

cPa DIXON, WALLER & CO., INC.

ALAMOSA SCHOOL

DISTRICT RE-11J

ALAMOSA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016

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DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
JUNE 30, 2016

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ALAMOSA SCHOOL DISTRICT RE-11J
ROSTER OF SCHOOL OFFICIALS
June 30, 2016

BOARD OF EDUCATION

Erica Romero	President
Arlan Van Ry	Vice President
Christine Haslett	Secretary
Jan DeSautell	Assistant Secretary
Mandy Jackson	Treasurer
Charlie Sanchez	Assistant Treasurer

SCHOOL OFFICIALS

Rob Alejo	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Alamosa School District RE-11J
Alamosa, Colorado 81101

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alamosa School District RE-11J, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Alamosa School District RE-11J, 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 ix and 39 through 45 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 Alamosa School District RE-11J'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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016, on our consideration of Alamosa School District RE-11J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alamosa School District RE-11J's internal control over financial reporting and compliance.

Rifon, Waller & Co., Inc.

November 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

Alamosa School District RE11J encompasses approximately 315 square miles in Alamosa and Conejos Counties, located in the south central region of Colorado. The District serves the municipality of Alamosa as well as the entire Southern half of the Alamosa County and a small portion of Northern Conejos County. The District serves an enrollment of 2,237 K-12 students.

The discussion and analysis of the Alamosa School District RE11J's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and note to enhance the reader's understanding of the District's overall financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2016 are as follows:

The District's overall net position at the end of fiscal year 15-16 was \$6,321,910. The change in net position of -\$1,731,949 along with prior year adjustments of -\$206,007 represent the total net change of -\$1,937,956 over June 30, 2015 net position of \$8,259,866. Net pension liabilities of \$34,828,766, along with associated deferred flow, are not recorded at the fund level.

Total District revenue was \$22,312,135. General Revenues of \$18,037,417 include taxes, grants, entitlements, general interest and other revenues not restricted to specific programs accounted. Program specific revenues in the form of charges for services and sales and program specific grants and contributions total \$4,274,718.

Total District expenditures were \$24,044,084 for the year ended June 30, 2016.

The District's net capital assets were \$47,627,657 at June 30, 2016.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Alamosa School District RE11J as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The governmental funds statements provide the next level of detail.

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

The fund financial statements report the District's operations in more detail by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Alamosa School District RE11J, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity.

This is the tenth year the School District has prepared financial statements following GASB Statement 34. In this year's financial statements, comparisons to the fiscal year 2015 information are presented alongside the fiscal year 2016 information to enable the reader to draw further conclusions about the District's financial status. The following schedules present condensed financial information for 2016 compared to 2015.

Fund financial reports provide detailed information about the District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds. The District's major governmental funds include the General Fund, the Capital Reserve Funds, the Designated Purpose Grant Fund, and the Bond Redemption Fund. Other governmental funds that are aggregated on the governmental fund financial statements include the Food Service Fund and Student Athletics Fund. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

The District's fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and (3) fiduciary funds.

Governmental Funds – The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial position that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

Proprietary Funds – The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Alamosa School District does not have any proprietary funds.

Fiduciary Funds - The Pupil Activity Fund is used to account for position held for the various clubs and organizations sponsored by the District.

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

The statement of net position and activities include all assets, liabilities and deferred flows using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account the current year's revenues and expenses regardless of when cash was received or paid.

The two statements report the district's net position and changes in that position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

STATEMENT OF NET POSITION

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal year 2016. The change in net position of -\$1,731,949 along with prior year adjustments of -\$206,007 represent the total net change of \$1,937,956 over June 30, 2015 net position of \$8,259,866.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
ASSETS:						
Current and Other Assets	\$7,774	\$ 7,276	\$-	\$-	\$7,774	\$ 7,276
Capital Assets, Net	\$48,354	\$ 47,628	\$-	\$-	\$48,378	\$ 47,628
	<u>\$56,128</u>	<u>\$ 54,903</u>	<u>\$-</u>	<u>\$-</u>	<u>\$56,128</u>	<u>\$ 54,903</u>
DEFERRED OUTFLOWS:	<u>\$1,492</u>	<u>\$ 5,155</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,492</u>	<u>\$ 5,155</u>
LIABILITIES:						
Current & Other Liabilities	\$2,813	\$ 3,473.21	\$-	\$-	\$2,813	\$ 3,473
Long-term Liabilities	\$16,120	\$ 14,286	\$-	\$-	\$16,120	\$ 14,286
Net Position Liability	\$29,790	\$ 525			\$29,790	\$ 525
Unamortized Bond Premium	\$636	\$ 34,829			\$636	\$ 34,829
	<u>\$49,359</u>	<u>\$ 53,113</u>	<u>\$-</u>	<u>\$-</u>	<u>\$49,359</u>	<u>\$ 53,113</u>
DEFERRED INFLOWS:	<u>\$2</u>	<u>\$ 623</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2</u>	<u>\$ 623</u>
NET POSITION:						
Net Investment in Capital Assets	\$-	\$ 32,603	\$-	\$-	\$-	\$ 32,603
Net of Related Debt	\$32,234	\$ 1,483	\$-	\$-	\$32,234	\$ 1,483
Restricted	\$2,489	\$ 1,174	\$-	\$-	\$2,489	\$ 1,174
Unrestricted	<u>\$ (26,464)</u>	<u>\$ (28,938)</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ (26,464)</u>	<u>\$ (28,938)</u>
Total Net Position	<u>\$8,259</u>	<u>\$ 6,322</u>	<u>\$-</u>	<u>\$-</u>	<u>\$8,259</u>	<u>\$ 6,322</u>

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

STATEMENT OF ACTIVITIES

The Statement of activities reflects the cost of program services and the revenue for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenue.

Net position decreased \$1,731,949 in fiscal year 2016, a \$163,720 improvement over 2015.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
REVENUES:						
Property Taxes	\$ 5,140	\$ 5,224	\$ -	\$ -	\$ 5,140	\$ 5,224
Specific Ownership Taxes	\$ 573	\$ 605	\$ -	\$ -	\$ 573	\$ 605
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	\$ 9	\$ 13	\$ -	\$ -	\$ 9	\$ 13
Other Local Services	\$ 427	\$ 294	\$ -	\$ -	\$ 427	\$ 294
State Aid	\$ 12,530	\$ 12,067	\$ -	\$ -	\$ 12,530	\$ 12,067
Federal Aid	\$ 2,098	\$ 4,111	\$ -	\$ -	\$ 2,098	\$ 4,111
Total Revenues	<u>\$20,777</u>	<u>\$22,312</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,777</u>	<u>\$22,312</u>
					\$ -	\$ -
EXPENDITURES:						
Instructional Services	\$ 13,707	\$ 13,374	\$ -	\$ -	\$ 13,707	\$ 13,374
Supporting Services:						\$ -
Students	\$ 930	\$ 871	\$ -	\$ -	\$ 930	\$ 871
Instructional Staff	\$ 530	\$ 593	\$ -	\$ -	\$ 530	\$ 593
District Administration	\$ 572	\$ 548	\$ -	\$ -	\$ 572	\$ 548
School Administration	\$ 1,159	\$ 1,081	\$ -	\$ -	\$ 1,159	\$ 1,081
Business	\$ 272	\$ 264	\$ -	\$ -	\$ 272	\$ 264
Facilities	\$ 1,788	\$ 1,774	\$ -	\$ -	\$ 1,788	\$ 1,774
Transportation	\$ 730	\$ 615	\$ -	\$ -	\$ 730	\$ 615
Community	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central	\$ 765	\$ 821	\$ -	\$ -	\$ 765	\$ 821
Food Service	\$ 1,460	\$ 1,360	\$ -	\$ -	\$ 1,460	\$ 1,360
Interest	\$ 559	\$ 529	\$ -	\$ -	\$ 559	\$ 529
Pension Cost	\$ 170	\$ 1,773	\$ -	\$ -	\$ 170	\$ 1,773
Capital Outlay	\$ 90	\$ 442	\$ -	\$ -	\$ 90	\$ 442
Total Expenditures	<u>\$ 22,672</u>	<u>\$ 24,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,672</u>	<u>\$ 24,044</u>
					\$ -	\$ -
CHANGE IN NET POSITION	<u>\$ (1,895)</u>	<u>\$ (1,732)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,895)</u>	<u>\$ (1,732)</u>

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

GOVERNMENTAL FUNDS STATEMENT

	General	Capital Reserve	Grants	Building Projects	Debt Service	Food Service	Student Athletics	Total Gov't Funds
Revenues:								
Property taxes	3,549,990	-	-	-	1,756,333	-	-	5,306,323
Specific taxes	604,568	-	-	-	-	-	-	604,568
Investment	7,972	1,536	-	114	2,857	32	9	12,520
Other sources	234,637	-	3,128	-	11,258	11,755	32,740	293,518
State aid	12,360,912	-	517,153	1,012,895	-	9,682	-	13,900,642
Federal aid	-	-	<u>1,075,618</u>	-	-	<u>1,201,485</u>	-	<u>2,277,103</u>
Total Revenues	<u>16,758,079</u>	<u>1,536</u>	<u>1,595,899</u>	<u>1,013,009</u>	<u>1,770,448</u>	<u>1,222,954</u>	<u>32,749</u>	<u>22,394,674</u>
Expenditures:								
Instructional Students	9,850,806	-	1,076,943	-	-	-	562,032	11,489,781
Staff	612,174	-	204,168	-	-	-	40,017	856,359
Instruction	391,854	-	201,002	-	-	-	-	592,856
District admin	479,802	-	67,727	-	-	-	-	547,529
School admin	1,080,566	-	-	-	-	-	-	1,080,566
Business	263,644	-	-	-	-	-	-	263,644
Facilities	1,762,248	-	-	-	-	-	-	1,762,248
Transp	515,097	-	-	-	-	-	-	515,097
Food Service	-	-	-	-	-	1,294,329	-	1,294,329
Central	775,163	-	46,059	-	-	-	-	821,222
Debt Service	-	-	-	-	-	-	-	-
Principal Interest	-	-	-	-	1,095,000	-	-	1,095,000
Interest	-	-	-	-	623,853	-	-	623,853
Capital outlay	538	910,373	-	1,012,895	-	-	-	1,923,806
Total Expenditures	<u>15,731,892</u>	<u>910,373</u>	<u>1,595,899</u>	<u>1,012,895</u>	<u>1,718,853</u>	<u>1,294,329</u>	<u>602,049</u>	<u>22,866,290</u>
Variance	1,026,187	(908,837)	-	114	51,595	(71,375)	(569,300)	(471,616)

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

	General	Capital Reserve	Grants	Building Projects	Debt Service	Food Service	Student Athletics	Total Gov't Funds
Beginning Fund balance	2,348,462	1,411,379	-	9	1,431,494	94,154	55,442	5,340,940
Revenues	16,758,079	1,536	1,595,899	1,013,009	1,770,448	1,222,954	32,749	22,394,674
Expenditures	15,731,892	910,373	1,595,899	1,012,895	1,718,853	1,294,329	602,049	22,866,290
Transfers	(526,792)						526,792	-
Ending Balance	2,847,857	502,542	-	123	1,483,089	22,779	12,934	4,869,324
Net change in fund balances	499,395	(908,837)	-	114	51,595	(71,375)	(42,508)	(471,616)

The focus of these government-wide statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District, and its component units, except for fiduciary funds.

The financial statements of the District's fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the District's financial statements because the District is financially accountable for those resources, even though they belong to other parties.

GENERAL FUND BUDGETING HIGHLIGHTS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). During the course of fiscal 2016, the District amended its General Fund budget as needed. The District uses a line-item based budget. The budgeting systems are designed to tightly control line-item expenditures, but provide flexibility for overall budgetary management.

General Fund actual revenues of \$16,758,079 were higher than the final budgeted revenues of \$15,169,066.

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

SCHEDULE OF FUNCTIONAL EXPENDITURES

Governmental Activities by Major Function - Cost of Services

	Year ended June 30, 2015		Year ended June 30, 2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	13,706,822	12,279,597	13,373,554	11,983,807
Supporting Services:				
Students	930,243	805,165	870,994	666,826
Instructional staff	529,736	422,338	592,856	391,854
District administration	512,320	444,971	547,529	479,802
School administration	1,158,708	1,158,708	1,080,566	1,080,566
Business	272,060	272,060	263,644	263,644
Operation and maintenance of facilities	1,788,325	1,764,222	1,774,405	1,774,405
Transportation	729,475	627,190	614,883	484,685
Central	764,963	727,120	821,222	775,163
Food Service	1,459,985	347,730	1,359,696	136,774
Capital outlay	90,292	(786,520)	442,272	(570,623)
Interest	558,925	558,925	529,280	529,280
Pension Cost	170,442	170,442	1,773,183	1,773,183
Total	22,672,296	18,791,948	24,044,084	19,769,366

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

STATEMENT OF CAPITAL ASSETS

At the end of 2016, the District had a total of \$47,627,657 invested in capital assets. The following reflects the balances of fiscal year 2016 compared to fiscal year 2015.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
ASSETS:						
Current	\$ 1,159	\$ 1,159	\$ -	\$ -	\$ 1,159	\$ 1,159
Construction in Progress	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Non-Depreciable Assets	<u>\$ 1,159</u>	<u>\$ 1,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159</u>	<u>\$ 1,159</u>
Depreciable Assets:						
Building & Site Improvements	\$ 61,347	\$ 62,700	\$ -	\$ -	\$ 61,347	\$ 62,700
Vehicles	\$ 1,902	\$ 2,011	\$ -	\$ -	\$ 1,902	\$ 2,011
Equipment	\$ 1,093	\$ 1,063	\$ -	\$ -	\$ 1,093	\$ 1,063
Food Service	<u>\$ 1,108</u>	<u>\$ 1,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108</u>	<u>\$ 1,108</u>
Total Depreciable Assets	<u>\$ 65,450</u>	<u>\$ 66,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,450</u>	<u>\$ 66,881</u>
		\$ -				
Less Accumulated Depreciation:		\$ -				
Buildings & Site Improvements	\$ 15,327	\$ 17,315	\$ -	\$ -	\$ 15,327	\$ 17,315
Equipment & Vehicles	\$ 2,117	\$ 2,221	\$ -	\$ -	\$ 2,117	\$ 2,221
Food Service	<u>\$ 811</u>	<u>\$ 819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811</u>	<u>\$ 819</u>
Total Accumulated Depreciation	<u>\$ 18,255</u>	<u>\$ 20,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,255</u>	<u>\$ 20,412</u>
Total Capital Assets, Net	<u>\$ 48,354</u>	<u>\$ 47,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,354</u>	<u>\$ 47,628</u>

ALAMOSA SCHOOL DISTRICT RE11J
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2016

STATEMENT OF LONG TERM DEBT

The District's long term debt was \$ 15,511,131. This total includes outstanding general obligations bonds for the capital construction projects as well as long term liabilities for compensated absences and early retirement incentives.

Outstanding General Obligation Bonds:

\$9.475 million of the outstanding bond obligation is the Series 2009 and 2009B for the two elementary schools BEST capital construction project. The final payment is expected in fiscal year 2029. As part of the requirements for the BEST Capitol Construction, the District will reserve \$120,000 per year for 10 years to fully fund the maintenance requirement.

\$5.550 million of the outstanding bond obligation is the Series 2013A and 2013 B for the high school sports complex and AgEd building. The final payment expected in fiscal year 2024.

The District long-term liability for the following:

Compensated absences	\$100,096
Early Retirement Incentive	\$386,035

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The State of Colorado introduced the "Negative Factor" in the school finance formula due to the statewide budget balancing challenges facing Colorado. This "Negative Factor" became effective with the FY 2010-2011. The HealthCare Reform can have a major financial impact on the District's future financial status as well.

Alamosa RE11J is accredited with improvement and has been working diligently to make improvements in student achievement.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact:

Alamosa School District RE11J
209 Victoria Street
Alamosa, CO 81101
Tel: 719-587-1600
Fax: 719-587-1712
Website www.alamosa.k12.co.us

BASIC FINANCIAL STATEMENTS

ALAMOSA SCHOOL DISTRICT RE 11J
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	3,878,509	3,878,509
Investments	2,223,881	2,223,881
Accounts Receivable	292,068	292,068
Accrued Revenue	301,431	301,431
Property Taxes Receivable	534,000	534,000
Inventories	45,895	45,895
Capital Assets	68,039,565	68,039,565
Accumulated Depreciation	(20,411,908)	(20,411,908)
<u>Total Assets</u>	<u>54,903,441</u>	<u>54,903,441</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Refunding - Debt	6,583	6,583
Deferred Pension Cost – Entity	779,516	779,516
Deferred Pension Cost – Plan	3,421,340	3,421,340
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	947,661	947,661
<u>Total Deferred Outflows of Resources</u>	<u>5,155,100</u>	<u>5,155,100</u>
<u>LIABILITIES</u>		
Accounts Payable	286,316	286,316
Accrued Salaries and Benefits	1,762,004	1,762,004
Grant Amounts Received in Advance	102,883	102,883
Accrued Interest Payable	50,888	50,888
NonCurrent Liabilities:		
Compensated Absences	100,096	100,096
Retirement Incentive Payable Due Within One Year	46,027	46,027
Retirement Incentive Payable Due in More Than One Year	386,035	386,035
Bond Payments Due Within One Year	1,125,000	1,125,000
Bond Payments Due in More Than One Year	13,900,000	13,900,000
Net Pension Liability	34,828,766	34,828,766
Unamortized Bond Premium	525,266	525,266
<u>Total Liabilities</u>	<u>53,113,281</u>	<u>53,113,281</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	493,642	493,642
Deferred Pension Cost - Entity	129,708	129,708
<u>Total Deferred Inflows</u>	<u>623,350</u>	<u>623,350</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	32,602,657	32,602,657
Restricted for:		
TABOR Reserve	551,000	551,000
Maintenance Reserve – BEST Grant	600,000	600,000
Food Service	22,779	22,779
Debt Service	1,483,089	1,483,089
Unrestricted	(28,937,615)	(28,937,615)
<u>TOTAL NET POSITION</u>	<u>6,321,910</u>	<u>6,321,910</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Designated Purpose Grants</u>
<u>ASSETS</u>			
Cash and Equivalents	3,257,040	551,012	8,716
Investments	860,604	-	-
Accounts Receivable	-	-	-
Accrued Revenue	-	-	301,431
Due from Other Funds	109,934	10,663	-
Property Taxes Receivable	358,000	-	-
Inventories	-	-	-
<u>Total Assets</u>	<u>4,585,578</u>	<u>561,675</u>	<u>310,147</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts Payable	25,604	59,133	22,623
Accrued Salaries and Benefits	1,514,713	-	168,177
Due to Other Funds	10,663	-	16,464
Other Liabilities	46,027	-	-
Grant Amounts Received in Advance	-	-	<u>102,883</u>
<u>Total Liabilities</u>	<u>1,597,007</u>	<u>59,133</u>	<u>310,147</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Tax	<u>140,714</u>	-	-
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	-	-
Restricted:			
Emergencies	551,000	-	-
Debt Service	-	-	-
Preschool	-	-	-
Maintenance Reserve – BEST Grant	100,000	500,000	-
Food Service	-	-	-
Committed:			
Insurance	-	-	-
Capital Outlay	-	2,542	-
Assigned:			
Student Activities	-	-	-
Unassigned:			
	<u>2,196,857</u>	-	-
<u>Total Fund Balances</u>	<u>2,847,857</u>	<u>502,542</u>	-
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>4,585,578</u>	<u>561,675</u>	<u>310,147</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
59	12,328	49,354	3,878,509
-	1,363,277	-	2,223,881
252,060	-	40,008	292,068
-	-	-	301,431
-	-	-	120,597
-	176,000	-	534,000
-	-	45,895	45,895
<u>252,119</u>	<u>1,551,605</u>	<u>135,257</u>	<u>7,396,381</u>
159,878	-	19,078	286,316
-	-	79,114	1,762,004
92,118	-	1,352	120,597
-	-	-	46,027
-	-	-	102,883
<u>251,996</u>	<u>-</u>	<u>99,544</u>	<u>2,317,827</u>
-	68,516	-	209,230
-	-	45,895	45,895
-	-	-	551,000
-	1,483,089	-	1,483,089
-	-	-	-
-	-	-	600,000
-	-	-	-
-	-	-	-
123	-	-	2,665
-	-	12,934	12,934
-	-	(23,116)	2,173,741
<u>123</u>	<u>1,483,089</u>	<u>35,713</u>	<u>4,869,324</u>
<u>252,119</u>	<u>1,551,605</u>	<u>135,257</u>	<u>7,396,381</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2016

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

<u>Total Fund Balance – Governmental Funds</u>	4,869,324
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$68,039,565 and the accumulated depreciation is \$20,411,908.	47,627,657
Property tax revenue is recognized when earned (claim to resources established) rather than when “available” in the entity wide financial statements.	209,230
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(50,888)
Premiums received on bonds issued are recorded as revenues in the governmental funds. They are capitalized and amortized in the entity wide financial statements. This is an amortized premium.	(525,266)
For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This is the unamortized deferred refunding amount.	6,583
Long-term liabilities, including certificates of participation, general obligation bonds and capital leases are not due and payable in the current period and therefore are not reported in the funds.	(15,025,000)
The long-term portion of retirement incentive is not recorded in the funds	(386,035)
Compensated absences are not reported as a liability in the funds.	(100,096)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(34,828,766)
Deferred Pension Cost – Outflows	5,148,517
Deferred Pension Cost – Inflows	<u>(623,350)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>6,321,910</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Designated Purpose Grants</u>
<u>REVENUES</u>			
Property Taxes	3,549,990	-	-
Specific Ownership Taxes	604,568	-	-
Earnings on Investments	7,972	1,536	-
Other Local Sources	234,637	-	3,128
State Aid	12,360,912	-	517,153
Federal Aid	-	-	<u>1,075,618</u>
<u>Total Revenues</u>	<u>16,758,079</u>	<u>1,536</u>	<u>1,595,899</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	9,850,806	-	1,076,943
Supporting Services:			
Students	612,174	-	204,168
Instructional Staff	391,854	-	201,002
District Administration	479,802	-	67,727
School Administration	1,080,566	-	-
Business	263,644	-	-
Operation & Maintenance of Facilities	1,762,248	-	-
Transportation	515,097	-	-
Food Service	-	-	-
Central	775,163	-	46,059
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	538	910,373	-
<u>Total Expenditures</u>	<u>15,731,892</u>	<u>910,373</u>	<u>1,595,899</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>1,026,187</u>	<u>(908,837)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(526,792)	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(526,792)</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	499,395	(908,837)	-
<u>FUND BALANCES – BEGINNING</u>	<u>2,348,462</u>	<u>1,411,379</u>	<u>-</u>
<u>FUND BALANCES – ENDING</u>	<u>2,847,857</u>	<u>502,542</u>	<u>-</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	1,756,333	-	5,306,323
-	-	-	604,568
114	2,857	41	12,520
-	11,258	44,495	293,518
1,012,895	-	9,682	13,900,642
-	-	<u>1,201,485</u>	<u>2,277,103</u>
<u>1,013,009</u>	<u>1,770,448</u>	<u>1,255,703</u>	<u>22,394,674</u>
-	-	562,032	11,489,781
-	-	40,017	856,359
-	-	-	592,856
-	-	-	547,529
-	-	-	1,080,566
-	-	-	263,644
-	-	-	1,762,248
-	-	-	515,097
-	-	1,294,329	1,294,329
-	-	-	821,222
-	1,095,000	-	1,095,000
-	623,853	-	623,853
<u>1,012,895</u>	-	-	<u>1,923,806</u>
<u>1,012,895</u>	<u>1,718,853</u>	<u>1,896,378</u>	<u>22,866,290</u>
<u>114</u>	<u>51,595</u>	<u>(640,675)</u>	<u>(471,616)</u>
-	-	<u>526,792</u>	-
-	-	<u>526,792</u>	-
114	51,595	(113,883)	(471,616)
<u>9</u>	<u>1,431,494</u>	<u>149,596</u>	<u>5,340,940</u>
<u>123</u>	<u>1,483,089</u>	<u>35,713</u>	<u>4,869,324</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
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

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

Net Change in Fund Balances – Total Governmental Funds (471,616)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	1,481,534	
Capital Outlays more than \$5,000		
Depreciation Expense	(2,207,827)	(726,293)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. (82,539)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of deferred refundings and premiums are 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:

	1,095,000	
Repayment of Debt Principal		
Interest Expense	2,200	
Amortization – Deferred Refunding	(18,794)	
Amortization - Premium	<u>111,167</u>	1,189,573

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. 1,914

Early retirement incentives are accrued in their entirety in the entity wide financial statements. The current amount is accrued in the fund financial statements. This represents the change in the long term portion. 130,195

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	(1,773,183)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,731,949)

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

ALAMOSA SCHOOL DISTRICT RE-11J
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	206,058
Investments	-
Deposits Held for Others	-
<u>Total Assets</u>	<u>206,058</u>
 <u>LIABILITIES</u>	
Due to Student Groups	206,058
Accounts Payable	-
<u>Total Liabilities</u>	<u>206,058</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Alamosa School District RE-11J (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 Alamosa School District RE-11J. 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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

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 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.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 financial 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.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
3. Capital Reserve Capital Projects Fund – used to account for General Fund transfers and other revenue sources assigned for capital expenditures.
4. Building–Capital Projects Fund – used to account for the proceeds of general obligation debt and capital construction grants to be used for the construction of District facilities.
5. Designated Purpose Grants – Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, No Child Left Behind programs which must be expanded as designated by the grantor agency.

Additionally, the District reports the following fund type: Trust and Agency

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

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 \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Deferred Outflows / Inflows of Resources (continued)

In addition to liabilities, the statement of financial position sometimes reports 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 1998 the registered voters approved a ballot resolution authorizing Alamosa School District RE-11J 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 \$551,000 for this purpose.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Alamosa and Conejos Counties 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 substitute rate of pay per day when there is a separation from service. Maximum reimbursable days may not exceed 70.

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 \$100,096 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
Accumulated Sick Leave	<u>102,010</u>	<u> -</u>	<u>1,914</u>	<u>100,096</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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

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.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Bond Redemption Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>							
Inventories	-	-	-	-	-	45,895	45,895
<u>Restricted:</u>							
Emergencies	551,000	-	-	-	-	-	551,000
Debt Service	-	-	-	1,483,089	-	-	1,483,089
Maintenance Reserve – BEST Grant	100,000	-	500,000	-	-	-	600,000
Food Service	-	-	-	-	-	-	-
<u>Committed:</u>							
Insurance	-	-	-	-	-	-	-
Capital Outlay	-	123	2,542	-	-	-	2,665
<u>Assigned:</u>							
Pupil Activities	-	-	-	-	12,934	-	12,934
<u>Unassigned</u>	<u>2,196,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,116)</u>	<u>2,173,741</u>
<u>Total Fund</u>							
<u>Balances</u>	<u>2,847,857</u>	<u>123</u>	<u>502,542</u>	<u>1,483,089</u>	<u>12,934</u>	<u>22,779</u>	<u>4,869,324</u>

Q. 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 \$1,762,004. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC 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 governmental 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.

	Items Eliminated	
	Due from Other Funds	Due to Other Funds
General Fund	109,934	10,663
Designated Purpose Grant Fund	-	16,464
School Athletics Fund	-	795
Food Service	-	557
Capital Reserve-Capital Project	10,663	-
Building Fund	-	92,118
	<u>120,597</u>	<u>120,597</u>
	Transfers In	Transfers Out
General Fund	-	526,792
School Athletics – Special Revenue Fund	526,792	-
	<u>526,792</u>	<u>526,792</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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 3 BUDGETARY INFORMATION (Continued)

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, Special Revenue Funds, Debt Service Funds and Capital Project Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 4 CASH AND INVESTMENTS (Continued)

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)	500,000	500,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	3,495,225	4,271,451
Cash with County Treasurer	<u>89,342</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>4,084,567</u>	<u>4,771,451</u>

As presented above, deposits with a bank balance of \$4,271,451 and a carrying balance of \$3,495,225 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2016, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	State Pool	Under 60 Day Average	2,223,881

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAA by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- COLOTRUST – State Pool of \$2,223,881 is valued using quoted market prices (Level 1 inputs)

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5

CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Non-Depreciable Assets:</u>				
Land	1,159,044	-	-	1,159,044
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Non-Depreciable Assets</u>	<u>1,159,044</u>	<u>-</u>	<u>-</u>	<u>1,159,044</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	61,373,677	1,326,027	-	62,699,704
Vehicles	1,901,704	113,925	5,000	2,010,629
Equipment	1,067,121	41,582	46,079	1,062,624
Food Service	<u>1,107,564</u>	<u>-</u>	<u>-</u>	<u>1,107,564</u>
<u>Total Depreciable Assets</u>	<u>65,450,066</u>	<u>1,481,534</u>	<u>51,079</u>	<u>66,880,521</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	15,327,350	1,987,538	-	17,314,888
Vehicles	1,308,906	98,146	5,000	1,402,052
Equipment	808,321	56,776	46,079	819,018
Food Service	<u>810,583</u>	<u>65,367</u>	<u>-</u>	<u>875,950</u>
<u>Total Accumulated</u> <u>Depreciation</u>	<u>18,255,160</u>	<u>2,207,827</u>	<u>51,079</u>	<u>20,411,908</u>
<u>Total Capital Assets Being</u> <u>Depreciated, Net</u>	<u>47,194,906</u>	<u>(726,293)</u>	<u>-</u>	<u>46,468,613</u>
<u>Governmental Activities</u> <u>Capital Assets, Net</u>	<u>48,353,950</u>	<u>(726,293)</u>	<u>-</u>	<u>47,627,657</u>

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

Governmental Activities:

Instruction	2,015,882
Student Support	14,635
Operations and Maintenance	12,157
Transportation	99,786
Food Service	<u>65,367</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>2,207,827</u>

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 INTERFUND ACTIVITY

Fund	Due From Other Funds	Due To Other Funds
General	109,934	10,663
Designated Purpose Grant Fund	-	16,464
Student Athletics Fund	-	795
Food Service	-	557
Capital Reserve-Capital Project	10,663	-
Building Fund	-	92,118
	<u>120,597</u>	<u>120,597</u>
	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General	-	526,792
Student Athletics - Special Revenue Fund	526,792	-
	<u>526,792</u>	<u>526,792</u>

Do to and from funds are created by cash flow requirements. All are expected to be repaid within one year. Transfers were made to fund operations.

NOTE 7 LONG-TERM DEBT – CAPITAL LEASES AND GENERAL OBLIGATIONS

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

	Balance at 7-1-2015	Additions	Retirements	Balance at 6-30-2016	Current Portion
G.O. Bond Series 2009 B	1,260,000	-	60,000	1,200,000	60,000
G.O. Matching Bonds 2009	8,705,000	-	430,000	8,275,000	450,000
G.O. Bonds 2013 A	4,990,000	-	-	4,990,000	55,000
G.O. Bonds 2013 B	1,165,000	-	605,000	560,000	560,000
Deferred Refunding	(25,377)	-	(18,794)	(6,583)	
<u>Total</u>	<u>16,094,623</u>	<u>-</u>	<u>1,076,206</u>	<u>15,018,417</u>	

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

Series 2009 Matching Money Bonds, Series 2009 B General Obligation Bonds

These general obligation debts were issued August 12, 2009 and November 17, 2009, respectively, for the purpose of constructing District Facilities. The Series 2009 Matching Money Bonds of \$10,484,032 were used to match \$24,948,623 in State of Colorado – BEST Program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. In addition to the series 2009 Matching Money Bonds and the BEST program funds, the District will use \$1,515,000 of Series 2009 B General Obligation Bonds to do the building project. The Series 2009 Matching Money Bonds were issued at an interest rate 4.135204%. The interest rates on the Series 2009 B General Obligation Bonds range from 4.5% to 5.4%. Series 2009 B G.O. Bonds have an optional call date of December 1, 2019 at 100%.

At the completion of construction, the District will fund \$120,000 per year for 10 years to fully fund the maintenance reserve requirement of the BEST Grant agreement.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 LONG-TERM DEBT – CAPITAL LEASES AND GENERAL OBLIGATIONS (Continued)

	<u>Series 2009</u>		<u>Series 2009 B</u>	
	<u>Matching Money Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	450,000	332,884	60,000	61,800
2018	465,000	313,965	65,000	58,800
2019	485,000	294,323	65,000	55,680
2020	505,000	273,854	70,000	52,440
2021	530,000	252,454	75,000	48,735
2022	550,000	230,124	80,000	44,550
2023	570,000	206,967	80,000	40,230
2024	595,000	182,879	85,000	35,775
2025	620,000	157,758	90,000	31,050
2026	645,000	131,603	95,000	26,055
2027	670,000	104,414	100,000	20,790
2028	700,000	76,088	105,000	15,255
2029	730,000	46,521	110,000	9,450
2030	<u>760,000</u>	<u>15,714</u>	<u>120,000</u>	<u>3,240</u>
Total	<u>8,275,000</u>	<u>2,556,548</u>	<u>1,200,000</u>	<u>503,850</u>

General Obligation Series 2013
 General Obligation Refunding Series 2013
Capital Appreciation Bonds 2013

On March 20, 2013, the District issued \$4,990,000 in General Obligation Bonds bearing interest rates ranging from 2.0% to 4.0% (at a premium of \$823,063), \$1,555,000 in General Obligation Refunding Bonds to advance refund \$1,680,000 of 2003 General Obligation Refunding Bonds with an average interest rate of 3.33%, and \$212,285 of Capital Appreciation Bonds.

Refunding proceeds of \$1,767,285 were deposited with an escrow agent to provide debt service payments of \$1,680,000 in principal and \$137,514 in interest on the 2003 Series Bonds. As a result, \$855,000 of 2003 Bonds are outstanding but considered to be defeased at June 30, 2016.

The District completed the advance refunding to reduce the total debt service payments over the next 3 years by \$23,539 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$22,000.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 LONG-TERM DEBT – CAPITAL LEASES AND GENERAL OBLIGATIONS (Continued)

As a result of the difference between the reacquisition price and the carrying amount of the old debt (including unamortized premium), a deferred refunding was recorded in the amount of \$88,119. It will be amortized against interest costs of the refunding issue.

Below is a schedule of debt service requirements to maturity:

<u>2013 G.O. Issue</u>			<u>2013 G.O. Refunding Issue</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	55,000	197,950	2017	<u>560,000</u>	<u>3,360</u>
2018	625,000	184,900		<u>560,000</u>	<u>3,360</u>
2019	655,000	159,300			
2020	680,000	132,600			
2021	695,000	105,100			
2022	725,000	76,700			
2023	765,000	46,900			
2024	<u>790,000</u>	<u>15,800</u>			
	<u>4,990,000</u>	<u>919,250</u>			

Early Retirement Bonuses Payable

A bonus is paid by the District to retirees meeting the requirements outlined in policy regarding age (50) and years of service (15). The bonus is paid in equal annual installments over five years beginning no later than the July or January immediately following retirement. The bonus is calculated as a percentage of salary as listed in the salary schedule. Percentages range from 40% to 75%. Amounts due within 60 days of year end are included in the General Fund as a liability.

The changes in the long-term bonuses payable follow:

<u>Balance at 7-1-2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 6-30-2016</u>
<u>575,357</u>	<u>—</u>	<u>143,295</u>	<u>432,062</u>

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 **PENSION PLAN**

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Alamosa School District RE-11J 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 Alamosa School District RE-11J 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.

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

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.

ALAMOSA SCHOOL DISTRICT RE-11J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 **PENSION PLAN (Continued)**

Contributions. Eligible employees and Alamosa School District RE-11J 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 Alamosa School District RE-11J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Alamosa School District RE-11J were \$1,800,087 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 Alamosa School District RE-11J reported a liability of \$34,828,766 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 Alamosa School District RE-11J proportion of the net pension liability was based on Alamosa School District RE-11J 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 Alamosa School District RE-11J proportion was 0.2277 percent, which was an increase of 0.0079 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Alamosa School District RE-11J recognized pension expense of \$1,773,183. At June 30, 2016, the Alamosa School District RE-11J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALAMOSA SCHOOL DISTRICT RE-11J
 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	459,918	(1,451)
Changes of assumptions or other inputs	0	(492,191)
Net difference between projected and actual earnings on pension plan investments	2,961,422	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	779,516	(129,708)
Contributions subsequent to the measurement date	947,661	N/A
Total	5,148,517	(623,350)

\$947,661 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	990,608
2018	1,013,755
2019	965,868
2020	607,275
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

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

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:

ALAMOSA SCHOOL DISTRICT RE-11J
 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.

ALAMOSA SCHOOL DISTRICT RE-11J
 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 Alamosa School District RE-11J 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	45,148,260	34,828,766	26,244,872

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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 **PENSION PLAN (Continued)**

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Alamosa School District RE-11J 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.

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 \$80,575.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Alamosa School District RE-11J 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.

Funding Policy – The Alamosa School District RE-11J 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 Alamosa School District RE-11J 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 Alamosa School District RE-11J contributions to the HCTF were \$103,489, \$98,451 and \$91,608, respectively equal to their required contributions for each year.

ALAMOSA SCHOOL DISTRICT RE-11J
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 San Luis Valley 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 District's share of the joint venture is not determinable at June 30, 2016. The joint venture summary audited financial information as of June 30, 2015, is as follows:

Assets and Deferred Outflows	2,435,538
Liabilities and Deferred Inflows	<u>9,301,652</u>
Net Position	<u>(6,866,114)</u>
Revenues	5,389,369
Expenses	<u>5,093,715</u>
Change in Net Position	<u>295,654</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 is audited annually, and a financial statement is filed with the Colorado State Auditor's Office.

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDSIP)

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, and other coverage. The Board of Directors is composed of nine persons; all of whom are appointed by the Board of Directors of CSDSIP. The Pool is managed by an executive director 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.

ALAMOSA SCHOOL DISTRICT RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (continued)

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.

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

Total Assets	<u>46,958,320</u>
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	(2,388,357)
Transfer of Capital Contributions	-
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, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

ALAMOSA SCHOOL DISTRICT RE RE-11J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 12 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 13 BUDGET DISCLOSURE

The expenditures of the Food Service Fund exceeded the amounts budgeted by \$80,429.

NOTE 14 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 \$206,007. The Statement of Activities reflects the corresponding reduction to entity-wide net position as of that date as a prior period adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

MAJOR FUNDS

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.

Designated Purpose Grant Funds

The Designated Purpose Grant Fund is provided to maintain a separate accounting for federal and state grant programs normally having a different fiscal period than that of the District.

ALAMOSA SCHOOL DISTRICT RE-11J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	3,639,145	3,639,145	3,549,990	(89,155)
Specific Ownership Taxes	407,800	407,800	604,568	196,768
Earnings on Investments	4,500	4,500	7,972	3,472
Delinquent Taxes & Interest	-	-	25,045	25,045
Other	91,725	91,725	209,592	117,867
<u>State Sources</u>				
Equalization	11,300,896	11,300,896	12,066,527	765,631
Transportation	110,000	110,000	124,341	14,341
Vocational Education	20,000	20,000	55,325	35,325
Other	45,000	45,000	114,719	69,719
<u>Federal Sources</u>				
Designated Purpose Grants	-	-	-	-
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>15,619,066</u>	<u>15,619,066</u>	<u>16,758,079</u>	<u>1,139,013</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
Salaries	6,229,510	6,229,510	6,242,331	(12,821)
Employee Benefits	1,886,892	1,886,892	1,819,658	67,234
Purchased Services - Professional	1,089,066	1,089,066	1,130,452	(41,386)
Purchased Services – Property	483	483	354	129
Purchased Services – Other	119,793	119,793	222,187	(102,394)
Supplies and Materials	347,955	347,955	276,678	71,277
Property	70,407	70,407	79,702	(9,295)
Other Objects	21,304	21,304	79,444	(58,140)
<u>Total Instruction</u>	<u>9,765,410</u>	<u>9,765,410</u>	<u>9,850,806</u>	<u>(85,396)</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	522,411	522,411	465,441	56,970
Employee Benefits	164,024	164,024	139,619	24,405
Purchased Services – Professional	5,528	5,528	28	5,500
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,700	1,700	1,520	180
Supplies and Materials	4,265	4,265	5,566	(1,301)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>697,928</u>	<u>697,928</u>	<u>612,174</u>	<u>85,754</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
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 (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	207,724	207,724	202,953	4,771
Benefits	64,247	64,247	64,282	(35)
Purchased Services – Professional	43,630	43,630	31,582	12,048
Purchased Services – Property	300	300	91	209
Purchased Services – Other	67,000	67,000	64,307	2,693
Supplies and Materials	34,644	34,644	26,691	7,953
Property	<u>2,248</u>	<u>2,248</u>	<u>1,948</u>	<u>300</u>
<u>Total Instructional Staff</u>	<u>419,793</u>	<u>419,793</u>	<u>391,854</u>	<u>27,939</u>
<u>General Administration</u>				
Salaries	267,458	267,458	276,827	(9,369)
Employee Benefits	57,582	57,582	58,709	(1,127)
Purchased Services – Professional	83,300	83,300	84,999	(1,699)
Purchased Services – Other	22,800	22,800	22,686	114
Supplies and Materials	18,000	18,000	19,011	(1,011)
Property	200	200	2,581	(2,381)
Other Objects	<u>16,000</u>	<u>16,000</u>	<u>14,989</u>	<u>1,011</u>
<u>Total General Administration</u>	<u>465,340</u>	<u>465,340</u>	<u>479,802</u>	<u>(14,462)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	752,976	752,976	759,895	(6,919)
Employee Benefits	235,635	235,635	224,956	10,679
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	43,057	43,057	60,514	(17,457)
Supplies and Materials	14,840	14,840	17,956	(3,116)
Property	<u>12,174</u>	<u>12,174</u>	<u>17,245</u>	<u>(5,071)</u>
<u>Total School Administration</u>	<u>1,058,682</u>	<u>1,058,682</u>	<u>1,080,566</u>	<u>(21,884)</u>
<u>Business Services</u>				
Salaries	140,292	140,292	143,567	(3,275)
Employee Benefits	44,992	44,992	44,758	234
Purchased Services – Professional	7,500	7,500	5,910	1,590
Purchased Services – Property	300	300	-	300
Purchased Services – Other	38,100	38,100	53,310	(15,210)
Supplies and Materials	10,000	10,000	11,925	(1,925)
Property	-	-	2,884	(2,884)
Other Objects	<u>700</u>	<u>700</u>	<u>1,290</u>	<u>(590)</u>
<u>Total Business Services</u>	<u>241,884</u>	<u>241,884</u>	<u>263,644</u>	<u>(21,760)</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
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 (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	750,198	750,198	730,027	20,171
Employee Benefits	251,022	251,022	237,693	13,329
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	166,550	166,550	120,608	45,942
Purchased Services – Other	86,780	86,780	148,284	(61,504)
Supplies and Materials	539,050	539,050	525,636	13,414
Property	6,000	6,000	-	6,000
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>1,799,600</u>	<u>1,799,600</u>	<u>1,762,248</u>	<u>37,352</u>
<u>Student Transportation</u>				
Salaries	364,269	364,269	328,151	36,118
Employee Benefits	96,372	96,372	81,979	14,393
Purchased Services – Property	5,250	5,250	4,471	779
Purchased Services – Other	10,000	10,000	15,189	(5,189)
Supplies and Materials	140,805	140,805	84,424	56,381
Property	10,500	10,500	883	9,617
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>627,196</u>	<u>627,196</u>	<u>515,097</u>	<u>112,099</u>
<u>Central Support</u>				
Salaries	92,910	92,910	91,762	1,148
Employee Benefits	29,867	29,867	28,784	1,083
Purchased Services – Professional	288,921	288,921	266,821	22,100
Purchased Services – Property	180,000	180,000	226,673	(46,673)
Purchased Services – Other	102,920	102,920	133,514	(30,594)
Supplies and Materials	2,000	2,000	269	1,731
Property	35,600	35,600	27,340	8,260
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>732,218</u>	<u>732,218</u>	<u>775,163</u>	<u>(42,945)</u>
<u>Facilities Acquisition and Construction</u>				
Purchased Services – Property	-	-	-	-
Property	-	-	538	(538)
<u>Total Facilities Acquisition and Construction</u>	<u>-</u>	<u>-</u>	<u>538</u>	<u>(538)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>6,042,641</u>	<u>6,042,641</u>	<u>5,881,086</u>	<u>161,555</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
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>				
Principal	-	-	-	-
Interest	-	-	-	-
<u>Total Debt Service</u>	-	-	-	-
<u>APPROPRIATED RESERVES</u>	443,000	443,000	-	443,000
<u>TOTAL EXPENDITURES</u>	16,251,051	16,251,051	15,731,892	519,159
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(631,985)	(631,985)	1,026,187	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(1,273,477)	(1,273,477)	(526,792)	746,685
<u>Total Other Financing Sources (Uses)</u>	(1,273,477)	(1,273,477)	(526,792)	746,685
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,905,462)	(1,905,462)	499,395	
<u>FUND BALANCE, July 1</u>	1,905,462	1,905,462	2,348,462	
<u>FUND BALANCE, June 30</u>	-	-	2,847,857	

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

ALAMOSA SCHOOL DISTRICT RE-11J
DESIGNATED PURPOSE GRANT SPECIAL REVENUE 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>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Local Sources	-	3,128	3,128
State Sources	-	517,153	517,153
Federal Sources	<u>1,908,429</u>	<u>1,075,618</u>	<u>(832,811)</u>
<u>Total Revenues</u>	<u>1,908,429</u>	<u>1,595,899</u>	<u>(312,530)</u>
<u>Expenditures</u>			
Instruction:			
Salaries	819,585	711,793	107,792
Employee Benefits	271,756	214,203	57,553
Purchased Services – Professional	60,913	39,481	21,432
Purchased Services – Property	-	-	-
Purchased Services – Other	10,349	13,030	(2,681)
Supplies and Material	115,158	89,169	25,989
Property	1,856	1,856	-
Other Objects	3,000	7,411	(4,411)
Pupil Support	235,595	204,168	31,427
Staff Support	247,637	201,002	46,635
General Administration	96,510	67,727	28,783
School Administration	-	-	-
Central Support	46,070	46,059	11
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>1,908,429</u>	<u>1,595,899</u>	<u>312,530</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	
<u>FUND BALANCE, July 1</u>	-	-	
<u>FUND BALANCE, June 30</u>	-	-	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 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)	0.2277%	0.2198%	0.2220%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$34,828,766	\$29,789,453	\$28,316,956	-	-	-	-	-	-	-
District's covered-employee payroll	\$10,146,019	\$9,652,086	\$8,928,288	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	343%	309%	317%	-	-	-	-	-	-	-
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.

ALAMOSA SCHOOL DISTRICT RE-11J
 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	\$1,800,087	\$ 1,630,886	\$ 1,427,296	\$ 1,358,382	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(1,800,087)</u>	<u>\$(1,630,886)</u>	<u>\$(1,427,296)</u>	<u>\$(1,358,382)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-
District's covered-employee payroll	\$10,146,019	\$ 9,652,086	\$ 8,928,288	\$ 9,007,251	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.74%	16.90%	15.99%	15.08%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption Debt Service Fund

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.

Building – Capital Projects Fund

Capital Projects Fund – used to account for the proceeds of General Obligation Bonds and matching grants to fund the construction of District facilities.

Capital Reserve – Capital Projects Fund

Capital Projects Fund – used to account for the acquisition of sites, buildings, equipment and vehicles.

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.

High School Athletics Fund – This fund is used to account for the costs associated with school athletics programs. It is funded by event receipts and transfers from the General Fund.

Fiduciary Funds

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

ALAMOSA SCHOOL DISTRICT RE-11J
 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	1,783,200	1,756,333	(26,867)
Earnings on Investments	1,000	2,857	1,857
Other Local	<u>15,300</u>	<u>11,258</u>	<u>(4,042)</u>
<u>Total Revenues</u>	<u>1,799,500</u>	<u>1,770,448</u>	<u>(29,052)</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	1,095,000	1,095,000	-
Interest	623,853	623,853	-
Other	-	-	-
Appropriated Reserves	<u>1,512,140</u>	<u>-</u>	<u>1,512,140</u>
<u>Total Expenditures</u>	<u>3,230,993</u>	<u>1,718,853</u>	<u>1,512,140</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(1,431,493)	51,595	
<u>FUND BALANCES, July 1</u>	<u>1,431,493</u>	<u>1,431,494</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>1,483,089</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 BUILDING FUND – CAPITAL PROJECTS 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>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	114	114
State Grant	<u>2,647,707</u>	<u>1,012,895</u>	<u>(1,634,812)</u>
<u>Total Revenues</u>	<u>2,647,707</u>	<u>1,013,009</u>	<u>(1,634,698)</u>
 <u>EXPENDITURES</u>			
Capital Outlay	2,647,716	1,012,895	1,634,821
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>2,647,716</u>	<u>1,012,895</u>	<u>1,634,821</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(9)</u>	<u>114</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(9)</u>	<u>114</u>	
 <u>FUND BALANCES, July 1</u>	<u>9</u>	<u>9</u>	
 <u>FUND BALANCES, June 30</u>	<u>-</u>	<u>123</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 CAPITAL RESERVE CAPITAL PROJECTS 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>			
Earnings on Investments	2,000	1,536	(464)
State Grant	-	-	-
<u>Total Revenues</u>	<u>2,000</u>	<u>1,536</u>	<u>(464)</u>
<u>EXPENDITURES:</u>			
Land and Sites	-	-	-
Building and Improvements	1,240,000	741,719	498,281
Equipment:			
Transportation Equipment	113,925	113,925	-
Other Equipment	184,182	54,729	129,453
Other	-	-	-
Appropriated Reserves	<u>591,818</u>	<u>-</u>	<u>591,818</u>
<u>Total Expenditures</u>	<u>2,129,925</u>	<u>910,373</u>	<u>1,219,552</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(2,127,925)	(908,837)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>716,546</u>	<u>-</u>	<u>(716,546)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(1,411,379)	(908,837)	
<u>FUND BALANCES, July 1</u>	<u>1,411,379</u>	<u>1,411,379</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>502,542</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Non-Major</u>
	<u>Service</u>	<u>Athletics</u>	<u>Governmental</u>
			<u>Funds</u>
<u>ASSETS</u>			
Cash	33,929	15,425	49,354
Investments	-	-	-
Accounts Receivable	40,008	-	40,008
Accrued Revenue	-	-	-
Due from Other Funds	-	-	-
Inventories	45,895	-	45,895
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>119,832</u>	<u>15,425</u>	<u>135,257</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	17,382	1,696	19,078
Accrued Salaries	79,114	-	79,114
Due to Other Funds	557	795	1,352
Deposits Held	-	-	-
<u>Total Liabilities</u>	<u>97,053</u>	<u>2,491</u>	<u>99,544</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventories	45,895	-	45,895
Restricted:			
Food Service	-	-	-
Assigned:			
Student Activities	-	12,934	12,934
Unassigned	(23,116)	-	(23,116)
<u>Total Fund Balances</u>	<u>22,779</u>	<u>12,934</u>	<u>35,713</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>			
	<u>119,832</u>	<u>15,425</u>	<u>135,257</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Non-Major</u>
	<u>Service</u>	<u>Athletics</u>	<u>Governmental</u>
			<u>Funds</u>
<u>REVENUES:</u>			
Local Sources:			
Earnings on Investments	32	9	41
Fees and Charges	11,755	32,740	44,495
State Aid	9,682	-	9,682
Federal Aid	<u>1,201,485</u>	-	<u>1,201,485</u>
<u>Total Revenues</u>	<u>1,222,954</u>	<u>32,749</u>	<u>1,255,703</u>
<u>EXPENDITURES:</u>			
Current:			
Instructional Services,	-	562,032	562,032
Supporting Services:			
Students	-	40,017	40,017
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance			
of Facilities	-	-	-
Transportation	-	-	-
Food Service	1,294,329	-	1,294,329
Debt Service	-	-	-
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>1,294,329</u>	<u>602,049</u>	<u>1,896,378</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	(71,375)	(569,300)	(640,675)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	526,792	526,792
<u>NET CHANGE IN FUND BALANCES</u>	(71,375)	(42,508)	(113,883)
<u>FUND BALANCES, Beginning</u>	<u>94,154</u>	<u>55,442</u>	<u>149,596</u>
<u>FUND BALANCES, Ending</u>	<u>22,779</u>	<u>12,934</u>	<u>35,713</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J
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	20,050	11,755	(8,295)
Earnings on Investments	350	32	(318)
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	-	9,682	9,682
<u>Federal Sources</u>			
School Lunches and Breakfast	855,124	1,118,522	263,398
Commodities	<u>80,000</u>	<u>82,963</u>	<u>2,963</u>
<u>Total Revenues</u>	<u>955,524</u>	<u>1,222,954</u>	<u>267,430</u>
 <u>EXPENDITURES</u>			
Salaries	387,890	386,957	933
Employee Benefits	124,613	142,198	(17,585)
Purchased Services – Professional	-	-	-
Purchased Services – Property	18,000	-	18,000
Purchased Services - Other	4,000	2,240	1,760
Food Purchases	525,124	631,187	(106,063)
Capital Outlay	17,173	1,217	15,956
Commodities	80,500	82,963	(2,463)
Non-Food Supplies	56,600	47,567	9,033
Other	-	-	-
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>1,213,900</u>	<u>1,294,329</u>	<u>(80,429)</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (258,376)	 (71,375)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>164,223</u>	<u>-</u>	<u>(164,223)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (94,153)	 (71,375)	
 <u>FUND BALANCE, July 1</u>	 <u>94,153</u>	 <u>94,154</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>22,779</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 STUDENT ATHLETICS - SPECIAL REVENUE 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>			
Earnings on Investments	-	9	9
Other Local	<u>33,900</u>	<u>32,740</u>	<u>(1,160)</u>
<u>Total Revenues</u>	<u>33,900</u>	<u>32,749</u>	<u>(1,151)</u>
<u>EXPENDITURES:</u>			
Co-Curricular Instruction	567,000	562,032	4,968
Co-Curricular Support	<u>35,050</u>	<u>40,017</u>	<u>(4,967)</u>
<u>Total Expenditures</u>	<u>602,050</u>	<u>602,049</u>	<u>1</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(568,150)	(569,300)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>512,708</u>	<u>526,792</u>	<u>14,084</u>
<u>NET CHANGE IN FUND BALANCE</u>	(55,442)	(42,508)	
<u>FUND BALANCE, July 1</u>	<u>55,442</u>	<u>55,442</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>12,934</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J
 STUDENT ACTIVITY FUND – AGENCY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>RECEIPTS</u>			
Other Local	<u>400,000</u>	<u>449,292</u>	<u>49,292</u>
<u>EXPENDITURES</u>			
Pupil Activities	<u>400,000</u>	<u>398,201</u>	<u>1,799</u>
Net Increase (Decrease) in Deposits Held	-	51,091	
Deposits Held – Beginning of Year	-	<u>154,967</u>	
Deposits Held – End of Year	-	<u>206,058</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: 0100 - ALAMOSA RE-11J
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	2,348,461	15,355,475	14,756,081	2,847,856
18 Risk Mgmt Sub-Fund of General Fund	0	247,070	247,070	0
19 Colorado Preschool Program Fund	0	728,743	728,743	0
Sub-Total	2,348,461	16,231,288	15,731,893	2,847,856
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	94,153	1,222,954	1,294,329	22,778
22 Govt Designated-Purpose Grants Fund	0	1,595,899	1,595,899	0
23 Pupil Activity Special Revenue Fund	55,442	559,540	602,049	12,933
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,431,494	1,770,448	1,718,853	1,483,089
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	9	1,013,003	1,012,895	123
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,411,379	1,537	910,373	507,542
Totals	5,240,938	22,354,674	22,862,291	4,860,371
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.55-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	154,967	448,282	398,201	206,058
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	154,967	448,282	398,201	206,058
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: 0100 - ALAMOSA RE-11J
 Fiscal Year 2015-16
 Colorado School District/BOCES

	Governmental							Proprietary					Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85			
ASSETS															
Cash and Investments (8100-8104,8111)	4,040,601	0	0	33,929	24,140	1,363,307	551,071	0	0	0	206,058	0	0	0	6,219,106
Cash with Fiscal Agent (8105)	77,044	0	0	0	0	12,298	0	0	0	0	0	0	0	0	89,342
Taxes Receivable (8121,8122)	358,000	0	0	0	0	176,000	0	0	0	0	0	0	0	0	534,000
Interfund Loans Receivable (8131,8132)	109,934	0	11,258	0	0	0	10,663	0	0	0	0	0	0	0	131,854
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	40,008	301,431	0	252,060	0	0	0	0	0	0	0	593,499
Inventories (8171,8172,8173)	0	0	0	45,895	0	0	0	0	0	0	0	0	0	0	45,895
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,585,578	0	11,258	119,832	325,572	1,551,605	813,793	0	0	0	206,058	0	0	0	7,613,696

	Governmental							Proprietary					Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	21,921	0	0	557	17,259	0	92,118	0	0	0	0	0	131,854
Other Payables (7421-7423)	25,313	0	0	17,382	24,319	0	0	0	0	0	0	0	67,014
Contracts Payable (7431-7433)	0	0	0	0	0	0	219,011	0	0	0	0	0	219,011
Accrued Expenses (7461)	1,503,455	0	11,258	79,115	168,177	0	0	0	0	0	0	0	1,762,005
Payroll Dec. and Withholdings (7471-7473)	292	0	0	0	0	0	0	0	0	0	0	0	292
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	102,883	0	0	0	0	0	0	0	102,883
Other Current Liabilities (7491,7492,7499)	46,027	0	0	0	0	0	0	0	0	0	0	0	46,027
Deferred Inflow (7800)	140,714	0	0	0	0	68,516	0	0	0	0	0	0	209,230
Total Liabilities	1,737,722	0	11,258	97,053	312,639	68,516	311,128	0	0	0	0	0	2,538,316

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	45,895	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	1,483,089	0	0	0	0	0	0	1,483,089
TABOR 3% Emergency Reserve 6721	551,000	0	0	0	0	0	0	0	0	0	0	0	551,000
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	100,000	0	0	0	0	0	500,000	0	0	0	0	0	600,000
Committed Fund Balance 6750	0	0	0	0	0	0	2,665	0	0	0	0	0	2,665
Assigned Fund Balance 6760	0	0	0	0	12,933	0	0	0	0	0	206,058	0	218,991
Unassigned Fund Balance 6770	2,196,856	0	0	0	0	0	0	0	0	0	0	0	2,196,856
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	-23,117	0	0	0	0	0	0	0	0	-23,117
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,847,856	0	0	22,778	12,933	1,483,089	502,665	0	0	0	206,058	0	5,075,380

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
4,585,578	0	11,258	119,832	325,572	1,551,605	813,793	0	0	0	206,058	0	7,613,696
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 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
4,585,578	0	11,258	119,832	325,572	1,551,605	813,793	0	0	0	0	206,058	0
Total Liabilities & Fund Equity												

For Each Fund Type:
Do Assets=Liability+Fund Equity

SINGLE AUDIT SECTION

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

**To the Board of Education
Alamosa School District RE-11J
Alamosa, Colorado 81101**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Alamosa School District RE-11J as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Alamosa School District RE-11J's basic financial statements, and have issued our report thereon dated November 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alamosa School District RE-11J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alamosa School District RE-11J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alamosa School District RE-11J's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alamosa School District RE-11J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dixon, Waller & Co., Inc.

November 21, 2016

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Education
Alamosa School District RE-11J
Alamosa, Colorado 81101

Report on Compliance for Each Major Federal Program

We have audited Alamosa School District RE-11J's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Alamosa School District RE-11J's major federal programs for the year ended June 30, 2016. Alamosa School District RE-11J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Alamosa School District RE-11J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alamosa School District RE-11J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Alamosa School District RE-11J's compliance.

Opinion on Each Major Federal Program

In our opinion, Alamosa School District RE-11J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Alamosa School District RE-11J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alamosa School District RE-11J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Alamosa School District RE-11J's internal control over compliance.

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

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

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

Austin, Waller & Co., Inc.

November 21, 2016

ALAMOSA SCHOOL DISTRICT RE-11J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unqualified report has been issued on the financial statements of Alamosa School District RE-11J.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Alamosa School District RE-11J were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unqualified report has been issued on Alamosa School District RE-11J's compliance for major programs.

Audit Findings

No audit findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Title I 84.010

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as Low-Risk Auditee

The Alamosa School District RE-11J qualified as a low-risk auditee for fiscal year ended June 30, 2016.

ALAMOSA SCHOOL DISTRICT RE-11J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

(continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ALAMOSA SCHOOL DISTRICT RE-11J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Code</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
(Passed through Colorado Community College and Occupational Education)			
Vocational Education:			
Carl Perkins	84.048	5048	<u>3,895</u>
(Passed through Colorado Department of Education)			
Title II-A Improving Teacher Quality State Grants	84.367	4367	176,122
Title III	84.365	4365	19,017
Title I - Part A	84.010	4010	815,518
Title I – Delinquent	84.010	7010	10,106
Title VI-B	84.358	7358	49,484
Race to the Top – Early Learning Challenge	84.412	5412	<u>1,476</u>
<u>Total Department of Education</u>			<u>1,075,618</u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
(Passed through Colorado Department of Education)			
National School Lunch Program	10.555	4555	585,396
National School Breakfast Program	10.553	4553	435,159
Summer Program for Children	10.559	4559	97,967
(Passed through Colorado Department of Human Services)			
Food Distribution	10.555	4555	<u>82,963</u>
<u>Total Child Nutrition Cluster</u>			<u>1,201,485</u>
<u>Total Department of Agriculture</u>			<u>1,201,485</u>
<u>TOTAL EXPENDITURES</u>			<u>2,277,103</u>

The accompanying notes are an integral part of this financial statement.

ALAMOSA SCHOOL DISTRICT RE-11J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

NOTE 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Alamosa School District Number RE-11J and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2 INDIRECT COST RATES

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3 Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.