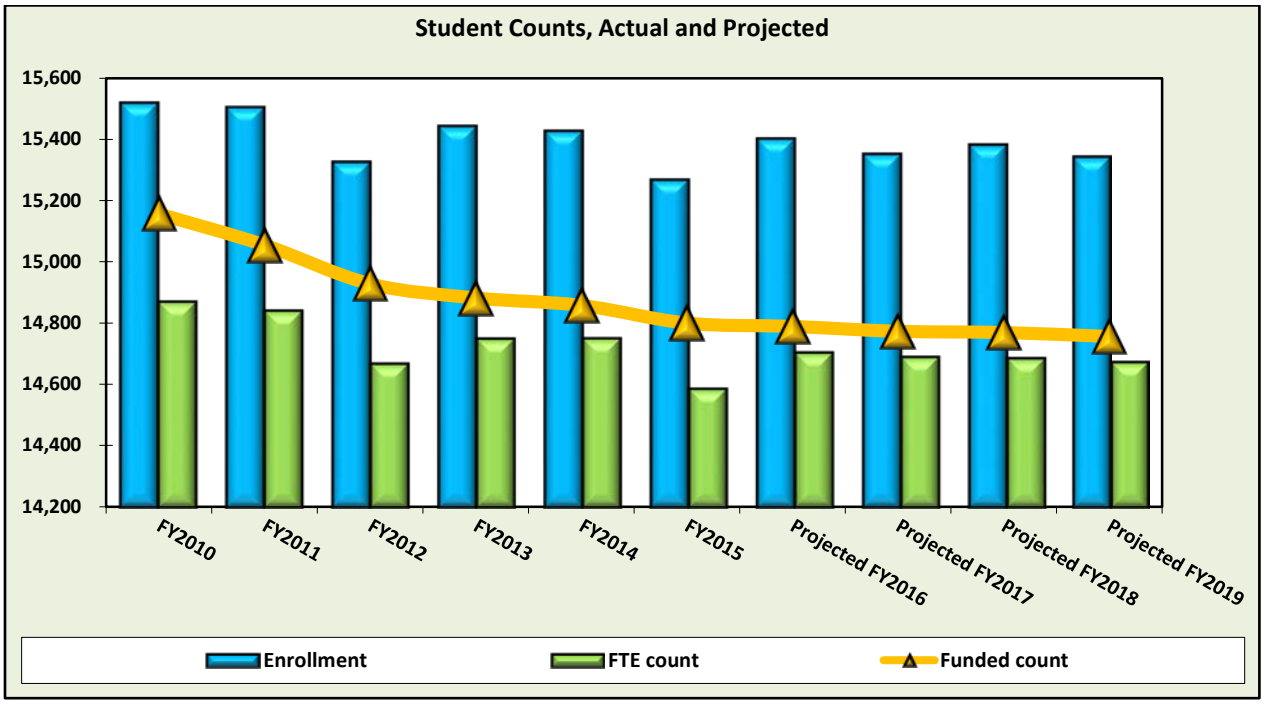
State and local economy. The state's economic picture is important to the District because a major source of funding for the District's General Fund is received through the SFA established by the state legislature. Colorado's economy continues to show momentum; however, the reduction in the oil and gas industry is contributing to slower job and income growth. Job growth for the state is forecasted to be 2.8 percent in 2015 compared to a 3.5 percent growth in 2014. The unemployment rate of 4.3 percent in August is nearly a full percentage below the national rate. Housing prices continue to grow as high demand outpaces the supply of homes in the Front Range area, whereas high construction costs and rental rates are constraining growth and making affordable housing a challenge.

Although Colorado's economy is improving, in 1992, Colorado voters approved a measure that amended the state's constitution and restricts revenues for all levels of government (state, local, and schools). Under the Taxpayer Bill of Rights (TABOR), state and local governments cannot raise tax rates without voter approval and cannot spend revenues collected under existing tax rates without voter approval if revenues grow faster than the rate of inflation and population growth. Revenue in excess of the TABOR limit, commonly referred to as the "TABOR surplus," must be refunded to taxpayers, unless voters approve a revenue change as an offset in a referendum. In November 2005, voters approved Referendum C, which allowed the state to retain all revenues through fiscal year 2009–2010 and set a new cap on revenue starting in fiscal year 2010–2011. Colorado's economy has continued to improve into 2015. Due to taxable income increasing at such a quick rate, overall tax revenues growing, and the statewide unemployment rate declining, TABOR revenue is projected to exceed the Referendum C cap. Based on the state's forecast, a refund of $67.9 million, a range of $13 to $41 per taxpayer, will occur in 2016 despite K–12 funding still being $855.2 million below what was agreed upon by voters.

The Office of State Planning and Budgeting is forecasting a revenue increase of 3.9 percent for the General Fund for fiscal year 2015–2016. This is $78.9 million lower when compared to the June 2015 forecast and is attributed to slower job and income gains in the state, recent declines in the stock market, and further weakening of oil prices. General Fund revenue projections for 2016–2017 are expected to increase 6.7 percent; however, the increase is below the high rates experienced in most recent years. The State Education Fund is supporting a larger share of education funding than it has historically, thus decreasing its fund balance. Tax revenue to the State Education Fund will increase 4.0 percent in 2015–2016 and 9.2 percent in 2016–2017. In 2015–2016, the year-end balance in this Fund is expected to drop 55 percent from its level in 2014–2015. Revenue for this fund is derived from taxable income and follows trends in individual and corporate income tax revenue collections.

Enrollment and demographics. The District has been experiencing a declining enrollment trend line since the 2001–2002 school year. Declining enrollment, along with the per-pupil revenue cuts (negative factor) incorporated in the state's SFA, continues to challenge the District to provide services and keep a balanced budget while maintaining necessary reserves for long-term fiscal

stability. In fiscal year 2014–2015, the District's enrollment decreased by 160 students to 15,269 students. Preliminary membership counts for the 2015–2016 school year indicate that enrollment may increase slightly; however, demographic information indicates that, while in-district student enrollment and funded pupil counts most likely will continue to decline, they are starting to stabilize into the foreseeable future. The student full-time equivalent (FTE) count is less than enrollment mostly due to half-day kindergarten students and other part-time students. The actual SFA funded count allows for the current year FTE count to be averaged with up to four previous years' counts.



Major Initiatives

The *Anticipated Funding Needs—Short- and Long-Term White Paper*, presented to the Board of Education in June 2011, outlined critical student needs for academic success. The approved $11.5 million of one-time spending was funded with the initial year of property tax collections from the 2010 mill levy override. The student needs that were funded include curriculum aligned with new state standards, student interventions, and technology. During the fiscal year 2014–2015, $2.3 million was spent primarily on technology, the implementation of new state standards, and new curriculum materials. As of June 30, 2015, $3.6 million remains in the General Fund assigned fund balance and is expected to be spent over the next two fiscal years.

In November 2013, the voters approved $80 million of general obligation bonds for facility improvements. The Citizens' Bond Oversight Committee (CBOC) has been charged to monitor the timeline and budget of the master schedule of projects. The committee reports to the Board of Education on a quarterly basis. Bonds in the amount of $50.0 million were issued in December 2013 with a premium of $2.3 million, and $17.0 million of bonds were issued in December 2014 with a premium of $1.1 million. Approximately $35.7 million is anticipated to be spent by June 30, 2016. The

remaining $13.0 million of unissued bonds was sold in October 2015. The District has hired an investment management company to assist with the investment of these funds.

Long-Term Financial Planning

The District's long-range financial projections are regularly updated for review and consideration by the Board. These include forecasts of student enrollment, upon which school funding is computed. Without additional K–12 funding, the District's current financial forecast indicates that budgetary efficiencies will need to be sought and considered by the Board in the near future. If additional funding under the SFA becomes available, a multi-year implementation plan will be developed in alignment with the Board's strategic plan during calendar year 2016. This plan would then be incorporated into the District's long-range financial forecasting and planning model.

Strategic Plan

The superintendent and staff work closely with the Board to ensure that their vision and strategic plan is fulfilled. In November 2014, the Board approved revisions to the strategic plan to better guide the work of the District, students, and community and align the District's direction to coincide with core beliefs. The Board's vision is, "Extraordinary learning, exceptional community, expanded opportunity, and success for all students." The strategic plan includes ten focus areas to support the mission statement, "To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion."

- Enhance instructional systems and career pathways that maximize achievement for all students and integrate knowledge and skills relevant to 21st century career choices.
- Expand utilization of instructional technology with appropriate use for student achievement while providing the infrastructure for organizational efficiency and effectiveness.
- Provide an educational and work environment that supports professional learning and collaborative work for all staff.
- Promote, sustain, and create quality programs that make Littleton Public Schools the uniquely preferred choice for families inside and outside the district.
- Engage the community and parents as active partners in the objectives, activities, and performance of the District and its students.
- Optimize the use of District resources and facilities to meet student learning needs while operating the District efficiently.
- Promote and provide a safe environment that fosters caring, respect, and compassion for others.
- Enhance and support quality early childhood and childcare programs.
- Educate and support staff, parents, and community to address diverse student learning by providing access and opportunities for all students.
- Partner with parents and community to expand and enhance programs that address the physical, social, and emotional well-being of students, families, and staff.

The environment should foster community engagement, staff collaboration, and student learning. The District will continue to address the diverse community needs and keep the public involved as active partners.

Annual Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP serves as the independent auditors for the District. In addition to meeting the requirements set forth in state law, the audit was also designed to meet the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget Circular A-133.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2014. In order to be awarded the Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. That report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the award program's requirements, and we are submitting it to GFOA to determine its eligibility for a new Certificate of Achievement.

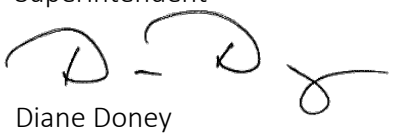
In addition, the Meritorious Budget Award was conferred by the Association of School Business Officials International to the District for its fiscal year 2014–2015 budget document. In order to qualify for the Meritorious Budget Award, the District's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of financial services, grant administrators, and printing services. Each department member has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we wish to thank the members of the Board of Education for their interest, leadership, and support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

Brian Ewert
Superintendent



Diane Doney
Assistant Superintendent of Business Services/Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Arapahoe County School District Number Six Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
PRINCIPAL OFFICIALS

Board of Education

Jack Reutzel
President
Term: 2013–2017

Carrie Warren-Gully
Vice President
Term: 2013–2017

Mary Nichols
Secretary
Term: 2011–2015

Lucie Stanish
Assistant Secretary
Term: 2011–2015

Kelly Perez
Treasurer
Term: 2013–2017

Superintendent's Staff

Brian Ewert ..... Superintendent

Connie Bouwman ..... Deputy Superintendent

Mike Jones ..... Assistant Superintendent of Human Resources

Diane Doney .....Assistant Superintendent of Business Services/Chief Financial Officer

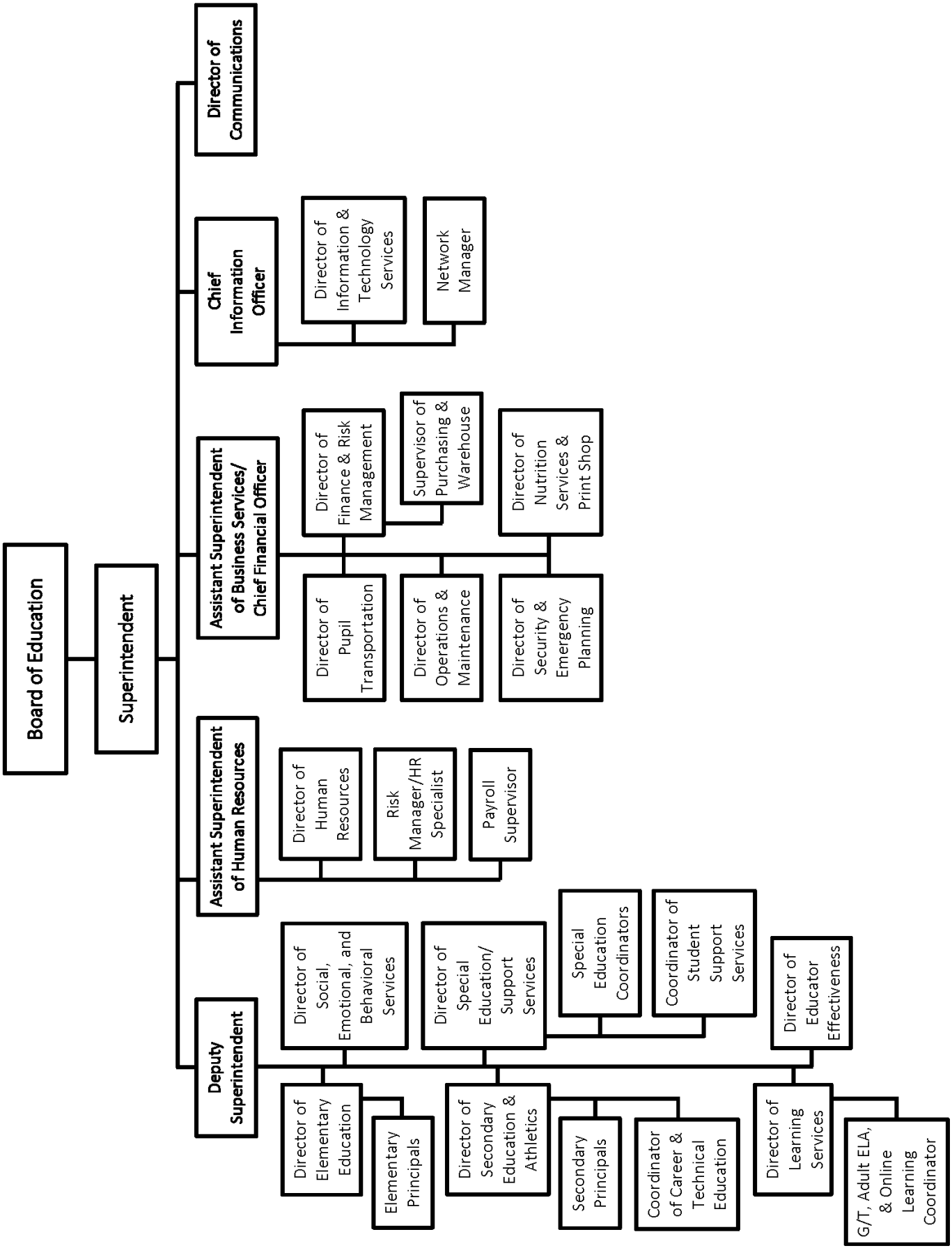
Mark Lindstone ..... Chief Information Officer

Diane Leiker .....Director of Communications

MISSION STATEMENT

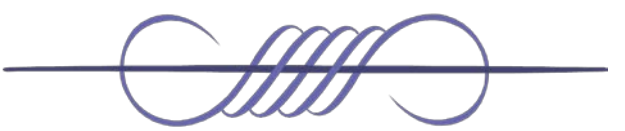
To educate all students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
ORGANIZATIONAL CHART



This page left blank and
unnumbered intentionally
for presentation purposes

FINANCIAL SECTION



This page left blank and
unnumbered intentionally
for presentation purposes

INDEPENDENT AUDITORS' REPORT

Board of Education
Arapahoe County School District Number Six
Littleton, Colorado

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County School District Number Six, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

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

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

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

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

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

Emphasis of a Matter
During fiscal year ended June 30, 2015, Arapahoe County School District Number Six adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, Arapahoe County School District Number Six reported a restatement for the change in accounting principle (see Note III.E.). Our opinions were not modified with respect to the restatement.

Additionally, as described in Note I.D.12 to the financial statements, the District has recognized the Nutrition Services Fund and the Extended Day Care Program Fund as special revenue funds as of July 1, 2014 as required by the Colorado Department of Education. As a result of this change, the District reported a restatement for the change from proprietary funds to special revenue funds. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 12-21, 49-51 and 52 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 Arapahoe County School District Number Six's basic financial statements. The combining and individual fund and component unit financial statements and schedules and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2015, on our consideration of Arapahoe County School District Number Six's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Arapahoe County School District Number Six's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 29, 2015

Management's Discussion and Analysis

This page left blank and
unnumbered intentionally
for presentation purposes

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2015

As management of the Arapahoe County School District Number Six, Arapahoe County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1–6.

Financial Highlights

- The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer cost-sharing, defined, benefit pension plan as of June 30, 2015. District employees, including the two charter schools' employees, are in a program administered by the Public Employee's Retirement Association of Colorado (PERA). Statement No. 68 requires the District and its charter schools to record a proportionate share of PERA's unfunded pension liability. The District and its charter schools have no legal obligation to fund any shortfall nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PERA. The beginning net position of governmental activities has been restated to account for this new reporting requirement.
- As of July 1, 2014, the District reclassified its proprietary funds (business-type activities), the Nutrition Services Fund and Extended Day Care Fund, to governmental activities as special revenue funds. The beginning net position of governmental activities has been restated to account for this change as well as the beginning fund balances for each respective fund. The net investments in capital assets previously reported in the proprietary funds have been reclassified as assets of the governmental activities.
- The liabilities and deferred inflows of resources of the District, the primary government, exceeded assets and deferred outflows of resources at June 30, 2015 by $209.1 million, primarily due to the net pension liability, noted above, of $291.9 million.
- The financial position of the primary government decreased as the total net position decreased by $11.9 million, primarily from the pension expense of $24.7 million, net of $15.3 million employer contribution expenditures due to the implementation of GASB Statement No. 68.
- The total cost of basic programs increased $17.8 million, or 10.8 percent, to $182.8 million due to the implementation of the GASB Statement No. 68.
- Revenues increased $4.7 million, or 2.8 percent, to $170.9 million.
- The net cost of governmental activities increased $17.2 million, or 12.3 percent, primarily due to the inclusion of the pension expense of $24.7 million, net of the $15.3 million employer contribution expenditures due to the implementation of GASB Statement No. 68.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's annual report and basic financial statements. The financial section of the annual report consists of four parts: management's discussion and analysis, basic financial statements, required supplementary information, and combining and individual fund statements and schedules. The basic financial statements include two types 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 and support services,

were financed in the short-term as well as what remains for future spending.

- The fiduciary funds statement of assets and liabilities presents the financial position of an agency fund 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 a section of required supplementary information that further explains and supports the financial statements with a comparison to the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

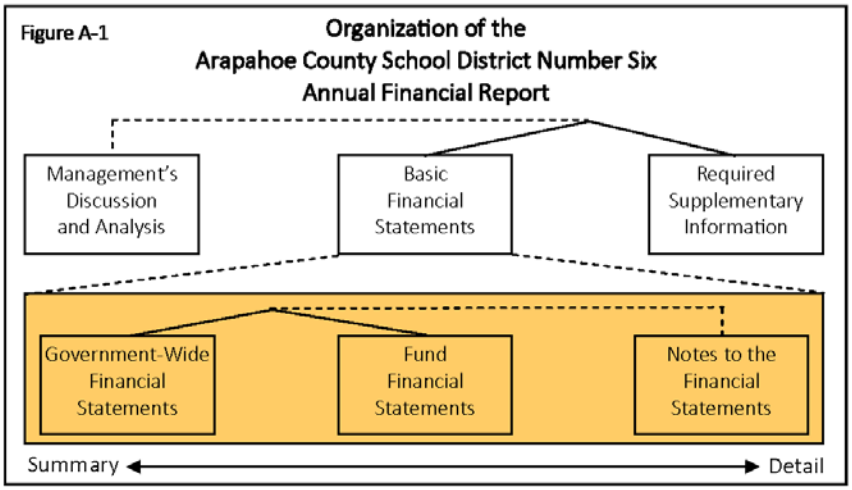


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of the District-wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Fund
Scope	Entire District (except the fiduciary fund)	The activities of the District which are not proprietary or fiduciary, such as instruction and support services	Instances in which the District administers resources on behalf of someone else, such as student clubs
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of assets and liabilities
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
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 additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows 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.

The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, liabilities, and deferred outflows and inflows of resources—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional nonfinancial factors may need to be considered, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- Governmental activities: Most of the District's basic services are included here, such as instruction and support services.
- Component units: The District's two charter schools have independent governing boards, but are financially dependent on the District for most of their funding. Generally accepted accounting principles (GAAP) prescribe a discrete presentation of the component units—meaning separate presentation from the primary government.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law or GAAP.
- The District establishes other funds to control and manage money for particular purposes (i.e., athletics and activities funded largely by fees and ticket sales) or to show that it is properly using certain revenues, such as federal grants.

The District has two categories of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets can readily be converted to cash flow in and out and the balances left at fiscal year-end that are available for spending. Consequently, the governmental fund statements provide a detailed, short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
- *Fiduciary fund:* The District is the trustee, or fiduciary, for the assets of student clubs. The District is responsible for ensuring that the assets reported in this fund are used only for intended purposes and used 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.

Financial Analysis of the District as a Whole

The District's net position of the governmental activities on June 30, 2015, decreased $281.7 million to a negative $209.1 million from what it was the previous year (see Figure A-3) due to the implementation of GASB Statement No. 68.

Assets, deferred outflows of resources, liabilities, and deferred inflows of resources changed from the prior year for the following reasons:

- Current and other assets increased by $7.6 million, primarily from increased restricted cash and investments. The increase is primarily from the sale of $17.0 million of voter-approved general obligation bonds in December 2014; the $1.1 million of premium on the bonds is offset by project spending in the Capital Projects–Building Fund.
- Capital assets increased $10.9 million, the net result of capital asset depreciation expense offset by asset additions, including construction in progress.
- Deferred outflows of resources for deferred charges on refunding decreased $0.5 million due to amortization expense. Deferred outflows related to pension of $14.5 million represents $7.8 million of the District's pension contribution subsequent to the measurement date and investment earnings, which were less than the expected by $6.7 million.
- Current and other liabilities increased $8.4 million, mainly due to higher contracts payable in the Capital Project–Building Fund.
- The net pension liability of $291.9 million is the net effect of the adoption of the accounting standard, Statement No. 68, to record a proportionate share of PERA's unfunded pension liability.
- Noncurrent liabilities increased $12.1 million, the net result of issuing new bond debt, bond premium, and amortization expense.
- Deferred inflows of resources for pension-related activities of $1.8 million are the change in proportion and the differences between contributions recognized and the proportionate share of contributions.
- Net position decreased $281.7 million. This change included a $3.1 million decrease to net investment in capital assets (capital assets less related debt), a $1.4 million increase in restricted net position, and a $280.0 million decrease in unrestricted net position due to the adoption of Statement No. 68.

Figure A-3 presents a two-year, condensed statement of the District's net position.

Figure A-3
Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities*		Total Primary Government		Total Dollars Change
	2014	2015	2014	2015	2014	2015	2014–2015
Assets							
Current and other assets	$ 114.6	$ 125.2	$ 3.0	$ -	$ 117.6	$ 125.2	$ 7.6
Capital assets	92.9	104.3	0.5	-	93.4	104.3	10.9
Total assets	207.5	229.5	3.5	-	211.0	229.5	18.5
Deferred outflows of resources							
Deferred charges on refunding	4.7	4.2	-	-	4.7	4.2	(0.5)
Deferred pension outflows	-	14.5	-	-	-	14.5	14.5
Total deferred outflows	4.7	18.7	-	-	4.7	18.7	14.0
Liabilities							
Current and other liabilities	11.7	20.6	0.5	-	12.2	20.6	8.4
Net pension liability	-	291.9	-	-	-	291.9	291.9
Noncurrent liabilities	130.9	143.0	-	-	130.9	143.0	12.1
Total liabilities	142.6	455.5	0.5	-	143.1	455.5	312.4
Deferred inflows of resources							
Deferred pension inflows	-	1.8	-	-	-	1.8	1.8
Total deferred inflows	-	1.8	-	-	-	1.8	1.8
Net position							
Net investment in capital assets	17.1	14.5	0.5	-	17.6	14.5	(3.1)
Restricted	13.0	14.4	-	-	13.0	14.4	1.4
Unrestricted	39.5	(238.0)	2.5	-	42.0	(238.0)	(280.0)
Total net position	$ 69.6	$ (209.1)	$ 3.0	$ -	$ 72.6	$ (209.1)	$ (281.7)

*Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

The District's change in financial position is related to operating results (see Figure A-4), which are highlighted as follows:

- Expenses of $182.8 million exceeded revenues of $170.9 million, resulting in the $11.9 million decrease in net position. Total revenues increased $4.7 million over revenues of the prior year, while total expenses increased $17.8 million, primarily due to the $24.7 million of pension expense, net of the $15.3 million employer contribution expenditures due to the implementation of GASB Statement No. 68.
- The State of Colorado's General Assembly included a 13.0 percent negative per-pupil stabilization factor into the School Finance Act (SFA) for fiscal year 2014–2015. This negative factor was to help the state balance its budget due to the fiscal crisis. The District's per-pupil revenue was $6,763, compared to $7,773 without the negative factor. The SFA was supported by state equalization funds, local taxes, property taxes, and federal grants in the fiscal year.
- The average funded student count, which is the per-pupil basis for fiscal year 2014–2015 SFA program funding, decreased 0.4 percent to 14,799.8 from 14,857.6 the previous year.
- Total expenses of $182.8 million represent a $17.8 million, or 10.8 percent, increase compared to the prior year. Instructional expenses increased $9.6 million, of which $6.3 million was pension expense. Support services expenses increased $7.1 million, of which $3.1 million was pension expense. Interest expenses increased $1.1 million.
- The Board of Education approved $11.5 million of one-time spending from property tax collections in 2011 from the 2010 mill levy override election. During the 2014–2015 fiscal year, $2.3 million was spent on technology, the implementation of new state standards, and new curriculum.

Figure A-4 presents a two-year summary of change in net position.

Figure A-4
Change in Net Position from Operating Results (in millions of dollars)

	Governmental Activities		Business-Type Activities*		Total Primary Government		Total Percent Change 2014–2015
	2014	2015	2014	2015	2014	2015	
Revenues							
Program revenues							
Charges for services	$ 4.5	$ 11.6	$ 7.1	$ -	$ 11.6	$ 11.6	0.0%
Operating grants/contributions	11.6	13.3	1.8	-	13.4	13.3	(0.7)%
Capital grants/contributions	-	0.5	-	-	-	0.5	100%
General revenues							
Property and S.O. taxes	78.5	78.2	-	-	78.5	78.2	(0.4)%
State equalization aid	59.8	64.8	-	-	59.8	64.8	8.4%
Interest and other revenues	2.9	2.5	-	-	2.9	2.5	(13.8)%
Total revenues	157.3	170.9	8.9	-	166.2	170.9	2.8%
Expenses							
Instruction	94.0	103.6	-	-	94.0	103.6	10.2%
Support services	58.4	74.1	8.6	-	67.0	74.1	10.6%
Interest	4.0	5.1	-	-	4.0	5.1	27.5%
Total expenses	156.4	182.8	8.6	-	165.0	182.8	10.8%
Excess (deficiency) before transfers	0.9	(11.9)	0.3	-	1.2	(11.9)	(1,091.7)%
Transfers	0.1	-	(0.1)	-	-	-	0.0%
Change in net position	1.0	(11.9)	0.2	-	1.2	(11.9)	(1,091.7)%
Net position—beginning of year—restated	68.6	(197.2)	2.8	-	71.4	(197.2)	
Net position—end of year	$ 69.6	$(209.1)	$ 3.0	$ -	$ 72.6	$(209.1)	

*Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

Figure A-5
Sources of Revenue for Fiscal Year 2015

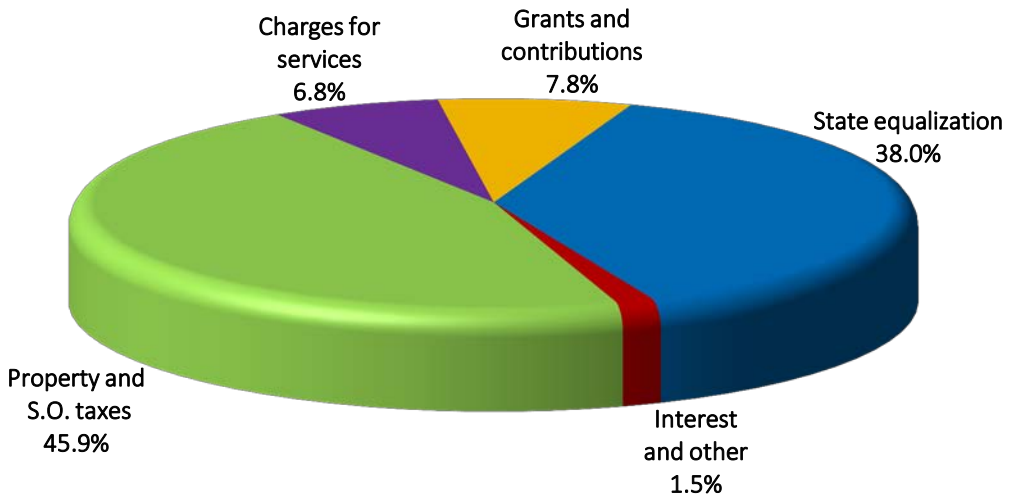
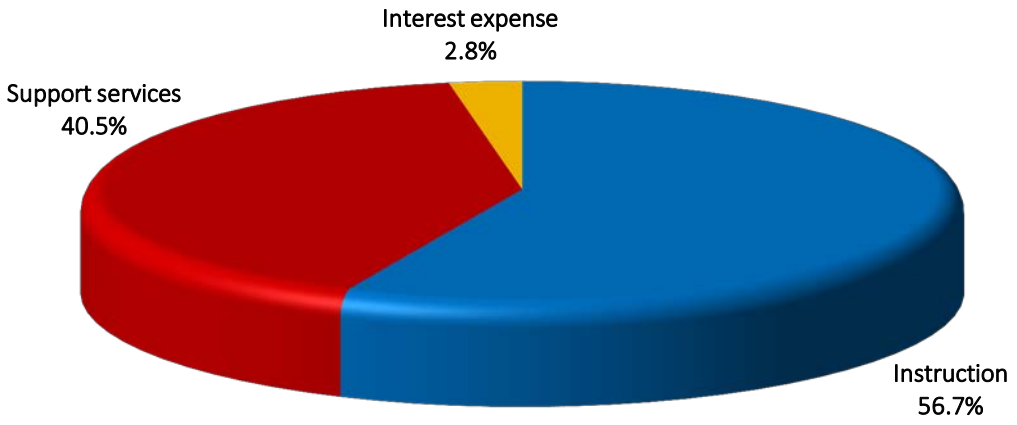


Figure A-6
Expenses for Fiscal Year 2015



Governmental Activities

Revenues for the District's governmental activities increased $13.6 million, or 8.6 percent, to $170.9 million, primarily due to the reclassification of two business-type activities to governmental activities as of July 1, 2014. Total expenses and transfers increased $26.5 million to $182.8 million as a result of the pension expense of $24.7 million, net of the $15.3 million employer contribution expenditures due to the implementation of GASB Statement No. 68 as well as the reclassification of activities as previously noted, salary and benefit increases, inflationary pressures, and one-time spending. Expenses exceeded revenues resulting in the $11.9 million decrease in net position.

Figure A-7 summarizes the net cost of governmental activities, as presented in the statement of activities in the government-wide financial statements. The table also shows each activity's *net cost* (total cost less fees generated by the activities and other aid provided for specific programs). The net cost shows the financial burden placed on local and state taxpayers for each of the functions. Program revenues of $25.4 million are a much smaller funding source for public school district governmental activities, representing only 14.9 percent of total revenues of $170.9 million.

Figure A-7
Net Cost of Governmental Activities (in millions of dollars)

Function/Program	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2014	2015*	2014–2015	2014	2015*	2014–2015
Instruction	$ 94.0	$ 103.6	10.2%	$ 82.2	$ 91.7	11.6%
Support services	58.4	74.1	26.9%	54.0	60.6	12.2%
Interest expense	4.0	5.1	27.5%	4.0	5.1	27.5%
Total	$ 156.4	$ 182.8	16.9%	$ 140.2	$ 157.4	12.3%

*Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

Other items of note about governmental activities from the statement of activities are as follows:

- The cost of all governmental activities for the year was $182.8 million.
- Some of the cost was financed by the users of the programs, $11.6 million.
- The federal and state governments, along with private donors, subsidized certain programs with operating grants of $13.3 million. Capital contributions from corporate donors were $0.5 million.
- Most of the net cost, $157.4 million, was financed by state and local taxpayers with general revenues.

- Net cost of governmental services increased $17.2 million, or 12.3 percent, from $140.2 million in the previous year to $157.4 million.
- General revenues total $145.5 million, consisting of $78.2 million in property and specific ownership taxes; $64.8 million in state equalization aid; and $2.5 million of interest earnings and other revenue.
- The resulting decrease in governmental activities net position was $11.9 million.

Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with GAAP, the SFA, and other related legal requirements. The governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

Fund Analysis

The General Fund, including the Risk Management sub-fund, is a major fund and is the most significant fund of the District. The Capital Projects Fund and the Student Athletic and Activities Fund are supported by the General Fund, with transfers out totaling $4.5 million for the year. The Capital Projects–Building Fund is a capital improvement fund to account for the major capital outlays for district facilities supported by the voter-approved 2013 general obligation bonds. The Designated Purpose Grant Fund is supported by grant revenues and the Debt Service Fund by voter-approved property tax mill levies to meet general obligation debt service requirements. The Extended Day Care Fund is supported by tuition, while the Nutrition Services Fund received funding from federal grants along with sales of breakfast and lunch meals.

Total General Fund school finance program funding, which includes property taxes, specific ownership taxes, and state equalization for fiscal year 2014–2015, was impacted by the state's cost-of-living increase, a decrease of 2.5 percent of the negative per-pupil stabilization factor to 13.0 percent, and declining enrollment.

- Overall, the General Fund reported revenue of $143.4 million for fiscal year 2014–2015, which was $5.2 million higher when compared to the previous year.
- Expenditures reported in the General Fund increased $5.5 million to $138.9 million for fiscal year 2014–2015. Net transfers to other funds increased $0.1 million when compared to the prior year. Increased expenditures and transfers included higher salaries and benefits, one-time spending of $2.3 million, and overall inflationary pressures. The fund balance in the General Fund increased $0.2 million for fiscal year 2014–2015, primarily in the unassigned category.

District management intends to continue to balance the General Fund's current resources with budgeted expenditures in order to maintain an adequate fund balance. Administration, with Board approval, will continue to make the necessary long-term budgetary adjustments in order to achieve a continued healthy financial outlook.

General Fund Budget

Current General Fund expenditures, excluding the Risk Management sub-fund, totaling $136.6 million were 93.9 percent of the final budget of $145.5 million, compared to the 93.4 percent of the prior year. Budget carryovers are allowed by policy in various operating areas, and the carryovers primarily resulted in the changes of the final budget when compared to the original budget. The unspent expenditure budget at the end of the 2014–2015 year is mostly due to the under-spending of the final budget that will be rolled into the subsequent year. The District's contingency budget represents the majority of unspent appropriation and anticipated ending fund balance. The final budget reported a contingency reserve of $28.8 million, which represents 16.5 percent of budgeted expenditures. Revenues of the General Fund amounted to 101.1 percent of budgeted revenues.

Capital Assets and Long-Term Debt

Capital Assets

As shown in Figure A-10, total primary government capital assets, net of depreciation, increased a net $10.9 million to $104.3 million from the previous year. This was the result of $7.4 million of net depreciation expense, $0.9 million of asset disposals, $7.0 million of assets capitalization in the governmental activities, and $12.1 million of construction in progress. Assets additions consisted of land improvements, buildings, equipment, and vehicles.

Figure A-10

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities		Business-Type Activities*		Total Primary Government		Dollars Change
	2014	2015	2014	2015	2014	2015	2014–2015
Land	$ 5.9	$ 5.9	$ -	$ -	$ 5.9	$ 5.9	$ -
Land improvements	4.6	4.9	-	-	4.6	4.9	0.3
Buildings	75.3	73.8	-	-	75.3	73.8	(1.5)
Equipment	2.0	2.4	0.5	-	2.5	2.4	(0.1)
Vehicles	1.2	1.2	-	-	1.2	1.2	(0.0)
Construction in progress	3.9	16.1	-	-	3.9	16.1	12.2
Total	$ 92.9	$ 104.3	$ 0.5	$ -	$ 93.4	$ 104.3	$ 10.9

*Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

More detailed information about capital assets is presented in Note II, C. Capital Assets, of the financial statements.

Long-Term Debt

As of year-end, the District had $143.0 million in general obligation bonds and other long-term debt outstanding, an increase of $12.1 million, as shown in Figure A-11. The outstanding general obligation bonds at June 30, 2015, consisted of the 2010 general obligation refunding bonds of $64.5 million, 2013 general obligation bonds of $50.0 million, and 2014 general obligation bonds of $17.0 million.

More detailed information about long-term liabilities is presented in Note II, E. Long-Term Debt, of the financial statements.

Figure A-11

Outstanding Long-Term Debt (in millions of dollars)

	Governmental Activities		Dollars Change	Credit Rating Standard & Poor's Corporation
	2014	2015	2014–2015	
General obligation (G.O.) bonds	$ 119.8	$ 131.5	$ 11.7	AAAm
Premium on G.O. bonds	9.0	9.3	0.3	
Compensated absences	2.1	2.2	0.1	
Total	$ 130.9	$ 143.0	$ 12.1	

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District contemplated the following factors that could significantly affect its financial health in the future.

- The state's General Assembly incorporated a statewide base per-pupil revenue (PPR) increase of 2.8 percent for inflation; however, the state set a negative factor of 12.13 percent for 2015–2016. This kept the statewide average total PPR at $7,294, thus reducing the state share by $855.2 million for a total reduction of approximately $5.3 billion over the last six years. The average statewide PPR funding without the negative factor funding cut would have been $8,294, or $1,000 more per student.
- Despite the state funding cuts, it is projected the District's per-pupil funding will increase $3.7 million to $103.7 million when compared to 2014–2015. However, full per-pupil funding would have equated to $118.2 million, a loss of revenue to the district of $14.3 million.
- The 2015–2016 budget includes new recurring costs of $1.1 million for mental health assistance for students, special education staffing, and preschool staffing.
- The Board approved $11.5 million one-time spending plan from the 2010–2011 property taxes generated by mill levy override funds. Projects include the implementing the state's new instructional standards; updating the District's special education and library databases; updating the District's curriculum standards; and updating technology in the form of computers for students, staff, and labs. Of the $3.6 million remaining, $0.7 million is planned to be spent in fiscal year 2015–2016.
- Approximately $35.7 million of the Capital Projects–Building Fund, used to account for the November 2013 voter-approved general obligation bond revenues, will be spent in 2015–2016. Of the $80 million bonds approved, $50 million were issued in December 2013, $17 million were issued in December 2014, and the remaining $13 million were sold in October 2015.
- The Public Employees' Retirement Association (PERA) of Colorado is the pension plan that covers all District employees. PERA employer contribution rates will increase annually for the next three years, reaching a rate of 20.15 percent by 2018.
- Actual average funded counts of student enrollment are expected to decrease for 2015–2016. Although demographic information indicates student enrollment will continue to decline, it is beginning to stabilize into the foreseeable future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and spends. If you have questions about this report or need additional financial information, please contact the Finance Office, Littleton Public Schools, 5776 South Crocker St., Littleton, CO 80120. Additional information is available on the District website at www.littletonpublicschools.net.

Basic Financial Statements

This page left blank and
unnumbered intentionally
for presentation purposes

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Net Position
June 30, 2015

	Primary Government	Component Units
	Governmental Activities	Charter Schools
ASSETS		
Equity in pooled cash and investments	$ 54,802,213	$ 2,923,455
Cash on hand and in bank	-	-
Restricted cash and investments	66,673,884	1,337,196
Taxes receivable—net	1,211,508	-
Due from other governments	1,630,778	-
Other accounts receivable	100,101	-
Inventories	319,218	-
Deposits	108,000	-
Prepaid items	381,041	-
Capital assets—net of accumulated depreciation where applicable:		
Land	5,857,507	1,889,806
Land improvements	4,881,380	171,507
Buildings and leasehold improvements	73,777,659	10,393,780
Equipment	2,448,713	17,506
Vehicles	1,247,604	-
Construction in progress	16,079,896	25,194
Total assets	229,519,502	16,758,444
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	4,189,459	378,310
Deferred pension outflows	14,483,685	651,998
Total deferred outflows of resources	18,673,144	1,030,308
LIABILITIES		
Accounts and contracts payable	11,759,221	63,473
Accrued compensation	7,417,917	345,766
Accrued interest payable	451,067	118,573
Unearned revenue	1,020,303	27,840
Noncurrent liabilities:		
Due within one year	6,475,000	257,982
Due in more than one year	136,481,416	11,574,215
Net pension liability	291,875,138	12,955,293
Total liabilities	455,480,062	25,343,142
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	1,817,226	80,660
Total deferred inflows of resources	1,817,226	80,660
NET POSITION		
Net investment in capital assets	14,567,407	2,046,268
Restricted for:		
Debt service	8,911,127	185,075
Nutrtion services	1,155,566	-
Emergency reserve under TABOR	4,350,000	260,400
Repair and replacement	-	220,048
Unrestricted	(238,088,742)	(10,346,841)
Total net position	$ (209,104,642)	$ (7,635,050)

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Change in Net Position: Primary Government Governmental Activities	Net (Expenses) Revenue and Change in Net Position: Component Units Charter Schools
Primary Government						
Governmental activities:						
Instruction	$ 103,545,270	$ 1,260,425	$ 10,578,555	$ -	$ (91,706,290)	$ -
Support services	74,121,159	10,328,932	2,695,279	485,918	(60,611,030)	-
Interest expense	5,136,295	-	-	-	(5,136,295)	-
Total primary government	$ 182,802,724	$ 11,589,357	$ 13,273,834	$ 485,918	(157,453,615)	-
Component Units—Charter Schools	$ 8,718,697	$ 586,112	$ 173,952	$ 911,425		(7,047,208)
General revenues:						
Property taxes:						
Property taxes—levied for general purposes					61,600,095	-
Property taxes—levied for debt service					10,882,156	-
Specific ownership taxes					5,675,945	-
Intergovernmental revenue, unrestricted:						
State equalization aid					64,807,999	6,720,418
District supplemental funding					-	737,508
Investment earnings					197,283	5,014
Other					2,387,705	186,438
Total general revenues					145,551,183	7,649,378
Change in net position					(11,902,432)	602,170
Net position—beginning—restated					(197,202,210)	(8,237,220)
Net position—ending					$ (209,104,642)	$ (7,635,050)

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Debt Service Fund	Capital Projects—Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	$ 47,401,014	$ -	$ -	$ 7,401,199	$ 54,802,213
Restricted investments	-	9,158,376	57,515,508	-	66,673,884
Taxes receivable from the county treasurer	605,246	22,485	-	-	627,731
Taxes receivable—net	1,029,635	181,873	-	-	1,211,508
Due from other governments	264,254	-	-	738,793	1,003,047
Other accounts receivable	100,101	-	-	-	100,101
Inventories	319,218	-	-	-	319,218
Deposits	108,000	-	-	-	108,000
Total assets	$ 49,827,468	$ 9,362,734	$ 57,515,508	$ 8,139,992	$ 124,845,702
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	$ 900,865	$ 540	$ 10,626,793	$ 231,023	$ 11,759,221
Accrued compensation	6,737,694	-	-	680,223	7,417,917
Other unearned revenue	241,196	-	-	779,107	1,020,303
Total liabilities	7,879,755	540	10,626,793	1,690,353	20,197,441
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	1,029,635	181,873	-	-	1,211,508
Total deferred inflows	1,029,635	181,873	-	-	1,211,508
FUND BALANCES					
Nonspendable for:					
Inventories	319,218	-	-	-	319,218
Deposits	108,000	-	-	-	108,000
Restricted for:					
Emergency (TABOR)	4,350,000	-	-	-	4,350,000
Debt service	-	9,180,321	-	-	9,180,321
Nutrtion services	-	-	-	1,155,566	1,155,566
Capital projects	-	-	46,888,715	-	46,888,715
Committed for:					
Risk management	1,144,012	-	-	-	1,144,012
Capital projects	-	-	-	2,663,510	2,663,510
Student care services	-	-	-	1,327,678	1,327,678
Pupil activities	-	-	-	1,249,721	1,249,721
Assigned for:					
Beverage sponsorship for student needs	-	-	-	53,164	53,164
Budget carryovers	6,374,867	-	-	-	6,374,867
One-time spending for student needs	3,577,643	-	-	-	3,577,643
Subsequent year expenditures	1,579,788	-	-	-	1,579,788
Unassigned	23,464,550	-	-	-	23,464,550
Total fund balances	40,918,078	9,180,321	46,888,715	6,449,639	103,436,753
Total liabilities, deferred inflows and fund balances	$ 49,827,468	$ 9,362,734	$ 57,515,508	$ 8,139,992	

Reconciliation of the Balance Sheet to the Statement of Net Position for Governmental Activities:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This amount of capital assets is net of accumulated depreciation.	104,292,759
Prepaid insurance premiums are not recorded in the fund financials statements because it is not an expense in the current year.	381,041
Other long-term assets are not available to pay for current year expenditures and, therefore, are unearned in the funds.	1,211,508
Pension liability activities including deferred pension outflows of $14,483,685, net pension liability of ($291,875,138) and deferred pension inflow of ($1,817,226), are not due and payable in the current year and therefore not reported in the funds.	(279,208,679)
Long-term liabilities, including bonds payable and compensated absences of ($142,956,416) and deferred charges on refunding of $4,189,459, are not due and payable in the current period and therefore are not reported in the funds.	(138,766,957)
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	(451,067)
Governmental activities net position	$ (209,104,642)

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General Fund	Debt Service Fund	Capital Projects—Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 61,826,703	$ 10,920,428	$ -	$ -	$ 72,747,131
Specific ownership taxes	5,675,945	-	-	-	5,675,945
Federal grants	1,079,376	-	-	5,793,012	6,872,388
State equalization aid	64,807,999	-	-	-	64,807,999
State education of students with disabilities	2,521,840	-	-	-	2,521,840
Other state entitlements and state grants	2,104,902	-	-	281,129	2,386,031
Food sales	-	-	-	1,999,699	1,999,699
Donated commodities	-	-	-	233,715	233,715
Student care	-	-	-	4,936,787	4,936,787
Pupil activities	-	-	-	2,181,150	2,181,150
Investment earnings	47,431	7,479	134,548	7,825	197,283
Other	5,365,813	-	-	753,473	6,119,286
Total revenues	143,430,009	10,927,907	134,548	16,186,790	170,679,254
EXPENDITURES					
Current:					
Instruction	87,415,382	-	-	2,764,673	90,180,055
Support services	51,235,648	-	-	14,395,114	65,630,762
Debt service:					
Principal retirement	-	5,210,000	-	-	5,210,000
Interest and fiscal charges	-	5,492,555	-	-	5,492,555
Bond issuance costs	-	-	174,525	-	174,525
Capital outlay	232,221	-	19,469,499	2,897,051	22,598,771
Total expenditures	138,883,251	10,702,555	19,644,024	20,056,838	189,286,668
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,546,758	225,352	(19,509,476)	(3,870,048)	(18,607,414)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	17,000,000	-	17,000,000
Premium on bonds	-	-	1,115,552	-	1,115,552
Transfers in	191,674	-	-	4,516,140	4,707,814
Transfers out	(4,516,140)	-	-	(191,674)	(4,707,814)
Total other financing sources (uses)	(4,324,466)	-	18,115,552	4,324,466	18,115,552
NET CHANGE IN FUND BALANCES	222,292	225,352	(1,393,924)	454,418	(491,862)
FUND BALANCE—BEGINNING—RESTATED	40,695,786	8,954,969	48,282,639	5,995,221	103,928,615
FUND BALANCES—ENDING	$ 40,918,078	$ 9,180,321	$ 46,888,715	$ 6,449,639	$ 103,436,753

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

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

Net change in fund balances—total governmental funds	$	(491,862)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($8,127,082) and net book value of disposed assets ($126,995) exceeds capital asset additions $18,612,300 and contributed capital of $485,918.		10,844,141
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.		1,211,508
Unearned revenue of the prior year received in the current year is recognized in the prior year statement of activities and in the current year fund statements.		(1,476,388)
Increases to prepaid insurance premiums are expensed in the fund financial statements.		3,647
Repayments of bond principal $5,210,000, reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		5,210,000
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets and do not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: bond proceeds ($17,000,000), bond premium ($1,115,552), amortization of bond premium and deferred charge on refunding, $907,389 and ($523,682), respectively.		(17,731,845)
In the statement of activities, certain operating expenses such as compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which benefits of $1,220,759 exceeds usage of ($1,150,599).		(70,160)
Net pension liability activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of: pension expense ($24,656,981), net of employer contribution expenditures of $15,282,955.		(9,374,026)
Interest payable on general obligation debt is not recorded on the fund financial statements because it is not a current use of cash. Interest of $451,067 is accrued on the government-wide statements since the liability is to be paid in the near term. The liability in the prior year was $423,620, resulting in additional interest expense reported for the current year.		(27,447)
Change in net position of governmental activities	$	(11,902,432)

See accompanying Notes to Basic Financial Statements.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund (Agency Fund)
June 30, 2015

ASSETS	
Equity in pooled cash and investments	$ 255,584
LIABILITIES	
Accounts payable	$ 8,606
Due to student clubs and other organizations	246,978
Total liabilities	$ 255,584

See accompanying Notes to Basic Financial Statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Arapahoe County School District Number Six (the District) is a political subdivision of the state of Colorado, and it is governed by an elected five-member Board of Education (the Board). The accompanying financial statements present the District, the primary government, and its component units, entities for which the District is considered financially accountable. The *discretely* presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the District.

Discretely Presented Component Units. The District's charter schools consist of two separately authorized charters—Littleton Academy and Littleton Preparatory. Charter schools are public schools authorized by the state of Colorado to provide alternatives for parents, pupils, and teachers. The charter schools are organized as legal entities, each with a separate governing board; however, the District must approve all charter school applications. Funding, as required by law, flows from the Colorado Department of Education through the District and to the charter schools on a monthly basis. The charter schools are *discretely* presented component units because of the significance of their financial relationship with the District and the services they provide to the District's students. Separate financial statements for each of the charter schools can be found at the following websites: www.academy.littletonpublicschools.net and www.littletonprep.littletonpublicschools.net.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are primarily supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: 1) charges for services that relate to a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period or within 90 days for federal grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants, and interest 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, provided the availability criteria has been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for dedicated revenue for the payments of principal and interest on long-term general obligation debt.
- The Capital Projects–Building Fund is a capital improvement fund to account for the major capital outlays for District facilities funded by the voter-approved 2013 and 2014 general obligation bonds.

Additionally, the District reports the following fund type:

- The Fiduciary Fund accounts for assets held by the District as an agent for student clubs and other organizations.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. An exception to this general rule is that inter-fund services provided and used are not eliminated in order to avoid distortion of direct costs and program revenues.

Amounts reported as program revenues include charges for services and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all state formula aid and local property taxes.

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

In order to facilitate the recording of cash transactions and maximize earnings on investments, the District has combined the cash resources of its funds and maintains accountability for each fund's equity in the pooled cash and investments. Investments for the District, as well as for its component units, are reported at fair value.

2. Receivables

Property taxes levied in 2014 but not yet collected in 2015 are identified as property taxes receivable in the governmental funds balance sheet at June 30, 2015, and are presented net

of an allowance for uncollectible taxes. Intergovernmental receivables include amounts due from grantors for specific program grants.

3. Inventories, Deposits, and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased. The District deposited an amount with an insurance provider which is termed deposits.

Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds and are instead accounted for as expenditures in the period of acquisition (purchase method).

4. Restricted Assets

As required by state law, a third party custodian administers the District's Debt Service Fund. The trust department of a commercial bank serves as custodian, receiving property taxes collections directly from the county treasurer, investing money, and making debt service payments. The balance in the bank account is reported as a restricted investment.

5. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of $5,000 or more for government activities and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings	20–50
Equipment	5–20
Vehicles	8–15

6. Compensated Absences

District policy allows unlimited accumulation of vacation leave and unused sick days. Accrued vacation is paid to eligible employees upon termination of employment, limited to two years accrual. Payment for unused sick days is made upon an employee's retirement as defined by the District, for unused sick time over 45 days, and not exceeding annual contract days, times a factor approximating the daily pay rate of a substitute teacher. Each fund liquidates the accrued vacation and sick leave for its respective liabilities.

7. Deferred Outflows/Inflows of Resources

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

qualifies for reporting in this category is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note III F for deferred pension outflows of resources.

In addition to liabilities, the District's financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One type of item that qualifies for the reporting in this category is for property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. See Note III F for deferred pension inflows of resources.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

9. Property Taxes

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the county assessor. The levy is set by December 15 by certification to the county commissioners to levy the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or, if in equal installments, at the taxpayers' election on February 28 and June 15. Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The county treasurer remits taxes collected monthly to the District.

In the fund financial statements, property taxes are recorded initially as a receivable, net of allowance for doubtful collections and as a deferred inflow of resources in the year they represent an enforceable lien and are measurable. The deferred inflow of resources is recorded as revenue in the year they are available.

10. State Equalization Aid

State equalization aid is revenue received from the state of Colorado computed in accordance with a funding formula as defined by state statute. The funding formula considers such factors as pupil enrollment and other revenue sources.

11. Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balances based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make

the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable Fund Balance—amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact, i.e., inventories and prepaids.

Restricted Fund Balance—amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation that are legally enforceable, i.e., Taxpayer's Bill of Rights (TABOR).

Committed Fund Balance—amounts that can only be used for specific purposes pursuant to constraints imposed by the Board by resolution. The committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Assigned Fund Balance—amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Per Board policy, the Board delegates authority to the superintendent, or the superintendent's designee, to assign fund balance.

Unassigned Fund Balance—the remaining fund balance, after amounts are set aside for other classifications. The Board assigns the superintendent or designee the responsibility of accumulating and maintaining a minimum General Fund unassigned fund balance of 5 percent of the District's adopted General Fund revenue budget of the current fiscal year.

The District has established a policy for its use of restricted and unrestricted fund balances. When expenditures are incurred, the District uses restricted fund balances first if the expenditure is for a restricted purpose. Unrestricted expenditures are applied to committed, assigned, and unassigned fund balances in that order.

12. Restatement of Net Position and Fund Balance

The District previously reported the activity of the Nutrition Services Fund and the Extended Day Care Fund as proprietary funds. Beginning in fiscal year 2014–2015, such activities have been more appropriately reported as special revenue funds. Accordingly, the newly established special revenue funds report a restated beginning balance of $1,209,385 for the Nutrition Services Fund and $1,270,970 for the Extended Day Care Fund, which is equal to the net current assets and current liabilities previously reported in the proprietary fund. The net investments in capital assets of $456,890 for the Nutrition Services Fund and $28,950 for the Extended Day Care Fund, previously reported in the proprietary fund, are not recognized at the fund level under modified accrual and have been reclassified as assets of the governmental activities as of July 1, 2014.

	Nutrition Services Fund		
	June 30, 2014	Adjustments	July 1, 2014
ASSETS			
Current assets:			
Equity in pooled cash and investments	$ 1,423,202	$ -	$ 1,423,202
Due from other governments	17,346	-	17,346
Other accounts receivable	480	-	480
Total current assets	1,441,028	-	1,441,028
Noncurrent assets:			
Capital assets:			
Equipment	2,448,202	(2,448,202)	-
Less accumulated depreciation	(1,991,312)	1,991,312	-
Total noncurrent assets	456,890	(456,890)	-
Total assets	1,897,918	(456,890)	1,441,028
LIABILITIES			
Current liabilities:			
Accounts payable	4,884	-	4,884
Accrued compensation	114,591	-	114,591
Unearned revenue	112,168	-	112,168
Total current liabilities	231,643	-	231,643
NET POSITION			
Net investment in capital assets	456,890	(456,890)	-
Restricted	1,209,385	-	1,209,385
Total net position	$ 1,666,275	$ (456,890)	$ 1,209,385

	Extended Day Care Fund		
	June 30, 2014	Adjustments	July 1, 2014
ASSETS			
Current assets:			
Equity in pooled cash and investments	$ 1,553,641	$ -	$ 1,553,641
Total current assets	1,553,641	-	1,553,641
Noncurrent assets:			
Capital assets:			
Equipment	158,806	(158,806)	-
Less accumulated depreciation	(129,856)	129,856	-
Total noncurrent assets	28,950	(28,950)	-
Total assets	1,582,591	(28,950)	1,553,641
LIABILITIES			
Current liabilities:			
Accounts payable	42,242	-	42,242
Accrued compensation	184,535	-	184,535
Unearned revenue	55,894	-	55,894
Total current liabilities	282,671	-	282,671
NET POSITION			
Net investment in capital assets	28,950	(28,950)	-
Unrestricted	1,270,970	-	1,270,970
Total net position	$ 1,299,920	$ (28,950)	$ 1,270,970

II. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2015, consist of the following:

Cash on hand	$ 26,655
Deposits with financial institutions	15,002,854
Investments	109,625,627
Total cash and investments	$124,655,136

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:	
Equity in pooled cash and investments, primary government	$ 54,802,213
Restricted investments, primary government	66,673,884
Equity in pooled cash and investments, component units	2,923,455
Fiduciary Fund:	
Equity in pooled cash and investments	255,584
Total cash and investments	$124,655,136

Deposits with Financial Institutions

The District's cash and deposit policies are approved by the Board of Education and governed by Colorado statutes. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102.0 percent of the uninsured deposits.

Investments

Investment policies of the District and the component units, which comply with state statutes, permit investments in:

- U.S. Treasury obligations
- Federal instrumentality securities
- Repurchase agreements with a termination date of 180 days or less
- Time certificates of deposit
- Local government investment pools
- Money market mutual funds
- Commercial paper
- Municipal notes or bonds
- Any other investment which is authorized by state statutes

Investments as of June 30, 2015, consist of the following:

Investments	12 months or less	1 to 5 years	Total Investment
Local government investment pools	$ 58,771,122	$ -	$ 58,771,122
U.S. Agencies	8,003,840	13,015,700	21,019,540
Commercial paper	17,992,860	-	17,992,860
Corporate notes	2,074,970	6,007,940	8,082,910
Mutual Fund	3,759,195	-	3,759,195
Total	$ 90,601,987	$ 19,023,640	$ 109,625,627

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investment maturities to less than five years as a means of managing its exposure to interest rate risk.

Investments	AA1*	AA2*	AA3*	AAA*	AAAm**	Not Rated	Total
Local government investment pools	$ -	$ -	$ -	$ -	$58,771,122	$ -	$ 58,771,122
U.S. Agencies	-	-	-	21,019,540	-	-	21,019,540
Commercial paper	-	-	-	-	-	17,992,860	17,992,860
Corporate notes	949,554	1,125,416	4,007,060	2,000,880	-	-	8,082,910
Mutual Fund	-	-	-	-	3,759,195	-	3,759,195
Total	$949,554	$1,125,416	$4,007,060	$23,020,420	$62,530,317	$17,992,860	$109,625,627

*Moody Rating
**Standard and Poor's Rating

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to Federal Investment Company Act 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institutions have assets in excess of $1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

Local government investment pool is an investment vehicle established for local government entities to pool surplus funds. The District is invested in two such pools, Colorado Local Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE). The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST and CSAFE. Both operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. COLOTRUST and CSAFE are rated AAAm by Standard and Poor's. Investments of COLOTRUST and CSAFE are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Concentration of credit risk—State statutes generally do not limit the amount the District may invest in one issuer.

State statutes generally do not address custodial risk.

Component Units

The District's two charter schools' restricted investments at June 30, 2015, consist of the following:

Investments	Fair Value	Standard & Poor's Rating
Littleton Academy Charter School:		
COLOTRUST Plus+ Fund (government investment pool)	$ 599,900	AAAm
Littleton Preparatory Charter School:		
Federated Prime Obligation Fund #700	737,296	AAAm
Total	$1,337,196	

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The charter schools do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorized the investment for a period in excess of five years. The charter schools investments have a maturity of less than twelve months.

Credit risk for the charter schools is the same as the District's. The charter school's investment as of June 30, 2015 were rated AAAm by Standard & Poor's.

Concentration of credit risk—State statutes generally do not limit the amount the charter schools may invest in one issuer.

B. Inter-fund Receivables, Payables, and Transfers

Inter-fund transfers in/out for the fiscal year ended June 30, 2015, are shown on the next page.

	Transfers In			
		Nonmajor Funds		
Transfers Out	General Fund	Student Athletic and Activities Fund	Capital Projects Fund	Total
General Fund	$ -	$1,814,403	$2,701,737	$ 4,516,140
Nonmajor Funds:				
Extended Day Care Program Fund	191,674	-	-	191,674

Annually, the District subsidizes the Student Athletic and Activities Fund and the Capital Projects Fund by a transfer from the General Fund. District policy requires annual transfers by the Extended Day Care Program Fund to the General Fund for overhead.

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, is shown on the next page.

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 5,857,507	$ -	$ -	$ 5,857,507
Construction in progress	3,971,180	15,481,730	(3,373,014)	16,079,896
Total capital assets not being depreciated	9,828,687	15,481,730	(3,373,014)	21,937,403
Capital assets being depreciated:				
Land improvements	11,636,953	906,840	(45,225)	12,498,568
Buildings	210,377,446	5,102,561	(17,547)	215,462,460
Equipment*	7,047,593	576 ,043	(814,762)	6,808,874
Vehicles	6,528,620	404,058	-	6,932,678
Total capital assets being depreciated	235,590,612	6,989,502	(877,534)	241,702,580
Less accumulated depreciation for:				
Land improvements	(7,029,147)	(626,670)	38,629	(7,617,188)
Buildings	(135,090,990)	(6,611,358)	17,547	(141,684,801)
Equipment*	(4,531,861)	(522,663)	694,363	(4,360,161)
Vehicles	(5,318,683)	(366,391)	-	(5,685,074)
Total accumulated depreciation	(151,970,681)	(8,127,082)	750,539	(159,347,224)
Total capital assets being depreciated—net	83,619,931	(1,137,580)	(126,995)	82,355,356
Governmental activities capital assets—net	$ 93,448,618	$ 14,344,150	$ (3,500,009)	$104,292,759

*Beginning balance was restated, see Note I.D.12.

Depreciation expense was charged to functions/programs of the primary government as follows.

	Governmental Activities
Instruction	$ 7,084,618
Support services	1,042,464
Total depreciation expense—governmental activities	$ 8,127,082

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Component units:				
Capital assets not being depreciated:				
Land	$ 1,889,806	$ -	$ -	$ 1,889,806
Construction in progress	447,440	25,194	(447,440)	25,194
Total capital assets not being depreciated	2,337,246	25,194	(447,440)	1,915,000
Capital assets being depreciated:				
Land improvements	286,101	-	-	286,101
Building and improvements	10,236,806	1,617,091	(16,100)	11,837,797
Equipment	53,052	5,399	-	58,451
Total capital assets being depreciated	10,575,959	1,622,490	(16,100)	12,182,349
Less accumulated depreciation for:				
Land improvements	(100,289)	(14,305)	-	(114,594)
Building and improvements	(1,217,630)	(231,888)	5,501	(1,444,017)
Equipment	(36,604)	(4,341)	-	(40,945)
Total accumulated depreciation	(1,354,523)	(250,534)	5,501	(1,599,556)
Total capital assets being depreciated—net	9,221,436	1,371,956	(10,599)	10,582,793
Component units capital assets—net	$ 11,558,682	$ 1,397,150	$ (458,039)	$ 12,497,793

D. Accrued Compensation

Accrued compensation relates to salaries and benefits of certain contractually employed personnel, which are paid over a 12-month period from August to July, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid at June 30, 2015, are estimated to be $7,417,917.

E. Long-Term Debt

General Obligation Bonds. The District has issued general obligation bonds to provide funds for major improvement projects to existing facilities. These bond issues were primarily for governmental activities. The amount of the 2010 general obligation bonds issued was $80,575,000 of general obligation refunding bonds issued September 2010 to refund a portion of the outstanding general obligation bonds, Series 2002, on an advance refunding basis. The issued amounts of the 2013 general obligation bonds and the 2014 general obligation bonds are $50,000,000 and $17,000,000, respectfully, as part of the November 2013 voter-approved $80,000,000 capital improvement projects.

Premium on bonds were received with the 2010 general obligation refunding bonds issue as additional proceeds of $9,845,145, the 2013 general obligation bonds issue as additional proceeds of $2,336,062 and the 2014 general obligation bonds issue as additional proceeds of $1,115,552. For full accrual accounting purposes, the premium is combined with the debt and amortized over the life of the bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General property taxes provide the revenue for payments of principal and interest on the bonds; voters in the District approved, in general elections, the increase in property taxes for the debt service costs. The bonds generally are issued as 20-year serial bonds with semi-annual payments of either principal, interest, or both. General obligation (G.O.) bonds outstanding at June 30, 2015, are shown below.

Bond Issue	Purpose	Interest Rates	Final Maturity	Amount Outstanding
2010 G.O. refunding bonds	General government	1.75%–5.0%	Dec. 1, 2024	$ 64,545,000
2013 G.O. bonds	General government	4.5%–5.0%	Dec. 1, 2037	$ 50,000,000
2014 G.O. bonds	General government	3.0%–4.0%	Dec. 1, 2038	$ 17,000,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2016	$ 5,475,000	$ 5,588,025	$ 11,063,025
2017	5,680,000	5,393,075	11,073,075
2018	5,860,000	5,212,000	11,072,000
2019	6,045,000	5,028,050	11,073,050
2020	6,230,000	4,849,313	11,079,313
2021–2025	35,255,000	19,706,625	54,961,625
2026–2030	15,000,000	13,921,350	28,921,350
2031–2035	27,150,000	9,401,750	36,551,750
2036–2039	24,850,000	1,874,250	26,724,250
Totals	$131,545,000	$ 70,974,438	$ 202,519,438

Changes in Long-Term Debt. The changes in long-term liabilities for the primary government for the fiscal year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds payable	$ 119,755,000	$ 17,000,000	$ (5,210,000)	$ 131,545,000	$ 5,475,000
Premium on bonds	9,050,363	1,115,552	(907,389)	9,258,526	-
Compensated absences	2,082,730	1,220,759	(1,150,599)	2,152,890	1,000,000
Totals	$ 130,888,093	$ 19,182,057	$ (7,113,734)	$ 142,956,416	$ 6,475,000

Payment of general obligation bonds debt service, including bonds principal, is made from the Debt Service Fund. The General Fund typically liquidates compensated absences.

Component Unit Mortgage Loan. On December 19, 2006, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $5,235,000 of Charter School Revenue Refunding Bonds, Series 2006, to advance refund CECFA's outstanding Series 2001 Bonds on behalf of Littleton Academy Building Foundation (Foundation). Proceeds of the Series 2001 Bonds were used by the Foundation to acquire and remodel the school building for Littleton Academy Charter School.

Littleton Academy Charter School is obligated under a lease agreement to make monthly lease payments to the Foundation for using the building. The Foundation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-annually on January 15 and July 15, with interest accruing at rates ranging from 3.75 percent to 4.37 percent. Principal payments are due annually on January 15 through 2036.

Annual debt service requirements to maturity for the mortgage loan are as follows:

	Mortgage Loan		
Fiscal Year Ending June 30	Principal	Interest	Total
2016	$ 140,000	$ 192,885	$ 332,885
2017	145,000	187,985	332,985
2018	150,000	181,823	331,823
2019	155,000	175,823	330,823
2020	160,000	169,623	329,623
2021–2025	915,000	740,648	1,655,648
2026–2030	1,125,000	525,940	1,650,940
2031–2035	1,395,000	257,469	1,652,469
2036	315,000	13,779	328,779
Totals	$ 4,500,000	$ 2,445,975	$ 6,945,975

In January 2013, Littleton Preparatory Charter School Building Corporation (Corporation) borrowed $7.34 million to acquire and remodel a building for the Littleton Preparatory Charter School. The loan was obtained through a mortgage loan agreement with CECFA, which sold $7.34 million of Charter School Revenue Bonds, Series 2013, on behalf of the Corporation.

The Corporation and CECFA entered into a mortgage loan agreement. Littleton Preparatory Charter School is obligated under a lease agreement to make monthly lease payments to the Corporation for use of the building. The Corporation is required to make semi-annual loan payments to the trustee for payment of the bonds. Bond interest payments are due semi-

annually on June 1 and December 1, with interest accruing at 5.0 percent. Principal payments are due annually on December 1, beginning in 2014 through 2042.

Annual debt service requirements to maturity for the mortgage loan are as follows:

Fiscal Year Ending June 30	Mortgage Loan		
	Principal	Interest	Total
2016	$ 115,000	$ 359,125	$ 474,125
2017	120,000	353,250	473,250
2018	125,000	347,125	472,125
2019	135,000	340,625	475,625
2020	140,000	333,750	473,750
2021–2025	810,000	1,554,250	2,364,250
2026–2030	1,050,000	1,322,500	2,372,500
2031–2035	1,330,000	1,026,250	2,356,250
2036–2040	1,695,000	650,625	2,345,625
2041–2043	1,720,000	155,500	1,875,500
Totals	$ 7,240,000	$ 6,443,000	$ 13,683,000

Component Unit Changes in Long-Term Debt. The changes in long-term debt for Littleton Academy Charter School for the fiscal year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Mortgage loan payable	$ 4,635,000	$ -	$ 135,000	$ 4,500,000	$ 140,000
Discount on loan	(46,887)	-	(2,092)	(44,795)	(2,092)
Totals	$ 4,588,113	$ -	$ 132,908	$ 4,455,205	$ 137,908

The changes in long-term debt for Littleton Preparatory Charter School for the fiscal year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Mortgage loan payable	$ 7,340,000	$ -	$ 100,000	$ 7,240,000	$ 115,000
Premium on loan	142,066	-	5,074	136,992	5,074
Totals	$ 7,482,066	$ -	$ 105,074	$ 7,376,992	$ 120,074

III. OTHER INFORMATION

A. Risk Management

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

Liability and property. The District has a self-insured retention on its general liability and auto claims up to $150,000 per occurrence. For claims in excess of $150,000 up to $5,000,000, the District is a member of the Excess-of-Loss Self-Insurance Pool (ELSIP), a public entity risk pool. ELSIP operates risk management and insurance programs for three participating member school districts. The District pays an annual premium for its coverage. ELSIP may require additional contributions if it determines the financial condition, including cash flow availability, so necessitates additional contributions. Both charter schools participate with the District for this

coverage. The District self-insures the first $25,000 for each property claim and insures through Travelers additional losses up to approximately $333.0 million.

Employee health care. All employee health care benefit plans of the District and the component units are commercially insured, except for a dental plan with maximum benefit costs limited to $2,000 per year per participant.

Workers' compensation. In 1986, the District joined with other school districts in the state of Colorado to form the Joint School Districts' Workers' Compensation Self-Insurance Pool (Joint Pool), a public entity risk pool currently operating as a common risk management and insurance program with four participating members. The District pays an annual premium to the Joint Pool for its workers' compensation coverage. The Joint Pool may require additional contributions if it determines the financial condition, including cash flow availability, so necessitates additional contributions. Each member of the Joint Pool is responsible for $100,000 of each loss. Losses between $100,000 and $450,000 are pooled between the member districts, and losses in excess of $450,000 are reinsured for up to statutory limits. The component units participate with the District in the Joint Pool.

Claims liability. A claims liability is reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. The liability is estimated based upon the experience of the District and trends in costs of services. Estimates are revised by management as changes in these factors occur, and such revisions are reflected in operations of the current period. Liabilities include an amount for claims that have been incurred but not reported.

The following represents the changes in the claims liability for the District during the fiscal years ended June 30, 2014, and 2015.

	Dental	
	2014	2015
Claims liability at beginning of year	$ 41,858	$ 35,800
Current year claims and changes in estimates	919,845	899,664
Claim Payments	(925,903)	(878,272)
Claims liability at end-of-year	$ 35,800	$ 57,192

The District maintains commercial insurance coverage for other casualty coverages. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant changes in insurance coverage in fiscal year 2015 as compared to prior years.

B. Contingent Liabilities

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

C. Constitutional TABOR Amendment

In the November 1992 general election, Colorado voters approved an amendment to the Colorado Constitution, commonly known as TABOR. This amendment limits the ability of the state and local governments, such as the District, to increase revenues, debt, and spending. In addition, TABOR requires that the state and local governments obtain voter approval to create any multiple fiscal year direct or indirect debt or other financial obligations without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

In the November 1998 general election, the District's electorate authorized the District to collect, retain, and expend all revenues and other funds collected during fiscal year 1999 and each subsequent year from any source, notwithstanding the TABOR limitations. The District remains subject to TABOR with respect to general mill levy increase restrictions and to the issuance of any new debt without taxpayers' approval. The TABOR amendment is subject to many interpretations, but the District believes it is in compliance. TABOR requires that an emergency reserve be established. Net position and fund balances of $4,350,000 have been restricted for this emergency reserve at June 30, 2015.

D. Effect of New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions (as amended)* (Statement No. 68), which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The District and its two charter schools provide employees with pension benefits through a multiple-employer cost-sharing defined benefit pension plan. The District and charter schools employees are in a program administered by the Public Employees' Retirement Association of Colorado (PERA). See further information about this plan in Note F.

Statement No. 68 requires cost-sharing employers participating in the PERA program, such as the District and charter schools, to record their proportionate share, as defined in Statement No. 68, of PERA's unfunded pension liability. The District and charter schools have no legal obligation to fund this shortfall, nor do they have any ability to affect funding, benefits, or annual required contribution decisions made by PERA. The requirement of Statement No. 68 to record a portion of PERA's unfunded liability will negatively impact the District's and charter schools' unrestricted net positions. Statement No. 68 is effective for fiscal year 2015.

E. Restatement of Net Position and Fund Balance

As previously stated above in Note I, Summary of Significant Accounting Policies, Section D Assets, Liabilities, and Net Position or Equity, Number 12, the District previously reported the activity of the Nutrition Services Fund and the Extended Day Care Fund as proprietary funds. Beginning in fiscal year 2014–2015, such activities have been more appropriately reported as special revenue funds. As a result, the District adjusted the July 1, 2014, beginning governmental activities net position in the amount of $2,966,195 relating to the reclassification of funds.

For the year ending June 30, 2015, the District adopted Statement No. 68. As a result, the District adjusted the July 1, 2014, beginning net position in the amount of $269,834,652 relating to the recording of the net pension liability.

Net position beginning—beginning	$ 69,666,247
Proprietary funds reclassification	2,966,195
GASB 68 adoption	(269,834,652)
Net position—beginning restated	$ (197,202,210)

The beginning net position for Total Component Units on the combining statement of activities has been restated in the amount of $11,973,009 in relation to the adoption of Statement No. 68.

Net position beginning—beginning	$ 3,735,789
GASB 68 adoption	(11,973,009)
Net position—beginning restated	$ (8,237,220)

F. Public Employees' Retirement Association of Colorado (PERA)

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8.0 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate*	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) *	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF*	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 *	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 *	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF*	16.43%	17.33%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District, Littleton Academy, and Littleton Preparatory were $15,327,554, $282,872, and $399,710, respectively, for the year ended June 30, 2015.

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

At June 30, 2015, the District, Littleton Academy, and Littleton Preparatory reported a liability of $291,875,138, $5,334,533, and $7,620,760, respectively, for their proportionate shares of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The proportion of the net pension liability was based on the District's, Littleton Academy's, and Littleton Preparatory's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the District's and its two charter schools' proportion was 2.249 percent, which was a decrease of 0.020 percent from its proportion measured as of December 31, 2013. For the year ended June 30, 2015, the District, Littleton Academy, and Littleton Preparatory recognized pension expense of $25,283,216, $463,692, and $660,136, respectively. At June 30, 2015, the District, Littleton Academy, and Littleton Preparatory reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	District		Littleton Academy		Littleton Preparatory	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	$21,794	-	$398	-	$569
Changes of assumptions or other inputs	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	$6,712,175	-	$122,677	-	$175,253	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	$1,795,432	-	$32,815	-	$46,878
Contributions subsequent to the measurement date	$7,771,510	-	$147,024	-	$207,044	-
Total	$14,483,685	$1,817,226	$269,701	$33,213	$382,297	$47,447

$7,771,510, $147,024, and $207,044 from the District, Littleton Academy, and Littleton Preparatory, respectively, is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows on the next page.

Year ended:	District	Littleton Academy	Littleton Preparatory
2016	$1,005,761	$17,951	$25,893
2017	1,005,761	17,951	25,893
2018	1,205,383	22,892	32,207
2019	1,678,044	30,670	43,813
Total	$4,894,949	$89,464	$127,806

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

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

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

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

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

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

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

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

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

Sensitivity of the District's, Littleton Academy's, and Littleton Preparatory's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$384,864,033	$291,875,138	$214,041,855
Littleton Academy's proportionate share of the net pension liability	7,034,068	5,334,533	3,911,992
Littleton Preparatory's proportionate share of the net pension liability	10,048,669	7,620,760	5,588,560

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

G. Postemployment Healthcare Benefits

Plan description. The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing, multiple-employer postemployment healthcare plan administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of hear care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy. The District and its two charter schools are required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District and its two charter schools are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution of the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2015, 2014, 2013, the District's contributions to the HCTF were $889,184; $875,605; and $884,498, respectively, equal to their required contributions for each year. Littleton Academy's contributions to the HCTF for the fiscal years ending June 30, 2015, 2014, and 2013 were $17,087, $16,506, and $16,190, respectively, equal to required contributions for each year, and Littleton Preparatory's contributions to the HCTF for the fiscal years ending June 30, 2015, 2014, and 2013 were $24,147, $23,685, and $21,541, respectively, equal to required contributions for each year.

H. Subsequent Event

On October 6, 2015, the District issued $12,998,580 in general obligation bonds; the bond issue represents the last issue of the $80,000,000 for capital improvement projects approved by voters at the November 2013 election. At the same time, the District issued $3,570,000 (maturity amount) of supplemental "B" interest registered coupons. The registered coupons mature on December 1, 2025, and June 1, 2026. The general obligation bonds include both current interest bonds maturing on December 1, 2026, through December 1, 2033, and capital appreciation bonds maturing on December 1, 2038.

This page left blank and
unnumbered intentionally
for presentation purposes

Required Supplementary Information

This page left blank and
unnumbered intentionally
for presentation purposes

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes:				
Property taxes	$ 61,920,213	$ 61,420,591	$ 61,826,703	$ 406,112
Specific ownership taxes	5,356,000	5,356,000	5,675,945	319,945
Intergovernmental revenue:				
Federal grants	1,087,392	1,087,392	1,079,376	(8,016)
State equalization aid	64,558,314	64,808,578	64,807,999	(579)
State education of students with disabilities	2,489,016	2,489,016	2,521,840	32,824
Other state entitlements	1,473,441	1,717,748	2,018,936	301,188
Investment earnings	63,363	63,363	45,526	(17,837)
Other	4,204,133	4,104,133	4,768,185	664,052
Total revenues	141,151,872	141,046,821	142,744,510	1,697,689
EXPENDITURES				
Current:				
Instruction	87,106,382	90,773,941	87,415,382	3,358,559
Support services:				
Pupil services	7,228,092	7,630,805	7,099,194	531,611
Instructional staff services	7,345,750	9,215,300	7,769,265	1,446,035
General administration	1,566,353	1,713,589	1,476,984	236,605
School administration	8,703,524	9,022,325	8,596,688	425,637
Financial administration	1,641,896	1,775,778	1,293,418	482,360
Operations administration	11,979,878	12,234,724	11,573,663	661,061
Transportation	4,550,693	4,838,446	4,063,272	775,174
Central administration	7,571,317	8,049,306	7,019,015	1,030,291
Community services	173,887	262,283	251,494	10,789
Contingency reserve	35,424,973	28,826,433	-	28,826,433
Total expenditures	173,292,745	174,342,930	136,558,375	37,784,555
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(32,140,873)	(33,296,109)	6,186,135	39,482,244
OTHER FINANCING SOURCES (USES)				
Transfers in	185,353	185,353	191,674	6,321
Transfers out	(5,965,623)	(5,965,623)	(5,956,335)	9,288
Total other financing sources (uses)	(5,780,270)	(5,780,270)	(5,764,661)	15,609
NET CHANGE IN FUND BALANCE	(37,921,143)	(39,076,379)	421,474	39,497,853
FUND BALANCE—BEGINNING	37,921,143	39,244,592	39,244,592	-
FUND BALANCE—ENDING	$ -	$ 168,213	$ 39,666,066	$ 39,497,853

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Risk Management Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance With Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Investment earnings	$ 1,600	$ 1,600	$ 1,905	$ 305
Other	87,247	87,247	597,628	510,381
Total revenues	88,847	88,847	685,499	596,652
EXPENDITURES				
Current:				
Risk management	1,999,672	1,999,672	2,324,876	(325,204)
Contingency reserve	1,000,000	1,000,000	-	1,000,000
Total expenditures	2,999,672	2,999,672	2,324,876	674,796
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,910,825)	(2,910,825)	(1,639,377)	1,271,448
OTHER FINANCING SOURCES				
Transfers in	1,449,483	1,449,483	1,440,195	(9,288)
Total other financing sources	1,449,483	1,449,483	1,440,195	(9,288)
NET CHANGE IN FUND BALANCE	(1,461,342)	(1,461,342)	(199,182)	1,262,160
FUND BALANCE—BEGINNING	1,461,342	1,461,342	1,451,194	(10,148)
FUND BALANCE—ENDING	$ -	$ -	$ 1,252,012	$ 1,252,012

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Notes to Required Supplementary Information
June 30, 2015

NOTE 1: Budgetary Information

a. The District prepares budgets for all funds, except the Fiduciary Fund (Agency Fund). During May, the superintendent of schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing July 1. The budget includes proposed expenditures and the means for financing them.

b. Notice is provided to taxpayers of the availability for inspection of the proposed budget. Prior to June 30, the budget is adopted by formal resolution of the Board of Education. C.R.S. 22-44-110 (5) allows the Board of Education to review and change the Adopted Budget, with respect to both revenues and expenditures, at any time prior to Januay 31. A Revised Budget appropriation was submitted and approved by the Board of Education on January 15, 2015.

c. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year including beginning fund balances and reserves as established by the Board of Education.

d. Budgets are adopted on a basis consistent with GAAP.

e. The budgets reported in the accompanying financial statements and schedules as adopted by the Board of Education and, where revised, were done so as authorized.

f. Appropriations for all funds lapse at the fiscal year end.

g. The Risk Management Fund is a sub-fund of the General Fund and its budget is approved by the Board of Education annually. The Statement of Revenues, Expenditures, and Changes in Fund Balances combines the actual revenues and expenditures of the General Fund and the Risk Management Fund. A budgetary comparison schedule is provided separately for both the General Fund and the Risk Management Fund. The following is a reconcilation of the General Fund actual revenues and expenditues as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

	General Fund	Risk Management Fund	Total
Revenue	$ 142,744,510	$ 685,499	$ 143,430,009
Expenditures	(136,558,375)	(2,324,876)	(138,883,251)
Excess Revenues Over (Under) Expenditures	6,186,135	(1,639,377)	4,546,758
Other Sources (Uses)	(5,764,661)	1,440,195	(4,324,466)
Net Change in Fund Balances	421,474	(199,182)	222,292
Fund Balance—Beginning	39,244,592	1,451,194	40,695,786
Fund Balance—Ending	$ 39,666,066	$ 1,252,012	$ 40,918,078

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Schedules of Required Supplementary Information
June 30, 2015

Schedule of the District's Proportionate Share of the Net Pension Liability
PERA Pension Plan
Last Two Fiscal Years*
(Dollar amounts in thousands)

	2013	2014
District's proportion of the net pension liability (asset)	2.27%	2.25%
District's proportionate share of the net pension liability (asset)	$ 277,142	$ 291,875
District covered-employee payroll	$ 90,007	$ 90,761
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.91%	321.59%
Plan fiduciary net position as a percentage of the total pension liability	62.80%	64.06%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Information for 2005 to 2012 is not available.

Schedule of the District Contributions
PERA Pension Plan
Last Four Fiscal Years*
(Dollar amounts in thousands)

	2012	2013	2014	2015
Contractually required contribution	$ 12,046	$ 13,039	$ 14,260	$ 15,327
Contributions in relation to the contractually required contribution	(12,046)	(13,039)	(14,260)	(15,327)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 88,496	$ 90,415	$ 89,784	$ 91,217
Contributions as a percentage of covered-employee payroll	13.61%	14.42%	15.88%	16.80%

* The amounts presented for each fiscal year were determined as of June 30.

Note: Information for 2006 to 2011 is not available.

Combining and Individual Fund Statements and Schedules

This page left blank and
unnumbered intentionally
for presentation purposes

Nonmajor Governmental Funds

The first statements and schedules in this supplementary information are those of the nonmajor governmental funds. Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures for particular purposes.

Designated Purpose Grants Fund. This fund is used to account for federal, state, and local grants which are restricted as to the type of expenditures for the grants may be used.

Extended Day Care Fund. This fund is used to account for preschool, full-day kindergarten, and before- and after- school day care programs.

Nutrition Services Fund. This fund is used to account for the operation of breakfast, lunch, and summer feeding programs

Student Athletic and Activities Fund. This fund accounts for extracurricular activities at the elementary, middle, and high school levels; intramural athletic programs at the middle level; and varsity athletics programs and District-sponsored activities at the high school level.

Capital Projects Fund. This fund is used to account for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Designated Purpose Grants Fund	Extended Day Care Program Fund	Nutrition Services Fund
ASSETS			
Equity in pooled cash and investments	$ 120,381	$ 1,763,468	$ 1,381,397
Due from other governments	688,780	-	18,074
Total assets	$ 809,161	$ 1,763,468	$ 1,399,471
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	$ 6,302	$ 52,619	$ 9,400
Accrued compensation	208,611	329,821	105,076
Unearned revenue	594,248	53,350	129,429
Total liabilities	809,161	435,790	243,905
Fund balances:			
Restricted for:			
Nutrition services	-	-	1,155,566
Committed for:			
Capital projects	-	-	-
Student care services	-	1,327,678	-
Pupil activities	-	-	-
Assigned for:			
Beverage sponsorship for student needs	-	-	-
Total fund balances	-	1,327,678	1,155,566
Total liabilities and fund balances	$ 809,161	$ 1,763,468	$ 1,399,471

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Student Athletic and Activities Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	$ 1,371,170	$ 2,764,783	$ 7,401,199
	15,241	16,698	738,793
	$ 1,386,411	$ 2,781,481	$ 8,139,992
	$ 44,731	$ 117,971	$ 231,023
	36,715	-	680,223
	2,080	-	779,107
	83,526	117,971	1,690,353
	-	-	1,155,566
	-	2,663,510	2,663,510
	-	-	1,327,678
	1,249,721	-	1,249,721
	53,164	-	53,164
	1,302,885	2,663,510	6,449,639
	$ 1,386,411	$ 2,781,481	$ 8,139,992

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Designated Purpose Grants Fund	Extended Day Care Program Fund	Nutrition Services Fund
REVENUES			
Intergovernmental revenue:			
Federal grants	$ 4,347,185	$ -	$ 1,445,827
Donated commodities	-	-	233,715
State grants	228,480	-	52,649
Food sales	-	-	1,999,699
Pupil activities	-	-	-
Student care	-	4,936,787	-
Investment earnings	-	1,865	1,681
Other	166,322	15,777	106,653
Total revenues	4,741,987	4,954,429	3,840,224
EXPENDITURES			
Current:			
Instruction	2,764,673	-	-
Support services	1,977,314	4,646,742	3,894,043
Capital outlay	-	59,305	-
Total expenditures	4,741,987	4,706,047	3,894,043
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	248,382	(53,819)
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Transfers out	-	(191,674)	-
Total other financing sources	-	(191,674)	-
NET CHANGE IN FUND BALANCE	-	56,708	(53,819)
FUND BALANCE—BEGINNING—RESTATED	-	1,270,970	1,209,385
FUND BALANCES—ENDING	$ -	$ 1,327,678	$ 1,155,566

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

Student Athletic and Activities Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 5,793,012
-	-	233,715
-	-	281,129
-	-	1,999,699
2,181,150	-	2,181,150
-	-	4,936,787
1,667	2,612	7,825
15,485	449,236	753,473
2,198,302	451,848	16,186,790
-	-	2,764,673
3,877,015	-	14,395,114
39,747	2,797,999	2,897,051
3,916,762	2,797,999	20,056,838
(1,718,460)	(2,346,151)	(3,870,048)
1,814,403	2,701,737	4,516,140
-	-	(191,674)
1,814,403	2,701,737	4,324,466
95,943	355,586	454,418
1,206,942	2,307,924	5,995,221
$ 1,302,885	$ 2,663,510	$ 6,449,639

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental revenue:				
Federal grants	$ 4,291,306	$ 4,291,306	$ 4,347,185	$ 55,879
State grants	532,968	532,968	228,480	(304,488)
Other	1,255,240	1,255,240	166,322	(1,088,918)
Total revenues	6,079,514	6,079,514	4,741,987	(1,337,527)
EXPENDITURES				
Current:				
Instruction	4,042,877	4,026,717	2,764,673	1,262,044
Support services	2,036,637	2,052,797	1,977,314	75,483
Total expenditures	6,079,514	6,079,514	4,741,987	1,337,527
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE—BEGINNING	-	-	-	-
FUND BALANCE—ENDING	$ -	$ -	$ -	$ -

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Extended Day Care Program Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Student care fees	$ 4,752,545	$ 4,752,545	$ 4,936,787	$ 184,242
Investment earnings	1,500	1,500	1,865	365
Contributions	12,000	12,000	15,777	3,777
Total revenues	4,766,045	4,766,045	4,954,429	188,384
EXPENDITURES				
Salaries and employee benefits	3,982,663	3,982,663	4,243,730	(261,067)
Purchased services	169,124	168,465	163,217	5,248
Supplies	339,696	343,084	180,772	162,312
Equipment	11,755	45,970	67,961	(21,991)
Other	77,454	78,167	50,367	27,800
Transfers out	185,353	185,353	191,674	(6,321)
Contingency reserve	1,180,314	1,262,263	-	1,262,263
Total expenditures	5,946,359	6,065,965	4,897,721	1,168,244
NET CHANGE IN FUND BALANCE	(1,180,314)	(1,299,920)	56,708	1,356,628
FUND BALANCE—BEGINNING—RESTATED	1,180,314	1,299,920	1,270,970	(28,950)
FUND BALANCE—ENDING	$ -	$ -	$ 1,327,678	$ 1,327,678

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Nutrition Services Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Food sales	$ 2,560,000	$ 2,560,000	$ 1,999,699	$ (560,301)
Federal aid:				
Federal government programs reimbursements	1,738,000	1,738,000	1,445,827	(292,173)
Donated commodities	214,000	214,000	233,715	19,715
State programs reimbursement	52,000	52,000	52,649	649
Investment earnings	2,000	2,000	1,681	(319)
Other	151,100	151,100	106,653	(44,447)
Total revenues	4,717,100	4,717,100	3,840,224	(876,876)
EXPENDITURES				
Salaries and employee benefits	2,093,981	2,093,981	1,926,402	167,579
Purchased services	250,151	250,151	238,311	11,840
Supplies	32,000	32,000	111,824	(79,824)
Food costs:				
Purchased food	1,975,000	1,975,000	1,378,850	596,150
Donated commodities	214,000	214,000	233,715	(19,715)
Equipment	135,000	135,000	1,127	133,873
Other	16,968	16,968	3,814	13,154
Contingency reserve	1,146,810	1,666,275	-	1,666,275
Total expenditures	5,863,910	6,383,375	3,894,043	2,489,332
NET CHANGE IN FUND BALANCE	(1,146,810)	(1,666,275)	(53,819)	1,612,456
FUND BALANCE—BEGINNING—RESTATED	1,146,810	1,666,275	1,209,385	(456,890)
FUND BALANCE—ENDING	$ -	$ -	$ 1,155,566	$ 1,155,566

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Student Athletic and Activities Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Pupil activities	$ 2,254,300	$ 2,254,300	$ 2,181,150	$ (73,150)
Investment earnings	2,000	2,000	1,667	(333)
Other	16,800	16,800	15,485	(1,315)
Total revenues	2,273,100	2,273,100	2,198,302	(74,798)
EXPENDITURES				
Current:				
Support services	4,085,503	5,549,744	3,916,762	1,632,982
Contingency reserve	1,295,965	798,709	-	798,709
Total expenditures	5,381,468	6,348,453	3,916,762	2,431,691
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,108,368)	(4,075,353)	(1,718,460)	2,356,893
OTHER FINANCING SOURCES				
Transfers in	1,814,403	1,814,403	1,814,403	-
Total other financing sources	1,814,403	1,814,403	1,814,403	-
NET CHANGE IN FUND BALANCE	(1,293,965)	(2,260,950)	95,943	2,356,893
FUND BALANCE—BEGINNING	1,293,965	1,206,942	1,206,942	-
FUND BALANCE—ENDING	$ -	$ (1,054,008)	$ 1,302,885	$ 2,356,893

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Capital Projects Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Investment earnings	$ 3,500	$ 3,500	$ 2,612	$ (888)
Other revenue	1,574,815	1,574,815	449,236	(1,125,579)
Total revenues	1,578,315	1,578,315	451,848	(1,126,467)
EXPENDITURES				
Capital outlay	3,231,804	3,546,457	2,797,999	748,458
Contingency reserve	2,521,610	3,041,519	-	3,041,519
Total expenditures	5,753,414	6,587,976	2,797,999	3,789,977
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,175,099)	(5,009,661)	(2,346,151)	2,663,510
OTHER FINANCING SOURCES				
Transfers in	2,701,737	2,701,737	2,701,737	-
NET CHANGE IN FUND BALANCE	(1,473,362)	(2,307,924)	355,586	2,663,510
FUND BALANCE—BEGINNING	1,473,362	2,307,924	2,307,924	-
FUND BALANCE—ENDING	$ -	$ -	$ 2,663,510	$ 2,663,510

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 10,662,433	$ 10,662,433	$ 10,920,428	$ 257,995
Investment earnings	8,000	8,000	7,479	(521)
Total revenues	10,670,433	10,670,433	10,927,907	257,474
EXPENDITURES				
Debt service:				
Principal	5,210,000	5,210,000	5,210,000	-
Interest and fiscal charges	5,218,876	5,493,667	5,492,555	1,112
Contingency reserve	8,899,519	8,921,735	-	8,921,735
Total expenditures	19,328,395	19,625,402	10,702,555	8,922,847
NET CHANGE IN FUND BALANCE	(8,657,962)	(8,954,969)	225,352	9,180,321
FUND BALANCE—BEGINNING	8,657,962	8,954,969	8,954,969	-
FUND BALANCE—ENDING	$ -	$ -	$ 9,180,321	$ 9,180,321

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Capital Projects—Building Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2015

	Budget			Variance With Final Budget- Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interest earnings	$ 175,000	$ 175,000	$ 134,548	$ (40,452)
Total revenues	175,000	175,000	134,548	(40,452)
EXPENDITURES				
Capital projects:				
Building and improvements	30,000,000	30,000,000	19,469,499	10,530,501
Bond issuance costs	-	161,000	174,525	(13,525)
Contingency reserve	20,172,969	36,412,191	-	36,412,191
Total expenditures	50,172,969	66,573,191	19,644,024	46,929,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,997,969)	(66,398,191)	(19,509,476)	46,888,715
OTHER FINANCING SOURCES (USES)				
Bonds proceeds	-	17,000,000	17,000,000	-
Premium on bonds	-	1,115,552	1,115,552	-
Total other financing sources (uses)	-	18,115,552	18,115,552	-
NET CHANGE IN FUND BALANCE	(49,997,969)	(48,282,639)	(1,393,924)	46,888,715
FUND BALANCE—BEGINNING	49,997,969	48,282,639	48,282,639	-
FUND BALANCE—ENDING	$ -	$ -	$ 46,888,715	$ 46,888,715

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statement of Changes in Assets and Liabilities
Fiduciary Fund (Agency Fund)
For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
ASSETS				
Equity in pooled cash and investments	$ 263,774	$ 433,209	$ 441,399	$ 255,584
Total assets	$ 263,774	$ 433,209	$ 441,399	$ 255,584
LIABILITIES				
Accounts payable	$ 4,307	$ 8,606	$ 4,307	$ 8,606
Due to student clubs and other organizations	259,467	424,603	437,092	246,978
Total liabilities	$ 263,774	$ 424,603	$ 437,092	$ 255,584

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Net Position
Component Units
June 30, 2015

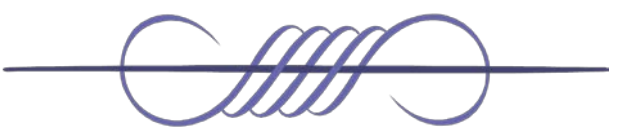
	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
ASSETS			
Equity in pooled cash and investments	$ 1,528,776	$ 1,394,679	$ 2,923,455
Restricted cash and investments	599,900	737,296	1,337,196
Capital assets—net of accumulated depreciation			
Land	1,019,806	870,000	1,889,806
Land improvements	171,507	-	171,507
Building and leasehold improvements	4,714,991	5,678,789	10,393,780
Equipment	3,284	14,222	17,506
Construction in progress	-	25,194	25,194
Total assets	8,038,264	8,720,180	16,758,444
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	378,310	-	378,310
Deferred pension outflows of resources	269,701	382,297	651,998
Total deferred outflows	648,011	382,297	1,030,308
LIABILITIES			
Accounts and contracts payable	9,471	54,002	63,473
Accrued compensation	153,972	191,794	345,766
Accrued interest	88,406	30,167	118,573
Unearned revenue	1,500	26,340	27,840
Noncurrent liabilities:			
Due within one year	137,908	120,074	257,982
Due in more than one year	4,317,297	7,256,918	11,574,215
Net pension liability	5,334,533	7,620,760	12,955,293
Total liabilities	10,043,087	15,300,055	25,343,142
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflows of resources	33,213	47,447	80,660
NET POSITION			
Net investment in capital assets	2,165,916	(119,648)	2,046,268
Restricted for:			
Debt service	78,234	106,841	185,075
Emergency reserve under TABOR	119,300	141,100	260,400
Repair and replacement	100,037	120,011	220,048
Unrestricted	(3,853,512)	(6,493,329)	(10,346,841)
Total net position	$ (1,390,025)	$ (6,245,025)	$ (7,635,050)

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Combining Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2015

	Littleton Academy Charter School	Littleton Preparatory Charter School	Total Component Units
REVENUES			
Intergovernmental revenue:			
State equalization aid	$ 3,011,659	$ 3,708,759	$ 6,720,418
Supplemental funding from District	361,440	376,068	737,508
Fees for services	186,378	399,734	586,112
Investment earnings	3,130	1,884	5,014
Capital grants and contributions	818,619	92,806	911,425
Operating grants and contributions	119,412	54,540	173,952
Other	62,016	124,422	186,438
Total revenues	4,562,654	4,758,213	9,320,867
EXPENSES			
Current:			
Instruction	2,605,149	3,236,128	5,841,277
Support services	1,052,027	1,245,078	2,297,105
Debt service:			
Interest charges	221,305	359,010	580,315
Total expenses	3,878,481	4,840,216	8,718,697
CHANGE IN NET POSITION	684,173	(82,003)	602,170
NET POSITION—BEGINNING—RESTATED	(2,074,198)	(6,163,022)	(8,237,220)
NET POSITION—END OF THE YEAR	$ (1,390,025)	$ (6,245,025)	$ (7,635,050)

This page left blank and
unnumbered intentionally
for presentation purposes

STATISTICAL SECTION



This page left blank and
unnumbered intentionally
for presentation purposes

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Statistical Section
(Unaudited)

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

Contents | Pages

Financial Trends
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. 69–76

Revenue Capacity
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. 77–81

Debt Capacity
These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future. 82–84

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place. 85–87

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the educational services provided and the activities performed. 88–90

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

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	$ 23,982,794	$ 22,900,559	$ 20,803,175	$ 18,313,777
Restricted	11,260,182	14,664,320	13,828,226	14,514,699
Unrestricted	20,221,217	18,063,851	15,336,759	10,859,114
Total governmental activities net position	55,464,193	55,628,730	49,968,160	43,687,590
Business-type activities:				
Net investment in capital assets	1,939,914	1,887,688	1,848,680	1,697,355
Restricted	-	-	-	-
Unrestricted	2,078,594	2,388,918	2,496,536	2,355,105
Total business-type activities net position	4,018,508	4,276,606	4,345,216	4,052,460
Primary government:				
Net investment in capital assets	25,922,708	24,788,247	22,651,855	20,011,132
Restricted	11,260,182	14,664,320	13,828,226	14,514,699
Unrestricted	22,299,811	20,452,769	17,833,295	13,214,219
Total primary government net position	$ 59,482,701	$ 59,905,336	$ 54,313,376	$ 47,740,050

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

2010	2011	2012	2013	2014	2015 (a)
$ 14,946,827	$ 15,424,322	$ 15,993,324	$ 16,784,912	$ 17,125,693	$ 14,567,407
10,557,222	10,769,180	11,538,069	13,518,897	12,961,494	14,416,693
16,571,476	31,709,176	37,861,152	38,273,133	39,579,060	(238,088,742)
42,075,525	57,902,678	65,392,545	68,576,942	69,666,247	(209,104,642)
1,709,469	1,599,267	684,349	590,080	485,840	-
-	-	-	-	-	-
2,124,913	2,327,981	2,272,209	2,230,341	2,480,355	-
3,834,382	3,927,248	2,956,558	2,820,421	2,966,195	-
16,656,296	17,023,589	16,677,673	17,374,992	17,611,533	14,567,407
10,557,222	10,769,180	11,538,069	13,518,897	12,961,494	14,416,693
18,696,389	34,037,157	40,133,361	40,503,474	42,059,415	(238,088,742)
$ 45,909,907	$ 61,829,926	$ 68,349,103	$ 71,397,363	$ 72,632,442	$(209,104,642)

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year		
	2006	2007	2008
Expenses			
Governmental activities:			
Instruction	$ 84,513,954	$ 87,320,347	$ 91,057,862
Support services	46,610,734	48,499,857	53,263,920
Interest expense	5,580,973	5,338,310	5,136,728
Total governmental activities expenses	136,705,661	141,158,514	149,458,510
Business-type activities:			
Nutrition services	3,426,660	3,515,088	3,809,881
Extended day care	3,652,991	4,191,433	4,577,099
Total business-type activities expenses	7,079,651	7,706,521	8,386,980
Total primary government expenses	143,785,312	148,865,035	157,845,490
Program Revenues			
Governmental activities:			
Charges for services:			
Direct instruction	1,024,059	901,636	907,545
Support services	2,173,133	2,344,584	2,169,189
Operating grants and contributions:			
Direct instruction	8,476,432	9,915,443	9,697,843
Support services	699,872	724,349	780,569
Total governmental activities program revenues	12,373,496	13,886,012	13,555,146
Business-type activities:			
Charges for services:			
Nutrition services	2,466,049	2,400,521	2,488,390
Extended day care	3,762,817	4,315,276	4,644,400
Operating grants and contributions:			
Nutrition services	1,141,355	1,177,605	1,282,186
Extended day care	-	55,138	60,280
Capital grants and contributions:			
Nutrition services	144,664	10,379	-
Extended day care	630,797	-	-
Total business-type activities program revenues	8,145,682	7,958,919	8,475,256
Total primary government revenues	20,519,178	21,844,931	22,030,402
Net (Expenses) Revenue			
Governmental activities	(124,332,165)	(127,272,502)	(135,903,364)
Business-type activities	1,066,031	252,398	88,276
Total primary government net expense	$(123,266,134)	$(127,020,104)	$(135,815,088)

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

2009	2010	2011	2012	2013	2014	2015 (a)
$ 94,391,921	$ 91,762,213	$ 88,502,483	$ 88,858,394	$ 91,006,798	$ 94,047,589	$ 103,545,270
52,512,501	55,456,067	50,731,776	52,512,328	55,463,678	58,352,705	74,121,159
4,990,145	4,842,756	2,615,800	3,491,373	3,130,818	3,947,566	5,136,295
151,894,567	152,061,036	141,850,059	144,862,095	149,601,294	156,347,860	182,802,724
3,807,903	3,932,099	4,055,026	4,326,269	4,328,968	4,370,253	-
4,642,713	4,096,499	3,647,186	3,829,475	4,111,643	4,230,932	-
8,450,616	8,028,598	7,702,212	8,155,744	8,440,611	8,601,185	-
160,345,183	160,089,634	149,552,271	153,017,839	158,041,905	164,949,045	182,802,724
801,400	1,055,511	906,655	841,942	1,022,049	1,152,943	1,260,425
2,049,197	2,982,932	3,160,481	3,263,591	3,390,229	3,357,085	10,328,932
9,707,017	11,939,665	15,522,034	9,472,083	9,822,212	10,662,617	10,578,555
772,633	855,157	873,883	1,291,065	940,261	944,094	3,181,197
13,330,247	16,833,265	20,463,053	14,868,681	15,174,751	16,116,739	25,349,109
2,307,951	2,340,125	2,348,588	2,395,991	2,379,229	2,407,863	-
4,601,312	4,163,045	3,922,751	4,036,077	4,337,682	4,719,822	-
1,309,378	1,413,772	1,654,068	1,726,855	1,778,437	1,775,706	-
28,928	30,595	12,210	43,558	18,925	13,234	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,247,569	7,947,537	7,937,617	8,202,481	8,514,273	8,916,625	-
21,577,816	24,780,802	28,400,670	23,071,162	23,689,024	25,033,364	25,349,109
(138,564,320)	(135,227,771)	(121,387,006)	(129,993,414)	(134,426,543)	(140,231,121)	(157,453,615)
(203,047)	(81,061)	235,405	46,737	73,662	315,440	-
$(138,767,367)	$(135,308,832)	$(121,151,601)	$(129,946,677)	$(134,352,881)	$(139,915,681)	$(157,453,615)

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year		
	2006	2007	2008
Net (Expenses) Revenue			
Governmental activities	$ (124,332,165)	$ (127,272,502)	$ (135,903,364)
Business-type activities	1,066,031	252,398	88,276
Total primary government net expense	(123,266,134)	(127,020,104)	(135,815,088)
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes:			
Property taxes levied for general purposes	46,066,908	46,726,856	49,285,090
Property taxes levied for debt service	10,143,001	10,231,296	10,309,128
Specific ownership taxes	5,151,163	5,013,419	4,710,841
Intergovernmental revenue—unrestricted			
State equalization aid	60,807,495	62,956,656	63,169,216
Investment earnings	1,338,784	1,237,060	917,918
Other	1,250,641	1,090,871	1,668,398
Total governmental activities	124,757,992	127,256,158	130,060,591
Business-type activities:			
Investment earnings	72,567	109,805	90,727
Other	83,310	76,776	71,810
	155,877	186,581	162,537
Transfers In/(Out)			
Governmental activities	161,242	180,881	182,203
Business-type activities	(161,242)	(180,881)	(182,203)
Net transfers	-	-	-
Change in Net Position			
Governmental activities	587,069	164,537	(5,660,570)
Business-type activities	1,060,666	258,098	68,610
Total primary government change in net position	$ 1,647,735	$ 422,635	$ (5,591,960)

(a) Beginning July 1, 2014, business-type activities funds were reclassified as special revenue funds and are included in governmental activities.

2009	2010	2011	2012	2013	2014	2015 (a)
$ (138,564,320)	$ (135,227,771)	$ (121,387,006)	$ (129,993,414)	$ (134,426,543)	$ (140,231,121)	$ (157,453,615)
(203,047)	(81,061)	235,405	46,737	73,662	315,440	-
(138,767,367)	(135,308,832)	(121,151,601)	(129,946,677)	(134,352,881)	(139,915,681)	(157,453,615)
50,150,352	50,267,070	62,687,915	60,839,693	61,187,557	62,352,507	61,600,095
10,404,868	10,379,885	10,180,222	10,168,244	10,734,463	10,927,873	10,882,156
4,305,417	4,074,337	4,213,487	4,605,805	4,953,385	5,254,030	5,675,945
65,609,900	67,164,756	58,533,506	59,015,556	58,137,361	59,798,784	64,807,999
292,641	49,051	33,880	50,898	69,676	84,479	197,283
1,343,775	1,529,984	1,415,363	1,781,401	1,767,344	2,729,875	2,387,705
132,106,953	133,465,083	137,064,373	136,461,597	136,849,786	141,147,548	145,551,183
28,477	13,606	7,247	4,257	4,509	3,212	-
58,611	-	-	-	-	-	-
87,088	13,606	7,247	4,257	4,509	3,212	-
176,797	150,623	149,786	1,021,684	214,308	172,878	-
(176,797)	(150,623)	(149,786)	(1,021,684)	(214,308)	(172,878)	-
-	-	-	-	-	-	-
(6,280,570)	(1,612,065)	15,827,153	7,489,867	2,637,551	1,089,305	(11,902,432)
(292,756)	(218,078)	92,866	(970,690)	(136,137)	145,774	-
$ (6,573,326)	$ (1,830,143)	$ 15,920,019	$ 6,519,177	$ 2,501,414	$ 1,235,079	$ (11,902,432)

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Governmental Funds, Fund Balances
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2006	2007 (a)	2008	2009	2010
General Fund					
Reserved	$ 4,790,949	$ 5,873,314	$ 6,256,226	$ 6,305,988	$ 6,205,892
Unreserved	14,392,923	16,058,247	12,894,735	8,741,236	8,892,086
Total general fund	19,183,872	21,931,561	19,150,961	15,047,224	15,097,978
All Other Governmental Funds					
Reserved	17,689,437	10,197,410	9,129,243	9,099,598	9,079,516
Unreserved—reported in:					
Special revenue funds	2,773,812	928,581	1,148,953	1,538,118	1,049,009
Total all other governmental funds	$20,463,249	$11,125,991	$ 10,278,196	$10,637,716	$10,128,525

	Fiscal Year				
	2011 (b)	2012	2013	2014	2015
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	678,758	572,739	456,306	443,498	427,218
Restricted	3,270,000	4,050,000	4,080,000	4,210,000	4,350,000
Committed	-	1,510,984	1,307,024	881,852	1,144,012
Assigned	18,818,804	15,638,543	15,661,018	13,648,357	11,532,298
Unassigned—unrestricted	7,909,800	15,291,760	18,511,203	21,512,079	23,464,550
Total general fund	30,677,362	37,064,026	40,015,551	40,695,786	40,918,078
All Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved—reported in:					
Special revenue funds	-	-	-	-	-
Restricted	7,485,060	7,477,587	9,458,686	57,237,608	57,224,602
Committed	-	3,460,591	2,482,956	3,457,585	5,240,909
Assigned	3,240,554	623,329	41,051	57,281	53,164
Total all other governmental funds	$10,725,614	$11,561,507	$ 11,982,693	$60,752,474	$62,518,675

(a) Fiscal year 2007 General Fund reserved fund balance restated with risk management fund.

(b) Fiscal year 2011 GASB 54 was implemented with new fund balance classifications.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Governmental Funds, Revenues, Expenditures, and Debt Service Ratio
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	$ 56,902,135	$ 56,429,159	$ 59,409,477	$ 60,605,786	$ 59,579,301	$ 73,331,965	$ 71,229,303	$ 72,329,790	$ 73,352,585	$ 72,747,131
Specific ownership taxes	5,151,163	5,013,419	4,710,841	4,305,417	4,074,337	4,213,487	4,605,805	4,953,385	5,254,030	5,675,945
Federal grants	4,455,744	5,396,918	5,528,784	5,101,796	6,723,939	11,378,368	6,651,337	5,608,361	5,815,636	6,872,388
State equalization aid	60,807,495	62,956,656	63,169,216	65,609,900	67,164,756	58,533,506	59,015,556	58,137,361	59,798,784	64,807,999
State education of students with disabilities	2,389,016	2,705,967	2,735,510	2,804,475	2,544,431	2,386,480	2,359,541	2,203,301	2,660,109	2,521,840
Other state entitlements and state grants	1,527,722	1,614,968	1,218,359	1,560,632	1,991,842	1,366,971	1,260,317	1,750,487	1,962,229	2,386,031
Food Sales	-	-	-	-	-	-	-	-	-	1,999,699
Donated Commodities	-	-	-	-	-	-	-	-	-	233,715
Student Care	-	-	-	-	-	-	-	-	-	4,936,787
Pupil activities	2,114,604	2,299,063	2,086,329	1,953,966	2,052,885	2,176,936	2,225,653	2,276,984	2,152,485	2,181,150
Investment earnings	1,304,356	1,182,042	917,918	292,641	49,051	33,880	50,898	69,676	84,479	197,283
Other	3,129,072	2,954,342	3,654,562	3,253,153	4,091,621	4,491,787	4,826,419	5,102,963	6,256,155	6,119,286
Total revenues	137,781,307	140,552,534	143,430,996	145,487,766	148,272,163	157,913,380	152,224,829	152,432,308	157,336,492	170,679,254
Expenditures										
Instruction	77,835,576	80,228,224	83,672,420	87,039,262	84,305,829	81,303,127	82,334,769	84,062,986	87,143,475	90,180,055
Support services	44,315,099	45,813,337	49,325,272	49,637,651	51,613,989	48,167,507	50,048,640	52,299,833	55,286,415	65,630,762
Capital outlay	25,035,753	11,089,078	3,906,584	2,434,586	3,059,473	3,245,170	1,829,509	3,975,267	6,151,478	22,598,771
Debt service:										
Principal	4,606,585	6,313,540	5,110,395	5,217,990	5,332,499	7,081,540	6,756,041	5,639,530	7,340,000	5,210,000
Interest and fiscal charges	5,677,379	5,438,079	5,226,923	5,079,291	4,932,654	2,767,022	3,572,251	3,296,289	4,110,054	5,492,555
Bond issuance costs	-	-	-	-	-	521,935	-	-	363,993	174,525
Total expenditures	157,470,392	148,882,258	147,241,594	149,408,780	149,244,444	143,086,301	144,541,210	149,273,905	160,395,415	189,286,668
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	80,575,000	-	-	50,000,000	17,000,000
Premium	-	-	-	-	-	9,845,145	-	-	2,336,062	1,115,552
Payment to escrow agent	-	-	-	-	-	(89,893,721)	-	-	-	-
Capital lease proceeds	49,872	-	-	-	363,221	-	-	-	-	-
Transfers in	1,665,258	1,894,343	1,732,664	1,944,359	4,454,177	4,431,256	4,572,578	4,981,338	4,516,637	4,707,814
Transfers out	(1,469,588)	(1,658,445)	(1,550,461)	(1,767,562)	(4,303,554)	(4,281,470)	(4,360,456)	(4,767,030)	(4,343,759)	(4,707,814)
Total other financing sources (uses)	245,542	235,898	182,203	176,797	513,844	676,210	212,122	214,308	52,508,940	18,115,552
Net change in fund balances	$ (19,443,543)	$ (8,093,826)	$ (3,628,395)	$ (3,744,217)	$ (458,437)	$ 15,503,289	$ 7,895,741	$ 3,372,711	$ 49,450,017	$ (491,862)
Debt service as a percentage of noncapital expenditures	6.5%	7.9%	7.0%	6.9%	6.9%	6.9%	7.1%	6.0%	7.4%	6.2%

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Assessed Value (a) Residential Property	Commercial Property	Other Property (b)	Total Assessed Value	Total Direct Tax Rate
2006	793,919,180	302,964,860	60,208,460	1,157,092,500	49.509
2007	800,659,580	305,922,360	54,597,640	1,161,179,580	48.907
2008	881,802,980	323,318,360	73,275,340	1,278,396,680	46.791
2009	890,969,460	340,390,580	70,062,220	1,301,422,260	46.650
2010	865,370,050	387,833,150	75,739,390	1,328,942,590	46.081
2011	872,161,890	381,632,950	76,268,960	1,330,063,800	55.389
2012	819,038,730	366,325,340	74,199,570	1,259,563,640	57.530
2013	821,790,000	358,479,420	95,083,650	1,275,353,070	56.935
2014	832,105,700	363,033,982	100,413,100	1,295,552,782	56.984
2015	833,309,337	358,475,451	97,954,968	1,289,739,756	56.601

The assessment rate, expressed as a percent of estimated actual value for all taxable property in Colorado, follows:

Year	Residential	Commercial	Base Year
2006	7.96%	29.00%	2005
2007	7.96%	29.00%	2006
2008	7.96%	29.00%	2007
2009	7.96%	29.00%	2008
2010	7.96%	29.00%	2009
2011	7.96%	29.00%	2010
2012	7.96%	29.00%	2011
2013	7.96%	29.00%	2012
2014	7.96%	29.00%	2013
2015	7.96%	29.00%	2014

(a) Assessed and estimated actual taxable values are per the Arapahoe County Assessor's Office.
(b) Other property includes vacant land, industrial, agricultural, state assessed, and oil and gas property.

Source: Arapahoe County Assessor's Office

Estimated Actual Taxable Value (a)	Assessed Value as a Percent of Actual Taxable Value
11,247,098,888	10.29%
11,322,799,738	10.26%
12,465,351,670	10.26%
12,603,946,636	10.33%
12,501,963,899	10.63%
12,648,458,823	10.52%
11,935,264,707	10.55%
12,014,618,242	10.62%
12,182,666,828	10.63%
12,155,370,401	10.61%

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Collection Year	Arapahoe County School District Number Six			Overlapping Rates			
	General Fund Millage	Bond Redemption Fund Millage	Total School District	Total Cities Millage	Total County Millage	Total Special Districts Millage	Grand Totals (a)
2006	40.574	8.935	49.509	49.337	15.421	166.552	280.819
2007	40.121	8.786	48.907	50.321	16.083	164.121	279.432
2008	38.697	8.094	46.791	46.436	15.217	140.689	249.133
2009	38.631	8.019	46.650	45.918	15.609	143.436	251.613
2010	38.211	7.870	46.081	46.442	15.672	149.763	257.958
2011	47.619 (b)	7.770	55.389	47.321	15.949	147.729	266.388
2012	49.286	8.244	57.530	48.643	17.316	149.824	273.313
2013	48.438	8.497	56.935	49.339	17.150	148.546	271.970
2014	48.487	8.497	56.984	50.986	17.130	134.853	259.953
2015	48.104	8.497	56.601	57.438	16.950	135.957	266.946

(a) The grand total represents the gross millage of all taxing entities within the district boundaries. It is not representative of the mill levy assessed to an individual taxpayer.

(b) Increase in 2011 millage results from the 2010 override election.

Source: Arapahoe County Assessor's Office

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

2015

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of $1,289,739,756
Qwest Corp.	$ 34,956,855	2.71%
Public Service Co. of Colorado	19,272,711	1.49%
National Digital Television	12,900,914	1.00%
Southglenn Property Holdings LLC	6,786,000	0.53%
Sprint Nextel Wireless	6,315,813	0.49%
Cherry Hills Marketplace LLC	6,136,690	0.48%
Aspen Grove Lifestyle Center	5,829,000	0.45%
Hillside Farms	5,800,000	0.45%
Vermeil Southbridge LLC	5,510,000	0.43%
Renco Southbridge LLC	5,510,000	0.43%
Blair Southbridge LLC	5,510,000	0.43%
Riverside Southbridge LLC	5,510,000	0.43%
032476044 (035) ET AL	5,510,000	0.43%
Cricket Communications Corp.	2,955,852	0.23%
Totals	$ 128,503,835	9.96%

2006

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation of $1,128,178,000
National Digital Television	$ 14,523,430	1.29%
Qwest Corp.	10,890,800	0.97%
Public Service Co. of Colorado	10,199,820	0.90%
Cherry Hills Marketplace, LLC	8,699,990	0.77%
Aspen Grove Lifestyle	5,655,000	0.50%
Echostar Real Estate	3,936,010	0.35%
Fairways Plaza, LLC	3,770,000	0.33%
Renco Properties VIII	3,625,000	0.32%
M & J Investors, LLP	3,480,000	0.31%
Regency Center, LP	2,784,000	0.25%
Totals	$ 67,564,050	5.99%

Source: Arapahoe County Assessor's Office

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Property Tax Levies and Collections
Last Ten Calendar Years
(Unaudited)

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Fiscal Year of the Levy		Collections Subsequent to Fiscal Year End	Total Collections to Date	
		Amount (a)	Percentage of Levy		Amount	Percentage of Levy
2006	57,286,492	55,653,946	97.15%	1,367,125	57,021,071	99.54%
2007	56,789,810	55,088,847	97.00%	1,484,748	56,573,595	99.62%
2008	59,817,459	57,918,863	96.83%	1,778,425	59,697,288	99.80%
2009	60,711,348	59,016,022	97.21%	1,524,572	60,540,594	99.72%
2010	61,239,003	58,453,415	95.45%	2,576,264	61,029,679	99.66%
2011	73,670,904	71,241,218	96.70%	816,258	72,057,476	97.81%
2012	72,462,697	69,817,937	96.35%	1,272,924	71,090,861	98.11%
2013	72,612,227	70,455,869	97.03%	1,103,038	71,558,907	98.55%
2014	73,827,075	71,732,754	97.16%	1,252,617	72,985,371	98.86%
2015	73,000,560	71,358,349	97.75%	1,094,819 (b)	72,453,168	99.25%

(a) Property taxes collection amounts are for current taxes only. In the financial statements, property taxes revenue also includes delinquent taxes and interest on current and delinquent taxes. Amounts reported on this schedule yield true percentages of levy.

(b) July–August 2015 subsequent collections are known at this time.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Less Debt Service Funds Available	Net Debt for Primary Government	Ratio of Debt to Actual Value (a)	Ratio of Debt to Personal Income (b)	Per Capita (c)	Per Student (d)
2006	117,730,000	273,314	-	118,003,314	10.16%	2.44%	1,233	7,368
2007	111,480,000	209,774	-	111,689,774	8.74%	2.27%	1,162	7,032
2008	106,440,000	139,379	-	106,579,379	8.19%	2.19%	1,111	6,839
2009	101,300,000	61,389	-	101,361,389	7.63%	2.19%	1,062	6,545
2010	96,025,000	367,110	-	96,392,110	7.25%	2.11%	1,006	6,210
2011	89,245,000	245,571	-	89,490,571	7.10%	1.97%	973	5,771
2012	82,610,000	124,530	-	82,734,530	6.57%	1.76%	899	5,398
2013	84,668,188 (e)	-	7,340,000 (f)	77,328,188	6.06%	1.60%	839	5,007
2014	128,805,363	-	5,210,000	123,595,363	9.54%	- (g)	1,340	8,011
2015	140,803,526	-	5,475,000	135,328,526	10.49%	- (g)	1,466	8,863

(a) See schedule on page 77 for assessed property value data.
(b) See schedule on page 85 for personal income data.
(c) See schedule on page 85 for estimated population data.
(d) See schedule on page 85 for October 1 School Enrollment data.
(e) Beginning in 2013, premium on bond sales is included in the General Obligation Bond amounts.
(f) Beginning in 2013, debt service funds available are included to calculate the net debt for primary government.
(g) Personal income data for Arapahoe County is not yet available from Bureau of Economic Analysis (BEA).

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Direct and Overlapping Governmental Activities Debt
June 30, 2015
(Unaudited)

Name of Governmental Entity	Debt Amount Outstanding	Percent Applicable to District	Amount Applicable to District
Overlapping Debt:			
Arapahoe Estates Water District	$ 384,324	99.8%	$ 383,704
Aspen Grove Business Improvement District	8,272,000	98.6%	8,148,120
Centennial Downs Metropolitan District	10,215,000	97.5%	9,939,472
Columbine Water and Sanitation District	36,681	98.9%	36,202
City of Englewood	19,200,000	5.3%	1,062,727
Heritage Greens Metropolitan District	3,270,000	99.1%	3,234,954
Highline Business Improvement District	3,725,000	99.8%	3,717,890
Littleton Village Metro District #2	5,016,884	100.0%	5,016,884
Polo Reserve Metropolitan District	825,000	99.6%	821,647
South Suburban Metro Park & Recreation District	18,465,000	46.4%	232,754
Southglenn Metropolitan District	79,000,000	99.9%	78,711,740
Total overlapping debt	148,409,889		111,306,094
Direct Debt:			
Arapahoe County School District Number Six	140,803,526	100%	140,803,526
Totals	$ 289,213,415		$ 252,109,620

Note: Overlapping Debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the Littleton Public Schools. The amount of debt applicable to Littleton Public Schools is computed by:

1) Determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the District, and
2) Applying this percentage to the total general obligation debt of the overlapping jurisdiction.

Source: Arapahoe County Assessor's Office and Arapahoe County Finance Office

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

Legal Debt Margin
Calculation for Fiscal Year 2015

Assessed valuation	$ 1,289,739,756
Debt limit (20% of assessed value)	257,947,951
Debt applicable to limit	140,803,526
Legal debt margin	$ 117,144,425

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 231,418,500	$ 232,235,916	$ 255,679,336	$ 260,284,452	$ 265,788,518	$ 266,012,760	$ 251,912,728	$ 255,070,614	$ 259,110,556	$257,947,951
Total net debt applicable to limit	117,730,000	111,480,000	106,440,000	101,300,000	96,025,000	89,245,000	82,610,000	77,095,000	128,805,363	$140,803,526
Legal debt margin	$ 113,688,500	$ 120,755,916	$ 149,239,336	$ 158,984,452	$ 169,763,518	$ 176,767,760	$ 169,302,728	$ 177,975,614	$ 130,305,193	$117,144,425
Total net debt applicable to the limit as a percentage of debt limit	50.87%	48.00%	41.63%	38.92%	36.13%	33.55%	32.79%	30.22%	49.71%	54.59%

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population (a)		Per Capita Personal Income (b)		Total Personal Income *(thousands of $)*		October 1 School Enrollment	October 1 Official Pupil Count (c)	Unemployment Rate (d)	
2006	95,685		50,552		4,837,068		16,016	15,620	4.3%	
2007	96,089		51,113		4,911,397		15,883	15,508	3.8%	
2008	95,893		50,727		4,864,374		15,584	15,309	4.9%	
2009	95,478		48,480		4,628,757		15,488	15,283	8.1%	
2010	91,869	(e)	47,622		4,374,986		15,521	15,157	8.8%	
2011	91,962		49,299		4,533,635		15,506	15,055	8.5%	
2012	92,056		51,163		4,709,861		15,328	14,928	7.8%	
2013	92,151		52,437		4,832,122		15,445	14,882	6.5%	
2014	92,244		-	(f)	-	(f)	15,429	14,858	4.9%	
2015	92,338		-	(f)	-	(f)	15,269	14,585	-	(g)

Sources:

(a) Population data present from DRCOG.

(b) Bureau of Economic Analysis (BEA), U.S. Department of Commerce, reporting Arapahoe County, CO.

(c) Average funded pupil count is determined from number of full-time equivalents of pupil enrollment and averaged over the last five years.

(d) Bureau of Labor Statistics (BLS) for Arapahoe County, Colorado.

(e) Data presented from fiscal year 2010 uses a new calculation of Estimated Population supported by Denver Regional Council of Governments (DRCOG).

(f) Personal income data is not yet available from BEA.

(g) Unemployment not available from BLS.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2014			2006		
	Rank	Employees (a)	Percentage of Employment (b)	Rank	Employees (a)	Percentage of Employment (b)
Century Link (formerly Qwest)	1	1,663	7.30%	1	1,900	7.91%
Dish Network (EchoStar)	2	1,543	6.77%	3	1,175	4.89%
Littleton Adventist Hospital	3	1,243	5.46%	4	980	4.08%
Littleton Public Schools	4	830 (c)	3.64%	2	1,322	5.50%
Arapahoe Community College	5	632	2.77%	-	-	-
Arapahoe County	6	522	2.29%	5	522	2.17%
Republic National Distributing	7	425	1.87%	-	-	-
City of Littleton	7	425	1.87%	6	403	1.68%
McDonald Volkswagon-Audi	9	360	1.58%	-	-	-
Center Point	10	320	1.41%	-	-	-
Globus		-	-	-	-	-
Norgren		-	-	10	325	1.35%
National Distribution		-	-	7	390	1.62%
Ralph Schomp		-	-	9	337	1.40%
Riviera Electric		-	-	-	-	-
Lockhead Martin Space Systems		-	-	8	350	1.46%

Note: Total employment for the City of Littleton in 2014 was 22,775 and for 2006 was 24,034 per the Bureau of Labor Statics Data.

Source:
(a) City of Littleton 2014 Comprehensive Annual Financial Report
(b) Bureau of Labor Statistics Data
(c) Littleton Public Schools provided Employee Data

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012 (a)	2013	2014	2015
Instruction										
Teachers	994.6	991.2	985.4	968.2	938.8	885.0	867.2	871.0	873.6	888.5
Paraprofessionals	164.6	191.6	186.7	195.2	184.5	183.8	234.6	247.8	264.2	260.4
Total instruction	1,159.2	1,182.8	1,172.1	1,163.4	1,123.3	1,068.8	1,101.8	1,118.8	1,137.8	1,148.9
Support services										
Administrators	70.7	72.7	74.4	75.6	70.5	64.4	59.4	59.2	61.6	61.0
Professional/Technical support	28.8	28.9	34.7	32.8	30.3	30.4	33.0	34.8	35.4	37.9
Bus drivers	50.0	50.0	50.0	48.5	48.5	48.5	51.5	51.5	53.0	53.5
Clerical/Other classified	149.8	151.1	152.1	148.0	145.2	141.0	117.7	109.2	111.7	121.9
Custodians	93.0	94.0	94.4	95.0	92.2	84.2	88.5	90.8	90.4	91.2
Maintenance	39.8	39.7	38.7	39.7	38.2	37.6	36.5	36.5	36.5	35.5
Total support services	432.1	436.4	444.3	439.6	424.9	406.1	386.6	382.0	388.6	401.0
Grand total	1,591.3	1,619.2	1,616.4	1,603.0	1,548.2	1,474.9	1,488.4	1,500.8	1,526.4	1,549.9

(a) Beginning with fiscal year 2011–2012, the District's full-time equivalent definition/calculation changed through the implementation of a new human resources/payroll management system. Fiscal year 2011–2012 staffing numbers are not comparable to previous years.

Source: District payroll and budget data

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2006	16,016	122,150,675	7,627	7.98%	136,705,661	8,536	8.11%	994.6	16	15.3%
2007	15,883	126,041,561	7,936	4.05%	141,158,514	8,887	4.12%	991.2	16	16.2%
2008	15,584	132,997,692	8,534	7.54%	149,458,510	9,591	7.91%	985.4	16	17.2%
2009	15,488	136,676,913	8,825	3.40%	151,894,567	9,807	2.26%	968.2	16	17.5%
2010	15,521	135,919,818	8,757	-0.77%	152,061,036	9,797	-0.10%	938.8	17	19.5%
2011	15,506	129,470,634	8,350	-4.65%	141,850,059	9,148	-6.62%	885.0	18	21.5%
2012	15,328	131,351,767	8,569	2.63%	144,817,541	9,448	3.28%	867.2	18	23.3%
2013	15,445	136,362,819	8,829	3.03%	149,601,294	9,686	2.52%	871.0	18	23.5%
2014	15,429	142,429,890	9,231	4.56%	156,347,860	10,133	4.62%	873.6	18	24.2%
2015	15,269	155,810,817	10,204	10.54%	182,802,724	11,972	18.15%	888.5	17	20.5%

Source: District student records, and payroll and budget data

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Schedule of Insurance
June 30, 2015
(Unaudited)

Description of Insurance	Carrier or Pool	Coverages	Deductible or Retention
General liability and School Leaders Errors and Omissions	Excess-of-Loss Self-Insurance Pool (ELSIP)	$5,000,000 limit	$150,000
Property—including boiler and machinery	Travelers Insurance	$332,725,370	$25,000
Automobile liability	ELSIP	$5,000,000 limit	$150,000
Crime	Travelers Insurance	$1,000,000	$25,000
Fiduciary liability	Travelers Insurance	$1,000,000	$10,000
Worker's Compensation	Joint School Districts' Worker's Compensation Pool	$1,000,000	$450,000
Specialty Risk Prfotector AKA: Cyber	Illinois National Insurance Company	$1,000,000	$50,000

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Facilities Statistics
June 30, 2015
(Unaudited)

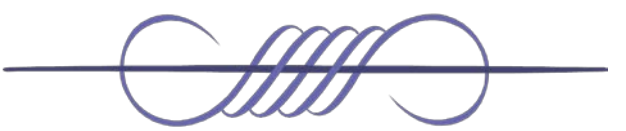
Schools	
Elementary	
Buildings	16
Square feet	761,283
Capacity	7,288
Enrollment	5,775
Middle	
Buildings	4
Square feet	507,232
Capacity	3,232
Enrollment	2,949
High	
Buildings	4
Square feet	809,047
Capacity	5,707
Enrollment	5,212
Administration	
Buildings	1
Square feet	103,190
Transportation	
Buildings	1
Square feet	23,235
Athletics	
Athletics stadium	1
Football fields	4
Soccer fields	5
Running tracks	7
Swimming pools	3
Playgrounds	20

Note: Statistical section schedules normally present ten years of data. Only one year of statistics is presented here because the number of facilities, size and capacity are essentially unchanged over that period.

Source: *Capacity Utilization Report, 2006 and 2012* , prepared by Littleton Public Schools Operations/Maintenance Department, together with fiscal year 2013 actual enrollments applicable to the school building listed. Charter schools' enrollment sums are excluded.

This page left blank and
unnumbered intentionally
for presentation purposes

COMPLIANCE SECTION



This page left blank and
unnumbered intentionally
for presentation purposes

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of Education
Arapahoe County School District Number Six
Littleton, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County School District Number Six, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Arapahoe County School District Number Six's basic financial statements, and have issued our report thereon dated October 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Arapahoe County School District Number Six'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 Arapahoe County School District Number Six's internal control. Accordingly, we do not express an opinion on the effectiveness of Arapahoe County School District Number Six'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 Arapahoe County School District Number Six's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 29, 2015

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Arapahoe County School District Number Six
Littleton, Colorado

Report on Compliance for Each Major Federal Program

We have audited Arapahoe County School District Number Six's 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 Arapahoe County School District Number Six's major federal programs for the year ended June 30, 2015. Arapahoe County School District Number Six's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Arapahoe County School District Number Six'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 Arapahoe County School District Number Six'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 Arapahoe County School District Number Six's compliance.

Opinion on Each Major Federal Program

In our opinion, Arapahoe County School District Number Six complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

Arapahoe County School District Number Six's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Arapahoe County School District Number Six's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

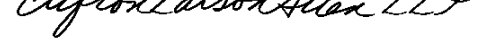
Management of Arapahoe County School District Number Six is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Arapahoe County School District Number Six's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Arapahoe County School District Number Six'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, which we consider to be a significant deficiency.

Arapahoe County School District Number Six's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Arapahoe County School District Number Six's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 29, 2015

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☒ yes ☐ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Nutrition Cluster
84.367	Title II, Part A, Improving Teaching Quality State Grants
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs $300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

PART II – FINDINGS RELATED TO FINANCIAL STATEMENTS

None.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2015-001 **CFDA 10.553, 10.555 and 10.559 – Nutrition Cluster**

Eligibility
Significant Deficiency

Criteria: A child's eligibility for free or reduced price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and family size.

Condition: During our testing over forty individuals considered eligible for the Nutrition program, we noted one instance in which system users have the ability to submit applications without proper review over the application. We also noted one instance where the application did not document and outline the individual's income and number of family members.

Cause: Inadequate controls over the Child Nutrition Cluster program related to submission and content of applications.

Effect: Individuals could be inadvertently classified as eligible under the Child Nutrition Cluster program or individuals could be incorrectly classified as free or reduced under the program.

Recommendation: We recommend the District implement a process where all applications submitted are manually reviewed prior to determining whether an individual is eligible under the program. This will also help to ensure all necessary documentation is included on the application received by the District.

Views of responsible officials and planned corrective action: The District has increased its Nutrition Services employees since the 2014-2015 school year. Trainings that the employees have attended are all the Colorado Department of Education trainings on determination of free and reduced eligibility status which provides their knowledge of the proper processes and procedures necessary when determining eligibility. The Nutrition Services office also plans to tighten our internal systems to ensure that proper review of all applications is complete. This will be done through more extensive documentation of actions taken to determine eligibility including documentation of manual review. We have also tightened our software programs parameters for flagging potential inaccurate or missing information on applications. This will allow us to have better awareness of all questionable applications for further investigation.

Responsible Official: Jessica Gould; Director, Nutrition Service & Print Shop

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
SUMMARY SCHEDULE OF PRIOR FINDINGS
For the Year Ended June 30, 2015

PART II – FINDINGS RELATED TO FINANCIAL STATEMENTS

None.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Federal Agencies/Pass-Through Grantor/Program Title	Federal CFDA Number
U.S. DEPARTMENT OF EDUCATION	
Passed through the State of Colorado Department of Education:	
Title I, Part A, Grants to Local Educational Agencies (LEAs)—General Fund	84.010
Title I, Part A, Grants to Local Educational Agencies (LEAs)—Grant Fund	84.010
Title I, Part G, Advanced Placement for Disadvantaged Students	84.330
Title II, Part A, Improving Teacher Quality State Grants	84.367
Title III, Part A, English Language Acquisition Language Grants	84.365
Special Education—Grants to States (IDEA, Part B)	84.027
Special Education—Preschool Grants (IDEA Preschool)	84.173
Race To The Top	84.413
Adult Education	84.002
Safe and Drug-Free Schools and Communitites	84.184S
Passed through the State of Colorado Department of Human Services:	
Rehabilitation Services—Vocational Rehabilitation	84.126
Passed through the Colorado Community College System:	
Career and Technical Education	84.048
Total U.S. Department of Education	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Passed through Arapahoe County School District No. 2 (Sheridan):	
Head Start	93.600
U.S. DEPARTMENT OF AGRICULTURE	
Passed through the State of Colorado Department of Education:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Total U.S. Department of Agriculture Reported in the Food Services Fund	
Totals	

Pass Through Entity Grant Number	Accrued (Deferred) Revenue July 1, 2014	Cash/ Inventory Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2015
4010	$ 59,380	$ 878,415	$ 1,079,376	$ 260,341
4010	-	123,866	149,010	25,144
5330	-	3,420	3,420	-
4367	90,370	377,595	380,029	92,804
4365	1,439	42,864	61,925	20,500
4027	457,187	2,915,462	2,781,843	323,568
4173	12,036	73,295	62,362	1,103
4413	39,445	39,445	-	-
5002	(14,755)	-	14,755	-
8184	121,200	121,200	-	-
	92,880	274,113	220,335	39,102
	28,273	80,105	88,363	36,531
	887,455	4,929,780	4,841,418	799,093
	66,861	238,564	321,730	150,027
4553	-	209,538	209,538	-
4555	-	1,405,656	1,405,656	-
4559	17,346	32,476	33,104	17,974
	17,346	1,647,670	1,648,298	17,974
	$ 971,662	$ 6,816,014	$ 6,811,446	$ 967,094

ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX
Note to the Schedule of Expenditures of Federal Awards
June 30, 2015

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Arapahoe County School District Number Six, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB *Circular A-133, Audits of States, Local Governments and Nonprofit Organizations* .

NOTE 2: Noncash Federal Awards

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of $233,715 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

Colorado Department of Education

Auditors Integrity Report

District: 0140 - LITTLETON 6

Fiscal Year 2014-15

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	39,244,591	130,259,431	129,837,956	39,666,066
18 Risk Mgmt Sub-Fund of General Fund	1,451,194	2,125,694	2,324,876	1,252,012
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**40,695,786**	**132,385,125**	**132,162,833**	**40,918,078**
11 Charter School Fund	3,966,364	8,896,392	9,039,184	3,823,572
20,26-29 Special Revenue Fund	1,270,970	4,762,755	4,706,047	1,327,678
21 Food Service Spec Revenue Fund	1,209,385	3,840,224	3,894,043	1,155,566
22 Govt Designated-Purpose Grants Fund	0	4,741,987	4,741,987	0
23 Pupil Activity Special Revenue Fund	1,206,942	4,012,705	3,916,762	1,302,885
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	8,954,970	10,927,907	10,702,556	9,180,321
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	48,282,639	18,250,100	19,644,024	46,888,715
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,307,924	3,153,585	2,797,999	2,663,510
Totals	**107,894,978**	**190,970,781**	**191,605,434**	**107,260,325**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**0**	**0**	**0**	**0**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	259,467	396,423	408,912	246,978
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**259,467**	**396,423**	**408,912**	**246,978**

FINAL

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