

cPa DIXON, WALLER & CO., INC.

AGUILAR SCHOOL

DISTRICT RE-6

AGUILAR, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016

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*By Justin L. Smith at 4:04 pm, Jan 04, 2017*

**DIXON, WALLER & CO., INC.**

**TABLE OF CONTENTS**

AGUILAR SCHOOL DISTRICT RE-6

FINANCIAL STATEMENTS

JUNE 30, 2016

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis .....	i-viii
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position .....	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8

	<u>Page</u>
Fund Financial Statements (Continued):	
Statement of Fiduciary Net Position.....	9
Notes to Basic Financial Statements.....	10-33
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Funds: General and Special Revenue	
General Fund.....	34-37
Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	38
Schedule of District Contributions.....	39
 <u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:</u>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	41
 <u>OTHER SCHEDULES:</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual:	
Bond Redemption – Debt Service Fund.....	42
Food Service – Special Revenue Fund.....	43
Pupil Activity – Agency Fund.....	44
 <u>STATE REQUIRED SCHEDULES:</u>	
Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	45
Bolded Balance Sheet.....	46-48

AGUILAR SCHOOL DISTRICT RE-6  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2016

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BOARD OF EDUCATION

David Pagnotta	President
Natalie Grubelnik	Vice President
Josephine Smith	Treasurer
Margie Baudino	Secretary
Ginnie Tamburelli	Member
Joseph Porras	Member
Connie Gomez	Member

OTHER OFFICIALS

Stacy Houser	Superintendent
Jennifer Porras	Business Manager

FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Aguilar School District RE-6  
Aguilar, Colorado 81020

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Aguilar School District Number RE-6, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Aguilar School District Number RE-6, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through viii and 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aguilar School District Number RE-6's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Aixon, Waller & Co., Inc.*

Trinidad, Colorado  
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

As management of the Aguilar School District Re-6, we offer readers of the Aguilar School District's financial statements this narrative overview and analysis of the financial activities of the Aguilar School District for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights**

Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. In 2015 the District was required to implement GASB 68 resulting in a net pension liability of \$2,871,139. The net pension liability increased to \$3,068,263 for 2016.

The net change in the pension liability, deferred inflow and outflow of resources and the annual amortization related to GASB 68 and subsequent changes in the percentage of District salaries to total PERA salaries are recorded as a prior period adjustment in the amount of \$107,251 on the statement of activities. Fiscal year 2015 financial information has not been restated because some of the comparable information is not available.

The ending net position at June 30, 2016 decreased \$364,408 compared to \$46,782 the prior year. Revenues decreased \$102,163 from the prior year while expenses increased by \$215,463. Following are highlights of changes in activities:

- During the FY 2015-16 revenues related to governmental activities were: State Equalization, \$1,170,307 down from \$1,187,236 the previous year; Specific Ownership, \$53,411 down from \$63,555 the previous year; Property Taxes, \$359,250 down from \$389,729 the previous year.
- The funded pupil count decreased from 115.5 for FY 2014-15 to 111.9 for FY 2015-16. Per pupil operating revenue increased from \$13,090 to \$13,660 for the respective fiscal years. Total program funding from the School Finance Act is further impacted by the "Average Funded Pupil Count" and the risk add-on adjustment based on the number of students eligible for free lunch. Overall, total program funding increased nearly \$16,600 over the previous year
- State aid and grants received in the General Fund totaled \$138,382 compared to \$21,588 the prior year. The increase is due to a new turnaround leadership grant and one-time small rural school funding.
- Federal aid and grants received in the General Fund totaled \$180,508 up from \$107,922 last year. The increase is from new turnaround diagnostic grants from reallocated unused Title I funds.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

- FY 2014-15 revenue included one-time insurance proceeds of \$261,452 from a loss incurred the prior year. Other miscellaneous revenues for FY 2015-16 totaled \$39,054 compared to \$17,324 the prior year.
- Expenses increased primarily from instructional staff support due to new grants targeted for turnaround professional and leadership development and increases to amortization of pension costs.

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. Data for fiscal year 2016 is compared to fiscal year 2015. The School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements**

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

The district-wide statements report the District's net position is one way to measure the District's financial health or position. Increase or decrease in the District's net position could indicate whether the District's financial health is improving or deteriorating. When considering the District's financial health, one needs to consider many mitigating factors over which the District has little influence such as: enrollment, state funding, changes in the District's tax base, and outside economic influences. These factors, along with the condition of the school buildings, are very critical to a District's financial health, especially in a district with limited local control.

*Governmental activities:* Most of the district's basic services are included here, such as instruction, transportation, maintenance, operations, and administration. State funding from equalization and property taxes finance most of these activities. This information is comprised of all of the following Aguilar School District Re-6 District Funds: 1) the general fund, 2) the preschool fund, 3) the food service fund and 4) the bond redemption fund.

*Business-type activities:* The District had no business-type activities.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Fund Financial Statements**

The fund financial statements are intended to provide more detailed information about the District's funds. It focuses on its most significant or "major" funds, not the District as a whole spending on particular programs. Like other local governments, Aguilar School District Re-6 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Aguilar School District Re-6 maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the (1) general fund and (2) the bond redemption fund considered major funds and 3) non-major funds made up of the food service fund.

*Proprietary Funds:* Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The Aguilar School District Re-6 has no proprietary funds.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as student activity funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

**Notes to the Financial Statements**

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

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

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

As noted earlier, net position may serve over time a useful indicator of the district's financial position. The District's net position on June 30, 2016 was \$2,664,974 including net investment in capital assets totaling \$5,427,887 (e.g. land, buildings, infrastructure, machinery, and equipment net of depreciation less related debt). Restricted net position includes \$54,500 to meet TABOR reserve requirements, \$43,599 restricted for debt obligations and \$5,283 reserved for food service operations. Unrestricted net position of the District is negative \$2,866,295. Following is a summary of the District's net position for 2016 compared to 2015:

**Table 1  
Net Position**

	2016	2015	NET CHANGE
	Governmental Activities	Governmental Activities	
<b>ASSETS</b>			
Current and Other Assets	578,354	676,282	(97,928)
Capital Assets	5,782,887	5,991,987	(209,100)
<b>Total Assets</b>	<b>6,361,241</b>	<b>6,668,269</b>	<b>(307,028)</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Pension - Plan	301,405	57,773	243,632
Deferred Pension - Subsequent Contributions	80,016	77,703	2,313
<b>Total Deferred Outflow of Resources</b>	<b>381,421</b>	<b>135,476</b>	<b>245,945</b>
<b>LIABILITIES</b>			
Current and Other Liabilities	327,982	284,203	43,779
Long Term Liabilities	3,528,352	3,382,734	145,618
<b>Total Liabilities</b>	<b>3,856,334</b>	<b>3,666,937</b>	<b>189,397</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Pension - Plan	43,488	175	43,313
Deferred Pension - Entity	177,866	-	177,866
<b>Total Deferred Inflow of Resources</b>	<b>221,354</b>	<b>175</b>	<b>221,179</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,427,887	5,586,987	(159,100)
Restricted for:			
Tabor Reserve	54,500	42,800	11,700
Debt	43,599	110,609	(67,010)
Preschool	-	-	-
Food Service	5,283	15,768	(10,485)
Unrestricted	(2,866,295)	(2,619,531)	(246,764)
	<b>2,664,974</b>	<b>3,136,633</b>	<b>(471,659)</b>

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Highlights from the Statement of Net Position**

1. Cash and investments, reported as current assets, decreased by \$169,980 while accounts receivable increased by \$67,576. Current liabilities increased by \$43,779.
2. Capital assets decreased by the annual depreciation totaling \$209,100.
3. Noncurrent liabilities increased \$145,618 primarily due to the net effect of paying off debt in the amount of \$50,000 and the increase in the District's estimated share of the PERA pension liability totaling \$197,127.
4. Deferred outflow of resources increased \$245,945 while deferred inflows increased \$221,179 for a net increase of \$24,766 entirely due to GASB 68 reporting of the District's share of PERA pension liability.

**Governmental Activities**

Following are highlights of changes from prior year. The majority of the cost for governmental activities is financed with state equalization and property taxes.

- Total Revenue decreased by \$102,163 of which \$261,452 is one-time revenue from insurance proceeds received the prior year.
- Grants increased by \$195,517 primarily due to new state and federal grants for turnaround of academic performance and one-time small rural schools funding.
- Expenses increased by \$215,463 of which \$170,488 is from instructional staff development cost related to turnaround activities funded by state and federal grants. Amortization of pension costs under GASB 68 increased by \$48,679.
- Net position decreased by \$364,408 from current year operations and \$107,251 from a prior period adjustment related to implementation of GASB 68 and 71 and subsequent change in the percent of District salaries compared to PERA salaries from the beginning of the period to the end of the period in the year of implementation.

Following is a summary of current year revenues, expenses and changes in net position compared to the prior year.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Table 2  
Changes in Net Position**

	2016	2015	NET
	Governmental	Governmental	CHANGE
	Activities	Activities	
<b>Revenues</b>			
Charges for Services	3,732	4,229	(497)
Operating Grants and Contributions	370,941	175,424	195,517
Property taxes	359,250	389,729	(30,479)
Specific Ownership Taxes	53,411	63,555	(10,144)
Equalization	1,170,307	1,187,236	(16,929)
Earnings on investments	322	231	91
Insurance Proceeds	-	261,452	(261,452)
Other Revenues	39,054	17,324	21,730
Transfers	-	-	-
<b>TOTAL REVENUES</b>	<b>1,997,017</b>	<b>2,099,180</b>	<b>(102,163)</b>
<b>Expenses</b>			
Instructional services	1,059,175	1,075,141	(15,966)
Students	-	1,072	(1,072)
Instructional staff	190,176	19,728	170,448
District administration	194,264	212,342	(18,078)
School administration	74,576	19,893	54,683
Business	75,306	71,607	3,699
Operation and maintenance of facilities	386,592	430,901	(44,309)
Transportation	59,455	79,652	(20,197)
Central	107,455	78,374	29,081
Food Service	129,125	118,712	10,413
Capital outlay	-	-	-
Interest on Long Term Liabilities	20,194	22,112	(1,918)
Amortization of Pension Costs	65,107	16,428	48,679
<b>TOTAL EXPENSES</b>	<b>2,361,425</b>	<b>2,145,962</b>	<b>215,463</b>
<b>Increase ( Decrease) in Net Position</b>	<b>(364,408)</b>	<b>(46,782)</b>	<b>(317,626)</b>
<b>Net Position - Beginning</b>	<b>3,136,633</b>	<b>3,183,415</b>	<b>(46,782)</b>
<b>Prior Year Adjustment</b>	<b>(107,251)</b>	<b>-</b>	<b>(107,251)</b>
<b>Net Position - Ending</b>	<b>2,664,974</b>	<b>3,136,633</b>	<b>(471,659)</b>

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

Table 3 illustrates the total cost of the District's Governmental Activities major services. It also shows the net costs of these services. The net cost includes all expenses for the particular service less any revenue received for that particular service.

**Table 3  
Governmental Activities by Major Functions**

	2016		2015	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	1,059,175	757,709	1,075,141	959,791
Students	-	-	1,072	1,072
Instructional staff	190,176	190,176	19,728	19,728
District administration	194,264	194,264	212,342	212,342
School administration	74,576	74,576	19,893	19,893
Business	75,306	75,306	71,607	71,607
Operation and maintenance of facilities	386,592	383,934	430,901	427,810
Transportation	59,455	40,959	79,652	64,354
Central	107,455	107,455	78,374	78,374
Food Service	129,125	77,072	118,712	72,798
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	20,194	20,194	22,112	22,112
Amortization of Pension Costs	65,107	65,107	16,428	16,428
<b>TOTAL</b>	<b>2,361,425</b>	<b>1,986,752</b>	<b>2,145,962</b>	<b>1,966,309</b>

**Business Type Activities**

The District has no business-type activities.

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

Funding from the School Finance Act for the General Fund and Colorado Pre-School Project Fund is based on the pupil count and the per pupil funding amount set by the Colorado Department of Education. Total program funding is made up of local property taxes, specific ownership taxes and State equalization, which is the State's share of School Finance Act funding. Total program funding, which makes up 77% of the Districts total governmental fund

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

revenue, increased nearly \$16,600 due to increases in per pupil operating revenue offset by a slight decrease in funded pupil count.

Per pupil operating revenue increased, in part, due to an increase in the number of students eligible for free lunch, which affects the at-risk funding added to the base per pupil amount. Other increases to per pupil funding are from normal inflationary increases and a reduction in the negative adjustment made to balance the state budget.

Students enrolled in pre-school who qualify for and are funded by the Colorado Pre-School Project (CPP) program are funded at one-half of the per pupil rate. Students enrolled in kindergarten are funded at 58% by the School Finance Act with CPP providing additional funding for full day Kindergarten. All other students enrolled in first through twelfth grade are funded at 100% of the per pupil amount.

**Capital Assets and Debt Administration**

There were no capital asset additions in 2016. Table 4 shows capital assets for 2016 compared to 2015 (net of depreciation). Accumulated depreciation at June 30, 2016 is \$3,446,980 compared to \$3,237,880 at June 30, 2015.

**Table 4  
Capital Assets (Net of Depreciation)**

	<b>Government Actives</b>	
	<b>2016</b>	<b>2015</b>
Food Service Equipment	10,225	13,155
Land and Sites	211,777	211,777
Buildings	5,555,262	5,758,204
Vehicles and Equipment	5,523	8,851

**Long-term Debt**

As of June 30, 2016 the Aguilar School District Re-6 held the following long-term debt:

- During the fiscal year ended June 30, 2001 the District with district voter approval issued general obligation bonds to assist in the financing of construction projects. These bonds were issued in 2002 for the original amount of \$ 900,000 and mature serially on December 1 in amounts varying from \$ 30,000 to \$ 70,000 with interest from 3.00% to 5.75% payable semi-annually. The general obligation bond balance for the year ended June 30, 2016 was \$355,000 compared to \$405,000 the prior year, a decrease of \$50,000.

BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF NET POSITION  
June 30, 2016

	Governmental Activities	Total
<u>ASSETS</u>		
Cash	464,810	464,810
Investments	-	-
Accounts Receivable	71,011	71,011
Accrued Revenue	20,211	20,211
Property Taxes Receivable	19,200	19,200
Inventories	3,122	3,122
Capital Assets	9,229,867	9,229,867
Accumulated Depreciation	(3,446,980)	(3,446,980)
<u>Total Assets</u>	<u>6,361,241</u>	<u>6,361,241</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	301,405	301,405
Deferred Pension Cost – Entity	-	-
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	<u>80,016</u>	<u>80,016</u>
<u>Total Deferred Outflows</u>	<u>381,421</u>	<u>381,421</u>
<u>LIABILITIES</u>		
Accounts Payable	59,476	59,476
Accrued Salaries and Benefits	144,930	144,930
Other Liabilities	21,141	21,141
Accrued Interest Payable	1,701	1,701
Grant Amounts Received in Advance	100,734	100,734
NonCurrent Liabilities:		
Bond Payments Due Within One Year	50,000	50,000
Bond Due in More Than One Year	305,000	305,000
Compensated Absences	99,244	99,244
Unamortized Bond Premium	5,845	5,845
Net Pension Liability	<u>3,068,263</u>	<u>3,068,263</u>
<u>Total Liabilities</u>	<u>3,856,334</u>	<u>3,856,334</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	43,488	43,488
Deferred Pension Cost – Entity	<u>177,866</u>	<u>177,866</u>
<u>Total Deferred Inflows</u>	<u>221,354</u>	<u>221,354</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	5,427,887	5,427,887
Restricted for:		
Debt	43,599	43,599
TABOR Reserve	54,500	54,500
Preschool	-	-
Food Service	5,283	5,283
Unrestricted	<u>(2,866,295)</u>	<u>(2,866,295)</u>
<u>TOTAL NET POSITION</u>	<u>2,664,974</u>	<u>2,664,974</u>

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



AGUILAR SCHOOL DISTRICT RE-6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	421,263	43,319	228	464,810
Accounts Receivable	60,785	-	10,226	71,011
Accrued Revenue	20,211	-	-	20,211
Due From Other Funds	-	-	-	-
Property Taxes Receivable	17,800	1,400	-	19,200
Inventories	-	-	3,122	3,122
<u>Total Assets</u>	<u>520,059</u>	<u>44,719</u>	<u>13,576</u>	<u>578,354</u>
<b><u>LIABILITIES:</u></b>				
Accounts Payable	59,061	-	415	59,476
Accrued Salaries and Benefits	137,052	-	7,878	144,930
Due To Other Funds	-	-	-	-
Other Liabilities	21,141	-	-	21,141
Grant Amounts Received In Advance	100,734	-	-	100,734
<u>Total Liabilities</u>	<u>317,988</u>	<u>-</u>	<u>8,293</u>	<u>326,281</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	7,600	1,120	-	8,720
<b><u>FUND BALANCES:</u></b>				
Nonspendable:				
Inventories	-	-	3,122	3,122
Restricted:				
Emergency Reserve	54,500	-	-	54,500
Debt Service	-	43,599	-	43,599
Preschool	-	-	-	-
Food Service	-	-	2,161	2,161
Unassigned:	139,971	-	-	139,971
<u>Total Fund Balances</u>	<u>194,471</u>	<u>43,599</u>	<u>5,283</u>	<u>243,353</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<u>520,059</u>	<u>44,719</u>	<u>13,576</u>	<u>578,354</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	243,353
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$9,229,867 and the accumulated depreciation is \$3,446,980.	5,782,887
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax is shown as not available in the funds.	8,720
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(1,701)
Bond premiums are recognized as revenues when received in the funds.	
Premium	(5,845)
Long-term liabilities, including capital leases and general obligation bonds are not due and payable in the current period and therefore are not reported in funds. Compensated absences are also paid in future periods and are unrecorded in funds.	
G O Bonds	(355,000)
Compensated Absences	(99,244)
	(454,244)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(3,068,263)
Deferred Pension Cost – Plan	257,917
Deferred Pension Cost – Entity	(177,866)
Deferred Pension Cost – Payments Subsequent to Measurement Date	<u>80,016</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>2,664,974</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	356,782	5,148	-	361,930
Specific Ownership Taxes	53,411	-	-	53,411
Earnings on Investments	301	10	11	322
Other Local Sources	42,633	151	-	42,784
State Aid	1,308,689	-	1,204	1,309,893
Federal Aid	<u>180,508</u>	<u>-</u>	<u>50,849</u>	<u>231,357</u>
<u>Total Revenues</u>	<u>1,942,324</u>	<u>5,309</u>	<u>52,064</u>	<u>1,999,697</u>
<b>EXPENDITURES</b>				
Current:				
Instructional Services	856,348	-	-	856,348
Supporting Services:				
Students	-	-	-	-
Instructional Staff	190,176	-	-	190,176
District Administration	194,264	-	-	194,264
School Administration	74,576	-	-	74,576
Business	75,306	-	-	75,306
Operation & Maintenance of Facilities	383,964	-	-	383,964
Transportation	58,855	-	-	58,855
Food Service	-	-	126,195	126,195
Central	106,955	500	-	107,455
Debt Service				
Principal	-	50,000	-	50,000
Interest	-	21,819	-	21,819
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>1,940,444</u>	<u>72,319</u>	<u>126,195</u>	<u>2,138,958</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>1,880</u>	<u>(67,010)</u>	<u>(74,131)</u>	<u>(139,261)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(60,524)</u>	<u>-</u>	<u>60,524</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(60,524)</u>	<u>-</u>	<u>60,524</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(58,644)</u>	<u>(67,010)</u>	<u>(13,607)</u>	<u>(139,261)</u>
<u>FUND BALANCES – BEGINNING</u>	<u>253,115</u>	<u>110,609</u>	<u>18,890</u>	<u>382,614</u>
<u>FUND BALANCES – ENDING</u>	<u>194,471</u>	<u>43,599</u>	<u>5,283</u>	<u>243,353</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

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

Net Change in Fund Balances – Total Governmental Funds (139,261)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$3,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays More Than \$3,000	-	
Depreciation Expense	(209,100)	(209,100)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (2,680)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums is recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	50,000	
Change in Compensated Absences	115	
Interest Expense	<u>1,625</u>	51,740

The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:

Pension Cost	<u>(65,107)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (364,408)

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

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
June 30, 2016

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	<u>Pupil Activity Fund</u>
<b>Assets:</b>	
Cash	11,553
Investments	-
Deposits Held By Others	-
Total Assets	<u>11,553</u>
<b>Liabilities:</b>	
Due to Student Groups	11,553
Accounts Payable	-
Total Liabilities	<u>11,553</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Aguilar School District RE-6 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Aguilar School District RE-6. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61)), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D.      Fund Accounting

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

- Major Governmental Funds
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Additionally, the District reports the following fund type:

The Student Activity Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E.      Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.    Receivables

Property taxes levied in 2015 but uncollected in 2016 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2016 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.    Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H.    Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

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

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (3-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Deferred Outflows / Inflows of Resources

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

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

J.      Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K.      Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1999 the registered voters approved a ballot resolution authorizing Aguilar School District RE-6 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2016 the District reserved \$54,500 for this purpose.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K.      Constitutional Amendment (continued)

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

L.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2015 property tax calendar for Las Animas County was as follows:

Levy Date	December 22, 2015
Lien Date	January 1, 2016
Tax Bills Mailed	January 1, 2016
First Installment Due	February 28, 2016
Second Installment Due	June 15, 2016
If Paid in Full, Due	April 30, 2016
Tax Sale – 2014 Delinquent Property Taxes	October 25, 2015

M.      Accumulated Staff Leave

District policy allows for the accumulation of staff leave. Staff eligible for retirement under the Public Employees Retirement Association (PERA) statutes are paid an amount of money equal to their number of unused leave days times the daily per diem when there is a separation from service. Maximum reimbursable days may not exceed 60.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2016, the District has recorded an estimated liability of \$99,244 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>		<u>Deletions</u>	<u>Balance</u>
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Accumulated Sick Leave	<u>99,359</u>	<u>-</u>	<u>115</u>	<u>99,244</u>

N.      Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O.      Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.    GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventories	-	-	3,122	3,122
<u>Restricted:</u>				
Emergencies	54,500	-	-	54,500
Preschool	-	-	-	-
Food Service	-	-	2,161	2,161
Debt Service	-	43,599	-	43,599
<u>Unassigned</u>	<u>139,971</u>	<u>-</u>	<u>-</u>	<u>139,971</u>
<u>Total Fund Balances</u>	<u>194,471</u>	<u>43,599</u>	<u>5,283</u>	<u>243,353</u>

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	-	60,524
Food Service	<u>60,524</u>	<u>-</u>
	<u>60,524</u>	<u>60,524</u>

NOTE 3      BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service Funds, and Special Revenue Funds.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 3      BUDGETARY INFORMATION (Continued)

6. Budgets for the General, Debt Service, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are adopted for the Pupil Activity Agency Fund.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4      CASH AND INVESTMENTS

Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

At June 30, 2016, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	14,593	77,849
Cash Equivalent	43,319	-
Cash with County Treasurer	168,151	-
Cash on Hand	300	-
<u>Total Cash and Deposits</u>	<u>476,363</u>	<u>327,489</u>

As presented above, deposits with a bank balance of \$77,849 and a carrying balance of \$14,593 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 5

CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Non-Depreciable Assets:</u>					
Land	211,777	-	-	-	211,777
<u>Total Non-Depreciable Assets</u>	<u>211,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,777</u>
<u>Depreciable Assets:</u>					
Buildings & Site Improvements	8,457,680	-	-	-	8,457,680
Food Service Equipment	39,507	-	-	-	39,507
Vehicles	345,908	-	-	-	345,908
Equipment	174,995	-	-	-	174,995
<u>Total Depreciable Assets</u>	<u>9,018,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,018,090</u>
<u>Less Accumulated Depreciation for:</u>					
Building & Site Improvements	2,699,476	202,942	-	-	2,902,418
Food Service Equipment	26,352	2,930	-	-	29,282
Equipment & Vehicles	512,052	3,228	-	-	515,280
<u>Total Accumulated Depreciation</u>	<u>3,237,880</u>	<u>209,100</u>	<u>-</u>	<u>-</u>	<u>3,446,980</u>
<u>Total Capital Assets, Net</u>	<u>5,991,987</u>	<u>(209,100)</u>	<u>-</u>	<u>-</u>	<u>5,782,887</u>

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

<u>Governmental Activities:</u>		
Instruction		202,942
Operations and Maintenance		2,628
Transportation		600
Food Service		2,930
<u>Total Depreciation Expense – Governmental Activities</u>		<u>209,100</u>

NOTE 6

ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2016 are estimated to be \$144,930. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 7    LONG-TERM DEBT – GENERAL OBLIGATION BONDS

The following is a summary of the transactions in the District's long-term debt:

	<u>Balance at</u> <u>7-1-2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>6-30-2016</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds	<u>405,000</u>	<u>      -</u>	<u>50,000</u>	<u>355,000</u>	50,000
<u>Total</u>	<u>405,000</u>	<u>      -</u>	<u>50,000</u>	<u>355,000</u>	

Long-Term Debt as of June 30, 2016, is comprised of the following:

General Obligation Bonds:

In the fiscal year ended June 30, 2003 the district with district voter approval issued general obligation bonds to assist in the financing of construction projects.

General Obligation Bonds, Series 2002 – These bonds issued in 2002 for the original amount of \$900,000 mature serially on December 1 in amounts varying from \$30,000 to \$70,000 with interest from 3.00% to 5.75% payable semi-annually. Term payments are required at December 1, 2012 in the amount of \$150,000 (interest at 4.25%), December 1, 2016 in the amount of \$180,000 (Interest at 5.625%), and December 1, 2021 in the amount of \$355,000 (Interest at 5.750%).

Interest on the term payments is payable semi-annually on December 1 and June 1. Payments into a mandatory sinking fund are to be made beginning January 1, 2006 for the payment of the term amounts. On or after December 1, 2012, all bonds outstanding are callable at the option of the District.

Payment to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	50,000	18,975	68,975
2018	55,000	15,956	70,956
2019	55,000	12,794	67,794
2020	60,000	9,487	69,487
2021	65,000	5,894	70,894
2022	<u>70,000</u>	<u>2,012</u>	<u>72,012</u>
<u>Total</u>	<u>355,000</u>	<u>65,118</u>	<u>420,118</u>

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 8      PENSION PLAN

**Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

Pensions. Aguilar School District RE-6 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Aguilar School District RE-6 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/investment/pera-financial-reports](http://www.copera.org/investment/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. 24-51-601, 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.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 8      PENSION PLAN (Continued)

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

**NOTE 8**      **PENSION PLAN (Continued)**

*Contributions.* Eligible employees and Aguilar School District RE-6 are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
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	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF	17.33%	18.13%

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 Aguilar School District RE-6 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Aguilar School District RE-6 were \$153,578 for the year ended June 30, 2016.

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

At June 30, 2016, the Aguilar School District RE-6 reported a liability of \$3,068,263 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Aguilar School District RE-6 proportion of the net pension liability was based on Aguilar School District RE-6 contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the Aguilar School District RE-6 proportion was 0.0201 percent, which was a decrease of 0.0011 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Aguilar School District RE-6 recognized pension expense of \$65,107. At June 30, 2016, the Aguilar School District RE-6 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

**NOTE 8**      **PENSION PLAN (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	40,517	(128)
Changes of assumptions or other inputs	0	(43,360)
Net difference between projected and actual earnings on pension plan investments	260,888	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(177,866)
Contributions subsequent to the measurement date	80,016	N/A
Total	381,421	(221,354)

\$80,016 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2016	
2017	(13,539)
2018	(1,600)
2019	41,692
2020	53,498
2021	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 8      PENSION PLAN (Continued)

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

The actuarial assumptions used in the December 31, 2014 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.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuations are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18 month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
  
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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 following table:

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 PENSION PLAN (Continued)

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to increase annually at a rate of 3.9%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8      PENSION PLAN (Continued)

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

Based on the above actuarial cost method and 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 Aguilar School District RE-6 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-percent-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%)
Proportionate share of the net pension liability	3,977,365	3,068,263	2,312,059

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 8      PENSION PLAN (Continued)

**Defined Contribution Pension Plan**

Voluntary Investment Program

*Plan Description* – Employees of the Aguilar School District RE-6 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$1,413.

**Other Post-Employment Benefits**

Health Care Trust Fund

*Plan Description* – The Aguilar School District RE-6 contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Aguilar School District RE-6 is 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 Aguilar School District RE-6 are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the Aguilar School District RE-6 contributions to the HCTF were \$8,832, \$8,932 and \$9,418, respectively equal to their required contributions for each year.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 9      JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2015, the latest year for which audits information is available is as follows:

Assets and Deferred Outflows	2,480,068
Liabilities and Deferred Inflows	<u>6,846,498</u>
Net Position	<u>(4,366,430)</u>
Revenues	3,389,502
Expenses	<u>2,694,018</u>
Change in Net Position	<u>695,484</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES files an audited financial statement annually with Colorado State Auditor's Office.

NOTE 10      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 10      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at December 31, 2015 (latest information available) follows:

Total Assets	46,958,320
Total Liabilities	<u>22,633,311</u>
Total Equity	<u>24,325,009</u>
Revenue	13,432,892
Underwriting Expenses	<u>16,484,758</u>
Underwriting Gain (Loss)	(3,051,866)
Net Investment Income	663,509
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	(2,388,357)
Dividend	<u>-</u>
Net Income (Loss)	(2,388,357)
Change in Non Admitted Assets	<u>95,339</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>24,325,009</u>

NOTE 11      RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self-insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District continues to carry commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

NOTE 12      INTERFUND BALANCES AND TRANSFERS

<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	60,524
Food Service Fund	<u>60,524</u>	<u>-</u>
	<u>60,524</u>	<u>60,524</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

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NOTE 13    PRIOR PERIOD ADJUSTMENT

In the fiscal year ended June 30, 2015, no deferred inflow was recorded for the change in proportion of the District's contributions to PERA in relation to their portion of the net pension liability originally recorded during the implementation of GASB Statements No. 68 and 71. The amount of deferred inflow at June 30, 2015 that should have been recorded was \$107,251. The Statement of Activities reflects the corresponding reduction to entity-wide net position as of that date as a prior period adjustment.

NOTE 14    BUDGET COMPLIANCE

Expenditures in the Food Service Fund exceeded the budgeted amount by \$18,206.

REQUIRED SUPPLEMENTARY INFORMATION

## General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

## Pension Trend Data

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	247,245	247,245	356,782	109,537
Specific Ownership Taxes	56,047	56,047	53,411	(2,636)
Earnings on Investments	-	-	301	301
Delinquent Taxes & Interest	-	-	1,386	1,386
Other	5,000	5,000	41,247	36,247
<u>State Sources</u>				
Equalization	1,318,784	1,318,784	1,170,307	(148,477)
Transportation	12,000	12,000	18,496	6,496
Vocational Education	-	-	-	-
Special Education	-	-	11,795	11,795
Other	-	-	108,091	108,091
<u>Federal Sources</u>				
Designated Purpose Grants	191,266	191,266	180,508	(10,758)
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>1,830,342</u>	<u>1,830,342</u>	<u>1,942,324</u>	<u>111,982</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	516,633	516,633	542,603	(25,970)
Employee Benefits	170,258	170,258	174,488	(4,230)
Purchased Services - Professional	38,184	38,184	70,717	(32,533)
Purchased Services – Property	15,000	15,000	-	15,000
Purchased Services – Other	43,184	43,184	831	42,353
Supplies and Materials	42,500	42,500	66,323	(23,823)
Property	20,000	20,000	-	20,000
Other Objects	2,500	2,500	1,386	1,114
<u>Total Instruction</u>	<u>848,259</u>	<u>848,259</u>	<u>856,348</u>	<u>(8,089)</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Instructional Staff</u>				
Salaries	-	-	51,090	(51,090)
Benefits	-	-	3,224	(3,224)
Purchased Services – Professional	-	-	127,063	(127,063)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	5,299	(5,299)
Other Objects	-	-	3,500	(3,500)
<u>Total Instructional Staff</u>	<u>-</u>	<u>-</u>	<u>190,176</u>	<u>(190,176)</u>
<u>General Administration</u>				
Salaries	104,000	104,000	111,317	(7,317)
Employee Benefits	31,816	31,816	47,848	(16,032)
Purchased Services – Professional	20,000	20,000	12,597	7,403
Purchased Services – Property	-	-	2,086	(2,086)
Purchased Services – Other	-	-	14,861	(14,861)
Supplies and Materials	5,000	5,000	-	5,000
Property	5,000	5,000	-	5,000
Other Objects	-	-	5,555	(5,555)
<u>Total General Administration</u>	<u>165,816</u>	<u>165,816</u>	<u>194,264</u>	<u>(28,448)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	10,000	10,000	31,309	(21,309)
Employee Benefits	1,780	1,780	8,282	(6,502)
Purchased Services – Professional	-	-	12,516	(12,516)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	8,686	(8,686)
Supplies and Materials	-	-	12,121	(12,121)
Property	-	-	-	-
Other Objects	-	-	1,662	(1,662)
<u>Total School Administration</u>	<u>11,780</u>	<u>11,780</u>	<u>74,576</u>	<u>(62,796)</u>
<u>Business Services</u>				
Salaries	48,495	48,495	46,201	2,294
Employee Benefits	13,184	13,184	14,346	(1,162)
Purchased Services – Professional	15,000	15,000	9,624	5,376
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	762	(762)
Supplies and Materials	5,000	5,000	-	5,000
Property	5,000	5,000	-	5,000
Other Objects	500	500	4,373	(3,873)
<u>Total Business Services</u>	<u>87,179</u>	<u>87,179</u>	<u>75,306</u>	<u>11,873</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	54,310	54,310	56,278	(1,968)
Employee Benefits	18,171	18,171	21,855	(3,684)
Purchased Services – Professional	50,000	50,000	26,502	23,498
Purchased Services – Property	231,130	231,130	152,008	79,122
Purchased Services – Other	50,000	50,000	1,461	48,539
Supplies and Materials	100,000	100,000	125,860	(25,860)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>503,611</u>	<u>503,611</u>	<u>383,964</u>	<u>119,647</u>
<u>Student Transportation</u>				
Salaries	28,375	28,375	32,107	(3,732)
Employee Benefits	17,807	17,807	15,694	2,113
Purchased Services – Professional	10,000	10,000	2,192	7,808
Purchased Services – Property	20,000	20,000	761	19,239
Purchased Services – Other	7,500	7,500	1,107	6,393
Supplies and Materials	5,000	5,000	6,994	(1,994)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>88,682</u>	<u>88,682</u>	<u>58,855</u>	<u>29,827</u>
<u>Central Support</u>				
Salaries	25,000	25,000	-	25,000
Employee Benefits	4,450	4,450	-	4,450
Purchased Services – Other	191,266	191,266	106,955	84,311
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>220,716</u>	<u>220,716</u>	<u>106,955</u>	<u>113,761</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,077,784</u>	<u>1,077,784</u>	<u>1,084,096</u>	<u>(6,312)</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>DEBT SERVICE</u>	-	-	-	-
<u>APPROPRIATED RESERVES</u>	101,790	101,790	-	101,790
<u>TOTAL EXPENDITURES</u>	2,027,833	2,027,833	1,940,444	87,389
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(197,491)	(197,491)	1,880	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(55,624)	(55,624)	(60,524)	(4,900)
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(253,115)	(253,115)	(58,644)	
<u>FUND BALANCE, July 1</u>	253,115	253,115	253,115	
<u>FUND BALANCE, June 30</u>	-	-	194,471	

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
District's proportion of the net pension liability (asset)	0.0201%	0.0212%	0.0224%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,068,263	\$2,871,139	\$2,848,982	-	-	-	-	-	-	-
District's covered-employee payroll	\$865,825	\$875,690	\$923,362	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	354%	328%	309%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.80%	64.06%	-	-	-	-	-	-	-

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 For The Last 10 Fiscal Years (As Available)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contributions	\$ 153,578	\$ 147,911	\$ 147,558	\$ 138,607	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (153,578)</u>	<u>\$ (147,911)</u>	<u>\$ (147,558)</u>	<u>\$ (138,607)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered-employee payroll	\$865,825	\$875,690	\$923,362	\$920,097	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.74%	16.89%	15.98%	15.06%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Debt Service Funds

Bond Redemption Debt Service Fund - Use to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Service Fund – This fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

### Fiduciary Funds

Student Activity – Agency Fund – This fund is used to account for amounts held in a fiduciary capacity for various student clubs and organizations.

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2016

	<u>Special Revenue Fund Food Service</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>		
Cash	228	228
Investments	-	-
Accounts Receivable	10,226	10,226
Accrued Revenue	-	-
Due From Other Funds	-	-
Inventories	3,122	3,122
Receivables – Other	-	-
<u>Total Assets</u>	<u>13,576</u>	<u>13,576</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	415	415
Accrued Salaries	7,878	7,878
Due To Other Funds	-	-
<u>Total Liabilities</u>	<u>8,293</u>	<u>8,293</u>
 <u>Fund Balances:</u>		
Nonspendable:		
Inventories	3,122	3,122
Restricted:		
Food Service	2,161	2,161
Assigned:		
Capital Outlay	-	-
<u>Total Fund Balances</u>	<u>5,283</u>	<u>5,283</u>
 <u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	 <u>13,576</u>	 <u>13,576</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

	<u>Special Revenue Funds Food Service</u>	<u>Total Non-Major Governmental Funds</u>
<u>REVENUES:</u>		
Earning on Investments	11	11
Other Local Sources	-	-
State Aid	1,204	1,204
Federal Aid	<u>50,849</u>	<u>50,849</u>
<u>Total Revenues</u>	<u>52,064</u>	<u>52,064</u>
 <u>EXPENDITURES:</u>		
Instruction	-	-
Food Service	126,195	126,195
Capital Outlay	-	-
<u>Total Expenditures</u>	<u>126,195</u>	<u>126,195</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	 (74,131)	 (74,131)
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers	<u>60,524</u>	<u>60,524</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 (13,607)	 (13,607)
 <u>FUND BALANCES, Beginning</u>	 <u>18,890</u>	 <u>18,890</u>
 <u>FUND BALANCES, Ending</u>	 <u>5,283</u>	 <u>5,283</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 BOND REDEMPTION - DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Tax	86,913	5,148	(81,765)
Earnings on Investments	-	10	10
Other Local	-	151	151
<u>Total Revenues</u>	<u>86,913</u>	<u>5,309</u>	<u>(81,604)</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	47,000	50,000	(3,000)
Interest	27,109	21,819	5,290
Other	-	500	(500)
Appropriated Reserves	<u>123,413</u>	-	<u>123,413</u>
<u>Total Expenditures</u>	<u>197,522</u>	<u>72,319</u>	<u>125,203</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (110,609)	 (67,010)	
 <u>OTHER FINANCING SOURCES (USES)</u>	 -	 -	 -
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (110,609)	 (67,010)	
 <u>FUND BALANCES, July 1</u>	 <u>110,609</u>	 <u>110,609</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>43,599</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
 FOOD SERVICES – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	-	-
Earnings on Investments	100	11	(89)
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	4,771	1,204	(3,567)
<u>Federal Sources</u>			
School Lunches and Breakfast	26,604	47,577	20,973
Commodities	<u>2,000</u>	<u>3,272</u>	<u>1,272</u>
<u>Total Revenues</u>	<u>33,475</u>	<u>52,064</u>	<u>18,589</u>
<u>EXPENDITURES</u>			
Salaries	41,500	40,788	712
Employee Benefits	15,876	19,540	(3,664)
Purchased Services – Professional	-	2,036	(2,036)
Purchased Services – Property	-	-	-
Purchased Services - Other	5,723	2,309	3,414
Food Purchases	40,890	53,044	(12,154)
Capital Outlay	-	-	-
Commodities	2,000	3,272	(1,272)
Non-Food Supplies	2,000	5,206	(3,206)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>107,989</u>	<u>126,195</u>	<u>(18,206)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(74,514)	(74,131)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>55,624</u>	<u>60,524</u>	<u>4,900</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(18,890)	(13,607)	
<u>FUND BALANCE, July 1</u>	<u>18,890</u>	<u>18,890</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>5,283</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
PUPIL ACTIVITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN DEPOSITS HELD  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2016

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	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Other Local	<u>38,000</u>	<u>22,240</u>	<u>(15,760)</u>
<u>Total Receipts</u>	<u>38,000</u>	<u>22,240</u>	<u>(15,760)</u>
 <u>EXPENDITURES</u>			
Pupil Activities	<u>47,501</u>	<u>20,188</u>	<u>27,313</u>
 <u>Net Increase (Decrease) in Deposits Held</u>	 (9,501)	 2,052	
 <u>Deposits Held – Beginning of Year</u>	 <u>9,501</u>	 <u>9,501</u>	
 <u>Deposits Held – End of Year</u>	 <u>—</u>	 <u>11,553</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1620 - AGUILAR REORGANIZED 6  
 Fiscal Year 2015-16  
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>							
10 General Fund	253,115		1,820,328		1,878,972		194,471
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		61,472		61,472		0
<b>Sub-Total</b>	<b>253,115</b>		<b>1,881,800</b>		<b>1,940,444</b>		<b>194,471</b>
11 Charter School Fund	0		0		0		0
20-26-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	18,890		112,569		126,156		5,283
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	110,609		5,308		72,319		43,599
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
<b>Totals</b>	<b>302,614</b>		<b>1,999,677</b>		<b>2,138,934</b>		<b>243,352</b>
<b>Proprietary</b>							
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
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
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	9,501		22,240		20,188		11,553
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>9,501</b>		<b>22,240</b>		<b>20,188</b>		<b>11,553</b>

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.



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District 1620 - AGUILAR REORGANIZED 6  
 Fiscal Year 2015-16  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	253,112	0	0	228	0	0	0	0	0	11,553	0	264,893			
Cash with Fiscal Agent (8105)	168,151	0	0	0	0	43,319	0	0	0	0	0	211,470			
Taxes Receivable (8121,8122)	17,800	0	0	0	0	1,400	0	0	0	0	0	19,200			
Grants Accounts Receivable (8142)	20,211	0	0	10,226	0	0	0	0	0	0	0	30,437			
Other Receivables (8151-8154,8161)	60,785	0	0	0	0	0	0	0	0	0	0	60,785			
Inventories (8171,8172,8173)	0	0	0	3,122	0	0	0	0	0	0	0	3,122			
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	0			
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0			
<b>Total Assets</b>	<b>520,059</b>	<b>0</b>	<b>0</b>	<b>13,576</b>	<b>0</b>	<b>44,719</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,553</b>	<b>0</b>	<b>589,907</b>			

	Governmental							Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>													
<b>LIABILITIES</b>													
Other Payables (7421-7423)	80,202	0	0	415	0	0	0	0	0	0	0	0	80,617
Accrued Expenses (7461)	137,052	0	0	7,878	0	0	0	0	0	0	0	0	144,930
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	7,600	0	0	0	0	1,120	0	0	0	0	0	0	8,720
Grants Deferred Revenue (7482)	100,734	0	0	0	0	0	0	0	0	0	0	0	100,734
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>325,588</b>	<b>0</b>	<b>0</b>	<b>8,293</b>	<b>0</b>	<b>1,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>335,001</b>

**Governmental**

**Proprietary**

**Fiduciary**

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Non-spendable Fund Balance 6710	0	0	0	3,122	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	2,161	0	43,599	0	0	0	0	0	0	45,759
TABOR 3% Emergency Reserve 6721	54,500	0	0	0	0	0	0	0	0	0	0	0	54,500
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	11,553	0	11,553
Unassigned Fund Balance 6770	139,971	0	0	0	0	0	0	0	0	0	0	0	139,971
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>194,471</b>	<b>0</b>	<b>0</b>	<b>5,283</b>	<b>0</b>	<b>43,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,553</b>	<b>0</b>	<b>254,906</b>

Total Liabilities & Fund Equity	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	520,059	0	0	0	13,576	0	44,719	0	0	0	0	11,553	0

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