

Aspen School District No. 1 (RE)
Aspen, Colorado
Comprehensive Annual Financial Report
June 30, 2016



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Aspen School District No. 1 (RE)
Comprehensive Annual Financial Report
June 30, 2016

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Aspen School District No. 1 (RE)

INTRODUCTORY SECTION





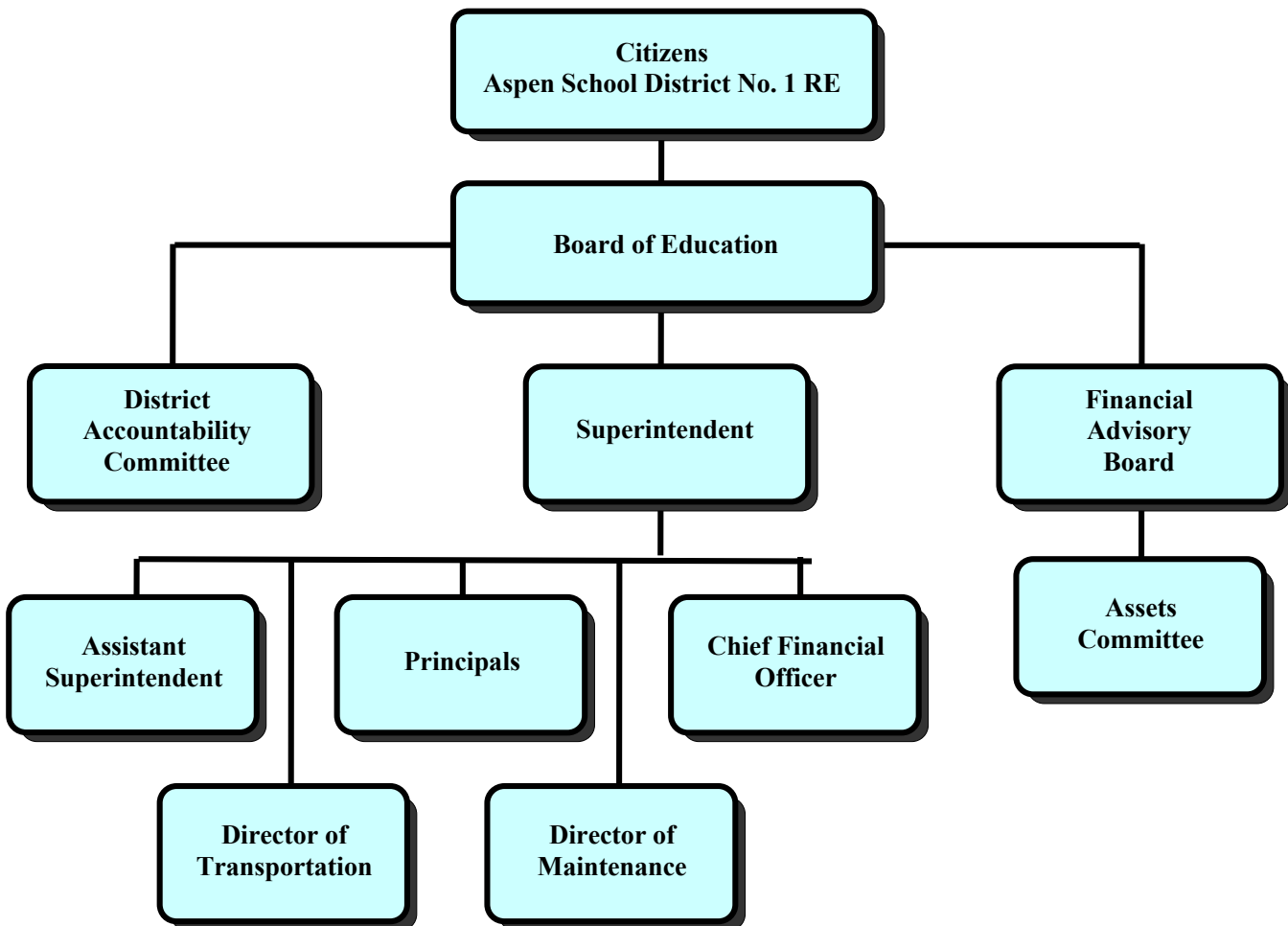
BOARD OF EDUCATION

Susan Marolt President
Sandra Peirce..... Vice President
Margeaux Johansson..... Treasurer
Sheila Wills Secretary
Dwayne Romero Assistant Secretary/Treasurer

ADMINISTRATION

Dr. John Maloy Superintendent of Schools
Tom Heald..... Assistant Superintendent
Kate Fuentes..... Chief Financial Officer
Doreen Goldyn..... Principal – Elementary School
Craig Rogers Principal – Middle School
Tharyn Mulberry Principal - High School
Gary Vavra..... Director of Transportation
Dave LaGrua Director of Maintenance

**ASPEN SCHOOL DISTRICT NO. 1 RE
ORGANIZATIONAL STRUCTURE**





December 12, 2016

Members of the Board of Education
Citizens of the Aspen School District No. 1 (RE):

The Comprehensive Annual Financial Report (CAFR) of the Aspen School District No. 1 (RE) (the “District”) for the fiscal year ended June 30, 2016, is hereby submitted as required by state statutes. The statutes require the District to issue an annual report on its financial position and activity, and that this report is audited by an independent firm of certified public accountants. The District’s Finance Department prepared this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. Included in the report are 2 distinct component units that provide material financial grants to the District – Aspen Education Foundation and Aspen Public Education Fund. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included in this comprehensive report. This letter of transmittal is designed to complement the “Management’s Discussion and Analysis” (MD&A). The MD&A can be found in the Financial Section immediately following the independent auditors’ report.

The School District

The Aspen School District No. 1 (RE) encompasses approximately 144 square miles of Pitkin County. The county is approximately 80% publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. It is located in the central mountains of Colorado at an elevation of 7,908 feet. The District's current population is estimated at 17,845, most of whom are located in the City of Aspen, Colorado. Recreation and tourism, real estate and construction dominate the local economic activity of the County.

A board of five members, elected to staggered four-year terms, governs the District. The District provides a full range of educational services, as authorized by Colorado State Statutes, appropriate to grade levels pre-kindergarten through twelfth grade, as well as special programs in vocational education, gifted and talented, International Baccalaureate, special education, information technology, and experiential education. This report includes all of the funds and account groups necessary to support the above services.

In conformance with generally accepted accounting principles (GAAP), this report includes all funds and account groups in which the District has financial accountability, and two distinct component units. Under these guidelines, the Public Employees' Retirement Association of Colorado has not been included. The District entered into a Charter School contract, as authorized by state law, with the Aspen Community School beginning with the 2001-02 school year. This agreement was renewed for a period of five years beginning July 1, 2015. The Aspen Community School provides an alternative educational

environment within our district for K-8th grade students. The charter school operates as a separate entity with its own administration and accounting system. The Aspen School District collects per pupil revenues on behalf of the charter school, as provided for in the Colorado School Finance Act, and passes those revenues on to them. The District has included the charter school within this report.

Local Economic Conditions and Outlook

State school district funding in Colorado is dependent primarily upon a state per pupil funding formula. This means that the local economic conditions have minimal impact on overall school district financing. The formula establishes a base per pupil funding amount, and is adjusted for other factors such as the school district size factor and cost of living differentials to determine total per pupil funding. The School District also receives various federal and state grants to fund specific programs.

Historically, silver mining and agriculture formed the basis of the local economy. Today, the summer and winter tourist industries of Aspen and Snowmass Village, second homeowners, construction and real estate are the primary economic factors. The county's tourism industry is among the largest and least seasonal of any Colorado county with substantial ski resort facilities.

The following table summarizes indicators of the three major components of the local economy: the construction industry as measured by building permit valuations, tourism measured by retail sales, and real estate sales value estimated from the county clerk's documentary fee collections.

Historical Construction, Tourism and Real Estate Indicators (\$ Millions)

Year	Building Permit Valuation	Percent Change	Taxable Sales	Real Estate Sales	Percent Change
2011	246.2		760.8	1,268.6	0.4
2012	268.9	9.2	783.0	1,486.7	17.2
2013	342.5	27.4	836.9	1,311.4	-11.8
2014	571.2	66.8	907.7	1,602.2	22.2
2015	545.0	-4.6	977.2	2,055.6	28.3

Source: Pitkin County Finance Office

The assessed valuation for our District, as certified each December 15th, remained flat in the off year between the bi-annual valuation cycle after increasing by 13% in the previous valuation and now sits at \$2,734,986,320. The market has stabilized, and we expect values to increase slowly in the next 2-4 years. Property tax collections have remained strong in large part because in the Aspen School District assessed values are only approximately one-tenth of the actual value. Total tax collections to levy have averaged 99.1% over the last five years.

Student enrollment has increased 7.7% during the past ten years from 1,605 to 1,728 students. According to the Colorado Division of Local Government the per capita income in Pitkin County increased 41% over the same ten years from 2006 to 2015 to \$112,796.

Major Initiatives and Accomplishments

FINANCIAL

The Aspen School District focuses its work through the ends policies adopted by the Board of Education and from the school-level accountability committees that help guide decision making and resource allocations. The following were key accomplishments of the District.

- The District developed a long-term financial plan to address the on-going gap in expenses over revenues. A three-pronged solution includes an increase to the mill levy override, renewal of the sales tax in 2016, and from the Town of Snowmass Village financial support similar to the City of Aspen sales tax.
- The District was successful in the first initiative of its long term financial plan with the passage of a mill levy override in November 2015. This will keep the District's override capacity at the maximum allowed by the State of Colorado, generating an additional \$991,000 in the 2015-16 fiscal year.
- For the 2015-16 school year, the District was able to utilize the funding from the Aspen Public Education Fund sales tax revenues cover costs for programs, special education, technology, professional development, and recruitment, training and retention. Certain budget reductions were maintained from prior years.

EDUCATIONAL

The following educational accomplishments were met during the 2015-16 fiscal year:

- The district continues to perform well in all academic areas, recognized as a high performing district in the US News and World Report. The district met or exceeded state and national PARCC benchmarks for achievement in 8 of 8 areas and the district met or exceeded state and national PARCC benchmarks for academic growth in 5 of 7 areas.
- Aspen high school students were assessed in International Baccalaureate in 21 separate academic areas with an 88.4% passing rate. The Aspen high school I.B. program is unique in that it is one of the smallest high schools in the United States to offer an IB Diploma program through a unique self-selection program that provides for all students to access I.B. programming.
- Aspen High School graduation rate for 2015-16 was 99.3%. Of the 147 graduates, 93% were admitted to college – of those attending college in 2016-17, 89% will attend four-year schools and 11% will attend two-year schools. Students enrolled in Colorado institutions of higher education account for 41% of graduates, while 59% will attend institutions of higher education outside of Colorado.
- All schools within the Aspen School District are accredited: Aspen Elementary School, Aspen Middle School, Aspen High School and Aspen Community School.
- The Aspen Preschool/Cottage was recognized and accredited by the NAEYC – The National Association for the Education of Young Children.

Planning for the Future

FINANCIAL

The following financial objectives are priorities during fiscal year 2016-17.

- The District was successful in the second two initiatives of its long term financial plan – renewal of the City of Aspen sales tax in November 2016, and financial support from the Town of Snowmass Village. Both initiatives were passed for a 5 year term, and will be in effect through 2021. Combined these initiatives are estimated to generate \$2,500,000 per year in revenue.
- While the State Legislature made the first significant decrease in the negative factor for the 2014-15 budget year, in the 2 years since the negative factor has only decreased by an additional \$50 million statewide. Despite the strong economy statewide, TABOR limits are requiring tax refunds and the Governor's budget proposal for the 2017-18 year calls for an increase to the negative factor almost back to the level it was in 2014-15. Without substantial change to TABOR, the negative factor will be in place for the foreseeable future. The District's focus in the long term financial plan is and will continue to be finding stable, long term local sources of revenue.
- The District's financial advisory board continues to provide guidance to administration and the Board of Education.

EDUCATIONAL

Educational projects to be undertaken during fiscal year 2016-17 include:

- The district math curriculum continues to be a focus – with math instructors at all K-12 levels having been introduced to the Professional Education Business Coalition framework for instructional coaching and mathematical institutes.
- Each curriculum area continues to evaluate progress using our RESULTS Indicators built on the following three areas: Formative, Interim and Summative assessment's, that includes a multi-tiered approach for providing support to those who have yet to demonstrate mastery in their grade level content.
- The District introduced an 'Adaptive Schools' model to administrators and teaching staff that is used in conjunction with our ongoing 'Cognitive Coaching' model to support staff to create highly effective and innovative systems of content delivery.
- In world languages our teaching staff continues to develop comprehensive input programming and presents that programming at national and international conferences.

Budgetary and Accounting Controls

The Board maintains a system of budgetary and accounting controls designed to assist management in meeting its responsibility for reporting financial information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. Internal control systems are subject to inherent limitations with regard to the necessity to balance costs against the benefits products. The District believes that the existing systems of budgetary and accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The

District utilizes a budget that is prepared according to the guidelines and requirements set forth in State law and the Colorado Department of Education Financial Policies and Procedures Manual.

The District specifically maintains budgetary controls which are designed to ensure compliance with legal provisions embodied in the annual appropriated budget. The budget is prepared in accordance with GAAP, approved by the Board of Education, and includes the activities of the General, Colorado Preschool Program, Capital Reserve, Debt Service, Capital Projects and Special Revenue Funds. The level of budgetary control for management purposes (that is the level at which expenditures cannot exceed the appropriated amount by School Board policy) is established by function and activity within an individual fund. All expenditures must be authorized and approved by an administrator. In addition, expenditures may not legally exceed appropriations at the fund level.

During the fiscal year, various financial reports are prepared quarterly for each of the governmental fund types and are distributed to the Board and School District Administrators. In addition to these reports, each administrator and school principal is furnished monthly reports showing the status of the General Fund, Capital Reserve Projects and Pupil Activity Fund expenditure accounts for which they are responsible. The reports detail the monthly transactions and summarize the balances to be spent from the appropriations allocated for goods and services among the programs so managed.

The report of our independent certified public accountants, McMahan and Associates, L.L.C., appears at the beginning of the financial section of this report. Their audit of the basic financial statements was performed in accordance the auditing standards generally accepted by the United States of America, and Government Auditing Standards, issued by the comptroller General of the United States, which includes a review of the Board's system of budgetary and accounting controls.

Cash Management

The District attempts to maximize investment earnings on cash temporarily not required for operations. This is accomplished by maintaining all District funds in interest bearing accounts that are maintained on an imprest basis, purchasing U.S. Treasury funds and U.S. Treasury bills, and using overnight sweeps into Treasury funds. Our investment strategy also utilizes "laddered" Treasury Bills and investment funds as authorized by the District's investment policy.

Risk Management

The District participates in the Colorado School District's Self Insurance Pool with many other Colorado districts. The pool insures property and liability exposures through contributions made by member districts. The School District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses, through the General Fund. The District is self-insured for unemployment compensation and has a \$10,000 deductible for property insurance. Our participation in the pool has allowed us to experience more stable coverage and premiums than we could obtain in the open market. The District does not maintain an equity interest in the Self Insurance Pool.

Independent Audit

As required by Colorado State Law, an annual audit of the financial records of the Aspen School District has been made by independent certified public accountants. This year, the District issued a request for proposal for audit services. After careful review of the proposals submitted, the District selected the accounting firm of McMahan and Associates, L.L.C. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

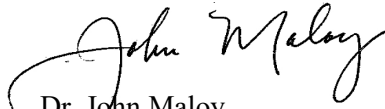
Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of all members of the Finance Department. We also would like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

Respectfully submitted,



Kate Fuentes
Finance Director

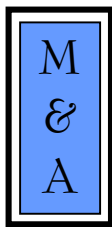


Dr. John Maloy
Superintendent

Aspen School District No. 1 (RE)

FINANCIAL SECTION





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Aspen School District No. 1 (RE)
Aspen, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Aspen School District No. 1 (RE), Colorado (the "District"), 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of Aspen Education Foundation, which represent 4 percent, 6 percent and 15 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Aspen Education Foundation, is based solely on the report of other auditors. 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 includes 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 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

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ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Aspen School District No. 1 (RE), Colorado as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, and the Schedule of Employer's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions in Section E, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as a whole. The introductory section, combining fund financial statements, individual fund budgetary information found in Section F, the statistical tables found in Section G, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are presented for purposes of additional analysis and are not a required part of the District's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
December 2, 2016**

Aspen School District No. 1 (RE)
Management Discussion and Analysis



**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

As management of the Aspen School District No. 1 RE, Pitkin County, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages iii - ix of this report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of fiscal year 2015-2016 by \$11,253,434 and unrestricted net position was (\$33,173,370). Both of these figures are reflective of the Colorado Public Employees' Retirement Association (PERA) net pension liability, required upon implantation of Governmental Accounting Standards Board (GASB) Statement 68. Implementing GASB Statement 68 required a \$39,094,973 restatement of the beginning net position, equal to the net pension liability and pension-related deferred inflow at December 31, 2013. In comparison, at June 30, 2014, assets exceeded liabilities by \$50,325,539 and unrestricted net position was \$11,005,158.
- Governmental activities have a net position (both restricted and unrestricted) of \$2,207,513 at June 30, 2016. The net position is composed of the following:

Net investment in capital assets	\$28,167,233
Restricted Funds for:	
TABOR Emergency	\$743,000
Debt Service	\$6,772,193
Unrestricted Funds-PERA portion	-\$50,419,922
Unrestricted Funds-non PERA portion	<u>\$16,945,009</u>
	<u>\$2,207,513</u>

- The District's total liabilities at June 30, 2016 were \$101,001,111, an increase of \$1,461,598 compared to \$99,539,513 at June 30, 2015. Of this increase, \$50,419,922 is the PERA net pension liability. The non-PERA related change in liabilities is a decrease of \$5,110,684.
- During fiscal year 2015-2016, the fund balance of the District's governmental funds increased by \$409,703 resulting in an ending fund balance of \$16,143,545.
- At June 30, 2016, the general fund has a net fund balance surplus of \$8,435,420. This figure is net of the accounting treatment for accrued salaries and benefits and other accrued expenses, which for the current fiscal year end totaled \$1,389,837.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages C1 – D27 are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the Aspen School District's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position, the statement of activities and the comparative statement of activities.

The *Statement of Net Position* presents information about all of the District's assets and liabilities. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). The two categories reported in the District-wide financial statements are as follows:

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services and student activities. Such services include activities relating to building construction and maintenance, technology and administration. Governmental activities include the general fund, Colorado preschool fund, capital reserve fund, building fund, debt service fund, and the non-major funds.
- **Business-type activities:** District housing and food service is included under this heading.

The government-wide financial statements can be found on pages C1 – C2 of this report.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. Fund financial statements for the District include three possible fund types. The fund types presented here are governmental funds, proprietary funds and fiduciary funds.

Governmental funds – All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and equivalents that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the government fund statements provide a detailed short term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as reported on the District's government-wide statements.

The District maintains five different governmental funds. These funds are the general fund (which includes the Colorado preschool fund, the local option fund and the November 2001 election fund), the capital reserve fund, the debt service fund, the building fund and the non-major funds. They are presented separately in the fund financial statements.

Proprietary funds - The District maintains a proprietary fund which is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses an enterprise fund to account for its employee housing operations. Proprietary Funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide financial reports for the District's housing fund which is considered to be a major fund of the District.

Fiduciary funds – The District serves as a trustee or fiduciary, for student, parent and community organizations. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those whom the assets belong. Consequently, these assets are excluded from the district-wide financial statements because the District cannot use these funds to finance its operations. The District maintains one type of fiduciary fund. The fund financial statements of the Pupil Activity Fund provide the same information as the government-wide financial statements.

The basic fund financial statements can be found on pages C3 – C12 of this report.

New last year due to changes in reporting of food service activities, the food service activity is being reported in the General Fund, rather than being reported as a separate proprietary fund in the District financial statements.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages D1 – D27 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents other supplemental information concerning the District that is required as part of the Colorado Public School Finance Act. The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the fund financial statements to demonstrate compliance with the adopted budget. Budgetary comparison schedules for all of the District's funds can be found on pages E1 – F7 of this report. The additional schedules required as part of the compliance with Colorado Public School Finance Act can be found on page G1-H1 of this report.

Government-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash and investments, property tax receivable and accounts receivable are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives approximately 85% of the annual property tax assessment in March to June time period.

Restricted cash and investments include those funds dedicated to TABOR reserves, capital reserve, capital projects and debt service. Capital assets are used in the operations of the District. These assets are land, buildings, improvements, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Long-Term Debt, elsewhere in this analysis.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and the current portion of debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016-2017. Non-current liabilities are long-term debt obligations that will be liquidated from resources that will become available after fiscal year 2016-2017.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets of the governmental activities exceed liabilities by \$2,207,513 with a negative unrestricted balance of (\$33,474,913). If we exclude the impact of the PERA pension liability, the unrestricted balance is a \$16,945,009.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

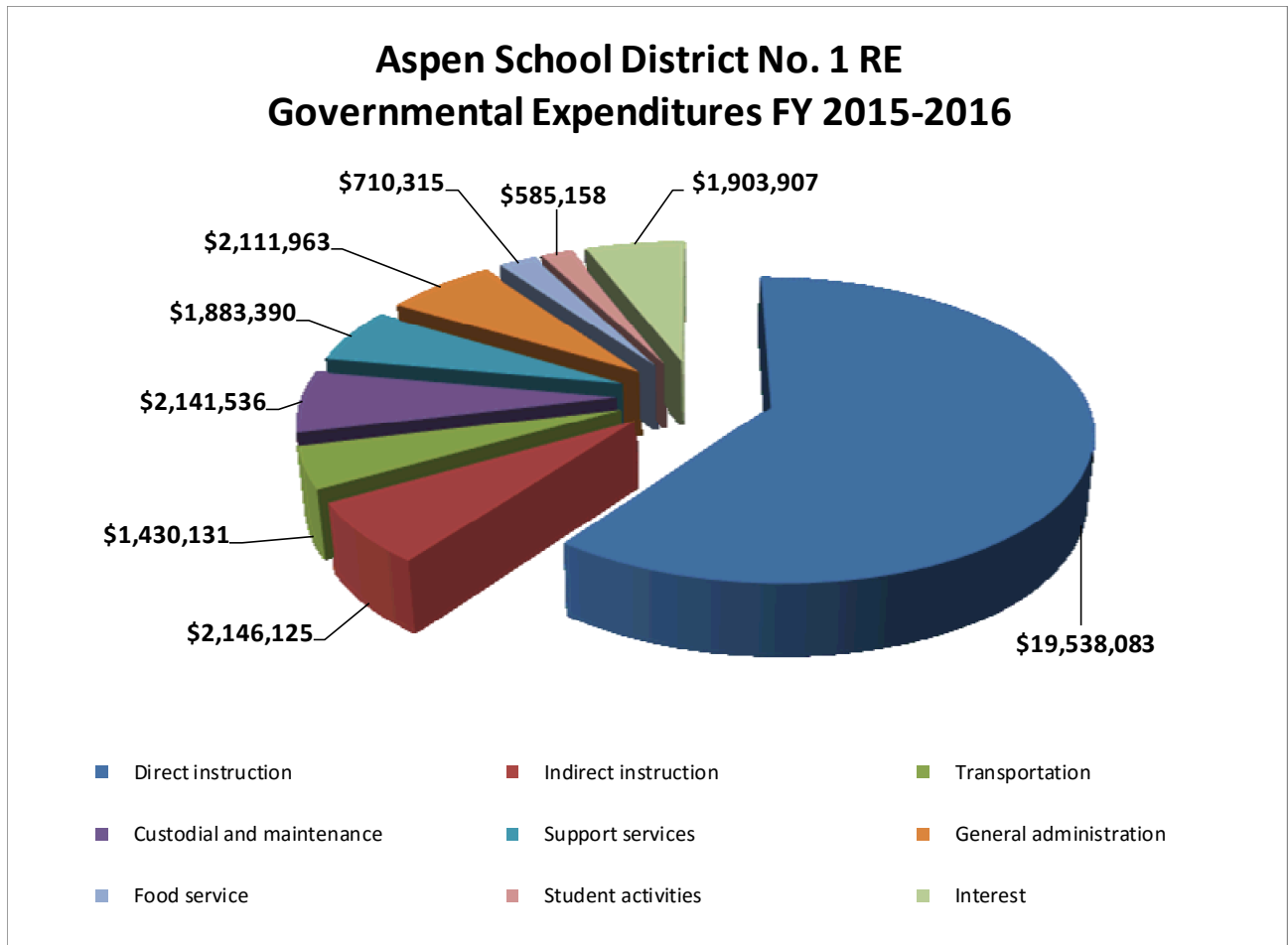
	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Assets:						
Current and other assets	\$ 17,605,557	\$ 17,490,586	\$ 379,289	174,863	\$ 17,984,846	\$ 17,665,449
Capital assets	76,851,181	79,063,575	9,014,833	9,445,615	85,866,014	88,509,190
Total Assets	94,456,738	96,554,161	9,394,122	9,620,478	103,850,860	106,174,639
Deferred Outflows of Resources:						
Deferred bond refunding costs, net	2,179,604	2,149,696	-	-	2,179,604	2,149,696
Pension related deferred outflow	7,286,903	3,015,329	-	-	7,286,903	3,015,329
Total deferred outflows of resources	9,466,507	5,165,025	-	-	9,466,507	5,165,025
Liabilities:						
Current and other liabilities	7,160,161	7,042,304	120,044	113,220	7,280,205	7,155,524
Long-term liabilities	93,840,950	92,497,209	228,157	270,296	94,069,107	92,767,505
Total Liabilities	101,001,111	99,539,513	348,201	383,516	101,349,312	99,923,029
Deferred Inflows of Resources:						
Property tax revenue	-	-	-	-	-	-
Pension related deferred inflow	714,621	3,274	-	-	714,621	3,274
Total deferred inflows of resources	714,621	3,274	-	-	714,621	3,274
Net Position:						
Net investment in capital assets	28,167,233	25,568,490	8,744,378	9,129,534	36,911,611	34,698,024
Restricted for:						
TABOR emergency	743,000	691,000	-	-	743,000	691,000
Capital projects	-	-	-	-	-	-
Debt service	6,772,193	6,550,367	-	-	6,772,193	6,550,367
Unrestricted	(33,474,913)	(30,633,458)	301,543	107,428	(33,173,370)	(30,526,030)
Total Net Position	\$ 2,207,513	\$ 2,176,399	\$ 9,045,921	\$ 9,236,962	\$ 11,253,434	\$ 11,413,361

The District is reporting a positive balance in net position of \$28,167,233 representing land, improvements, buildings, equipment, and vehicles to provide services to the District's 1,728 public school students, net of related debt. Net fund balance in the capital reserve fund of \$953,130 is committed for capital projects. Net position of \$6,772,193 accumulated from voter approved bonded debt mill levy assessments have been restricted to provide resources to meet the current general obligation bond principal and related interest payments. The legally required TABOR reserve is also restricted.

ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016



Governmental Activities

Revenues from governmental activities were \$32,481,722 while total expenses amounted to \$32,450,608. Governmental activities experienced a \$31,114 increase in the net position of the District during the fiscal year ended June 30, 2016, compared to an increase in net position of \$517,736 in fiscal year 2015.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Revenues:						
<i>Program revenues</i>						
Charges for services	\$ 1,405,661	\$ 1,074,985	\$ 559,487	\$ 569,120	\$ 1,965,148	\$ 1,644,105
Operating grants and contributions	973,771	888,103	556	1,823	974,327	889,926
<i>General revenues</i>						
Property taxes	23,304,771	21,002,300	-	-	23,304,771	21,002,300
Specific ownership taxes	820,775	749,541	-	-	820,775	749,541
State revenue	3,278,485	4,191,179	-	-	3,278,485	4,191,179
Grants and contributions not restricted	2,647,815	2,868,183	-	-	2,647,815	2,868,183
Investment earnings	50,444	40,128	440	19	50,884	40,147
Other	-	-	-	-	-	-
Total revenues	<u>32,481,722</u>	<u>30,814,419</u>	<u>560,483</u>	<u>570,962</u>	<u>33,042,205</u>	<u>31,385,381</u>
Expenditures:						
Direct Instruction	19,538,083	18,318,230	-	-	19,538,083	18,318,230
Indirect Instruction	2,146,125	1,865,567	-	-	2,146,125	1,865,567
Transportation	1,430,131	1,092,101	-	-	1,430,131	1,092,101
Custodial maintenance	2,141,536	2,025,531	-	-	2,141,536	2,025,531
Support services	1,883,390	2,016,413	-	-	1,883,390	2,016,413
General administration	2,111,963	1,871,429	-	-	2,111,963	1,871,429
Student activities	585,158	568,180	-	-	585,158	568,180
Interest	1,903,907	2,217,299	-	-	1,903,907	2,217,299
Food service	710,315	321,933	-	-	710,315	321,933
Employee housing	-	-	751,524	905,903	751,524	905,903
Total Expenses	<u>32,450,608</u>	<u>30,296,683</u>	<u>751,524</u>	<u>905,903</u>	<u>33,202,132</u>	<u>31,202,586</u>
Change in net position before transfers	31,114	517,736	(191,041)	(334,941)	(159,927)	182,795
Transfers	-	-	-	-	-	-
Change in net position after transfers	31,114	517,736	(191,041)	(334,941)	(159,927)	182,795
Net position-July 1	2,176,399	40,753,636	9,236,962	9,571,903	11,413,361	50,325,539
Restatement - GASB 68 implementation	-	(39,094,973)	-	-	-	(39,094,973)
Net position-July 1	<u>2,176,399</u>	<u>1,658,663</u>	<u>9,236,962</u>	<u>9,571,903</u>	<u>11,413,361</u>	<u>11,230,566</u>
Net position-June 30	<u>\$ 2,207,513</u>	<u>\$ 2,176,399</u>	<u>\$ 9,045,921</u>	<u>\$ 9,236,962</u>	<u>\$ 11,253,434</u>	<u>\$ 11,413,361</u>

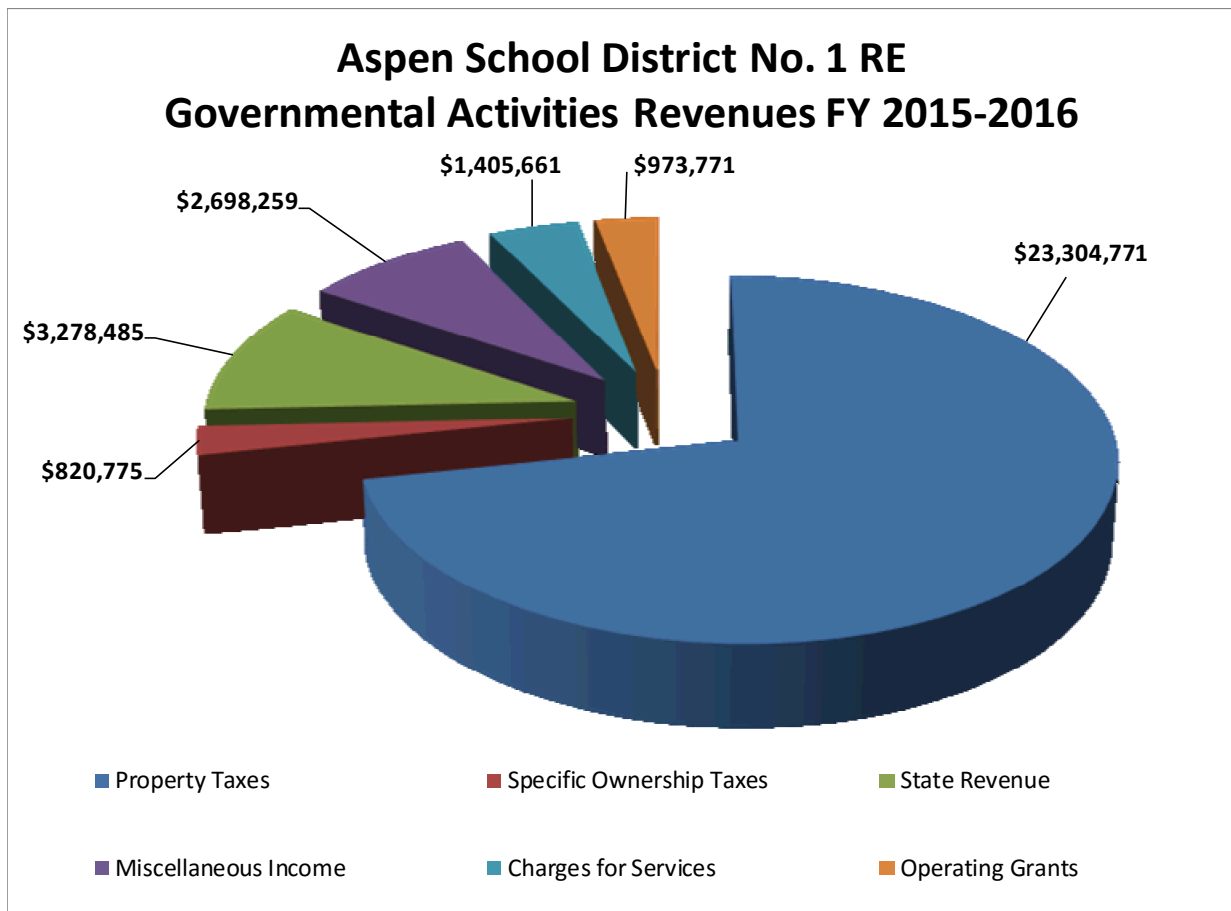
**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Key elements of the increase in net position for governmental activities are as follows:

- The vast majority of the District's operating revenues are controlled by the State of Colorado, and are based on an annually adjusted formula that is part of the Colorado School Finance Act. The formula establishes the level of per pupil funding for the District and determines the portions to be provided by state equalization aid and property taxes. In fiscal year 2015-2016, total program funding increased by inflation with a nominal change to the negative factor. Funding for mill levy overrides were increased by \$991,000 with the passage of a ballot measure in November 2016.
- Specific ownership taxes are collected by Pitkin County for motor vehicle licenses and are based on the estimated market value of the vehicle. The taxes are distributed to entities such as ours based on relative mill levies. Our 2016 allocation of this tax was \$820,775, an increase of \$71,234 from fiscal year 2015. The third year of revenues from grants received associated with Aspen Public Education Fund generated \$1,930,000.



**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Business-Type Activities

Business-type activities include the District's employee housing program. Key elements of business-type activities include:

- The District's housing fund's net position decreased by \$191,041 due primarily to non-cash expense of depreciation that increases overall expenses more than cash outflows.

Financial Analysis of Government Funds

The Aspen School District uses fund accounting to ensure and demonstrate compliance with finance related legal, federal and state requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spend able resources. Such information is useful in assessing the District's financial resources. Specifically, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the District's governmental funds reported a combined ending fund balance of \$16,143,545, an increase of \$409,701 in comparison with the prior year.

The general fund is the chief operating fund of the District and includes the Colorado preschool fund, the food service fund, the local option fund and the November 2001 election fund. The fund balance in the general fund decreased from \$8,444,850 at June 30, 2015, to \$8,435,420.

The ending fund balance in the capital reserve funds increased by \$197,862 to \$935,130 in 2016.

The fund balance in the debt service fund at June 30, 2016 is \$6,772,193, an increase of \$221,826 from the prior fiscal year. The ending fund balance is necessary to meet interest and principal payments due in December, before new property taxes are assessed in January 2017.

The non-major funds include the Student Athletics fund. The non-major funds had an ending fund balance at June 30, 2016 of \$802, a decrease of \$556 from the prior year.

The District's fiduciary operations are conducted through an agency fund. At June 30, 2016, assets in the pupil activity trust and agency fund totaled \$164,811.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Budget Variances in the General Fund

The Aspen School District's budget development process is in compliance with Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

One of the most important variances to discuss is budgeted versus actual revenues and expenditures in the general fund. Actual revenues and transfers were more than the final budget by \$275,829. Actual expenditures and other financing sources and uses were \$7,468,587 less than budgeted. These variances caused a decrease in the ending fund balance of the general fund of \$9,429.

The District has prepared a balanced budget for the next fiscal year. This budget reflects a small increase in overall program funding from the modest reduction to the negative factor. TABOR restrictions will continue to limit revenues and the corresponding state funding.

Capital Assets and Long-Term Debt

Capital Assets. The District's investment in capital assets, net of accumulated depreciation for its governmental activities as of June 30, 2016 amounts to \$76,851,181. This is a decrease of \$2,212,394 from the prior fiscal year.

Capital Assets (net of accumulated depreciation)

Fiscal Year Ended June 30th

	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Non-depreciable assets:						
Land	\$ 2,524,133	\$ 2,524,133	\$ -	\$ -	\$ 2,524,133	\$ 2,524,133
Construction in progress	-	-	-	-	-	-
Total non-depreciable	2,524,133	2,524,133	-	-	2,524,133	2,524,133
Depreciable assets:						
Buildings	108,609,231	108,609,231	13,063,727	13,063,727	121,672,958	121,672,958
Vehicles	3,073,405	3,022,049	-	-	3,073,405	3,022,049
Other equipment	6,311,804	5,608,608	-	-	6,311,804	5,608,608
Total depreciable assets	117,994,440	117,239,888	13,063,727	13,063,727	131,058,167	130,303,615
Less accumulated depreciation	43,667,392	40,700,446	4,048,894	3,618,112	47,716,286	44,318,558
Book value - depreciable assets	74,327,048	76,539,442	9,014,833	9,445,615	83,341,881	85,985,057
Percentage depreciated	37.0%	34.7%	31.0%	27.7%	36.4%	34.0%
Book value - all assets	\$ 76,851,181	\$ 79,063,575	\$ 9,014,833	\$ 9,445,615	\$ 85,866,014	\$ 88,509,190

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

Additional information on the District's capital assets can be found in Notes I and IV of this report.

Long-term Debt. As of June 30, 2016, the District had total bonded debt outstanding of \$46,730,000. In addition, the District has loans with one local bank that finance 8 employee housing units. The loan has a floating interest rate of prime less 2.5%. The loan is renewable annually, subject to annual appropriation, and total \$270,455. Rents on the employee units are expected to cover 100% of principal and interest costs.

**Aspen School District No. 1 RE
General Obligation Bonds and Notes Payable
Fiscal Year Ended June 30th**

	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
General obligation bonds	\$ 46,730,000	\$ 51,085,000	\$ -	\$ -	\$ 46,730,000	\$ 51,085,000
Promissory notes	-	-	270,455	316,081	270,455	316,081
Accrued compensated absences	254,160	258,968	-	-	254,160	258,968
Total long term debt	46,984,160	51,343,968	270,455	316,081	47,254,615	51,660,049

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$547,177,596, and the legal debt margin was \$507,219,789.

Additional information on the District's long-term obligations can be found in Note IV on pages D14 – D16.

Economic Factors Affecting Financial Condition and Next Year's Budgets

In November 2000, voters in Colorado approved a provision to the Colorado constitution (Amendment 23) providing for K-12 education to increase funding per pupil by the rate of inflation, plus one percent for a period of 10 years. This provision was intended to stabilize funding and was an important factor in projecting District revenues for the future.

Conflicting constitutional amendments led to a budget crisis for the State of Colorado. The interaction of the effects of the Gallagher and TABOR Amendments had a profound effect on Colorado's K-12 funding. Because of Gallagher's limits on property taxes, local tax contributions towards school funding have declined putting more of the burden on the state. Because of the TABOR limitations, the state was not able to keep up with increased expenses. Amendment 23 did not protect nearly a quarter of the state's education funding and its annual increases fall short of cost increases facing school districts.

In 2005, Colorado voters approved Referendum C which asked voters to forgo their TABOR taxpayer refunds for five years and let the state earmark that money for health care, transportation, education and retirement plans for fire and police. The passage of Referendum C went a long way to easing the crippling effects of the state's budget, and for a time allowed the legislature to honor its commitments under Amendment 23.

**ASPEN SCHOOL DISTRICT NO. 1 RE
PITKIN COUNTY, COLORADO**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2016

On May 9, 2007 Governor Ritter signed the 2007 School Finance Bill, SB 199 which included the mill levy stabilization amendment. The stabilization amendment eliminated a provision in the School Finance Act of 1994 that codified the property tax revenue limits and ratchet effect of TABOR. The 1994 provision drove down mill levies in school districts where property values were increasing. The 1994 provision also counteracted the 1988 legislative effort to equalize funding in school districts across the state, which set a uniform school district levy of 40 mills. Today, mill levies range from about 2 to 38 mills, with the average at 21 (Aspen is 4.4 mills).

Eliminating this provision from the 1994 act meant the Aspen School District as one of 175 Colorado school districts (of 178 total) where voters have already approved lifting TABOR's revenue and spending limits ("De-Bruce"), will be required to maintain their present mill levies. Therefore, as assessed values rise, more property tax revenues will be collected by the District, while at the same time lowering our need for state education funding by an equivalent amount. The District saw this occur through the 2009 property valuation cycle. The economic recession was reflected in the 2011 valuations – where Aspen and school districts across the state saw significant declines in property values, putting even more pressure on the State budget.

With the economic recession that began in 2008, the State was not able to meet its obligations in all areas of the State budget and made reductions to all programs. K-12 education was reduced through the addition of a "negative factor" that was added to the school finance formula. At its peak, the negative factor caused a reduction in K-12 funding of \$1.1 billion statewide. For the 2016-17 school year, it totals \$830 million (\$2.0 million for Aspen).

As the State recovered, it was anticipated that the negative factor would be reduced and K-12 education brought back to full funding. However, the limits on revenue increases imposed by the TABOR amendment have restricted the State's income. As a result, the negative factor remains until changes to TABOR are passed by Colorado voters. The initial State budget proposal for 2017-18 shows an increase to the negative factor. The District is taking a conservative approach and has created a long term financial plan focusing on local, sustainable revenue sources for the District.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Kate Fuentes
Chief Financial Officer
Aspen School District No. 1 RE
0235 High School Rd.
Aspen, CO 81611

Aspen School District No. 1 (RE)

Basic Financial Statements



Aspen School District No. 1 (RE)
Statement of Net Position
June 30, 2016

	Primary Government			
	Governmental	Business		Component
	Activities	Type	Total	Units
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 9,195,097	\$ 298,257	\$ 9,493,354	\$ 1,647,012
Accounts, taxes, and other receivables	1,809,219	-	1,809,219	675,148
Due from other governments	365,016	-	365,016	203,229
Prepaid expenses	-	-	-	1,650
Other assets	-	-	-	226,229
Internal balances	(81,032)	81,032	-	-
Due from primary government	-	-	-	62,696
Restricted cash and cash equivalents	6,317,257	-	6,317,257	-
Capital assets not being depreciated:				
Land	2,524,133	-	2,524,133	-
Construction in progress	-	-	-	21,593
Capital assets being depreciated:				
Buildings and improvements	108,609,231	13,063,727	121,672,958	11,228,135
Vehicles	3,073,405	-	3,073,405	-
Equipment	6,311,804	-	6,311,804	468,891
Less accumulated depreciation	(43,667,392)	(4,048,894)	(47,716,286)	(948,548)
Total assets	94,456,738	9,394,122	103,850,860	13,586,035
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	2,179,604	-	2,179,604	-
Pension related deferred outflows	7,286,903	-	7,286,903	416,534
Total deferred outflows of resources	9,466,507	-	9,466,507	416,534
LIABILITIES				
Accounts payable	1,365,445	77,746	1,443,191	112,364
Accrued compensation and other liabilities	33,871	-	33,871	186,540
Accrued interest payable	181,069	-	181,069	-
Due to component unit	62,696	-	62,696	-
Compensated absences				
Due within one year	127,080	-	127,080	-
Due in more than one year	127,080	-	127,080	-
Notes payable				
Due within one year	-	42,298	42,298	-
Due in more than one year	-	228,157	228,157	-
Bonds payable:				
Due within one year	5,390,000	-	5,390,000	-
Due in more than one year	43,293,948	-	43,293,948	-
Net pension liability	50,419,922	-	50,419,922	3,333,611
Total liabilities	101,001,111	348,201	101,349,312	3,632,515
DEFERRED INFLOWS OF RESOURCES				
Grant and contribution revenue	-	-	-	190,286
Pension related deferred inflow	714,621	-	714,621	291,637
Total deferred inflows of resources	714,621	-	714,621	481,923
NET POSITION				
Net investment in capital assets	28,167,233	8,744,378	36,911,611	10,770,071
Restricted for:				
TABOR	743,000	-	743,000	49,260
Debt service	6,772,193	-	6,772,193	-
Charter School	-	-	-	107,838
Future years	-	-	-	316,715
Unrestricted	(33,474,913)	301,543	(33,173,370)	(1,355,753)
Total net position	\$ 2,207,513	\$ 9,045,921	\$ 11,253,434	\$ 9,888,131

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business Type Activities	Total	
Governmental Activities:								
Current:								
Direct instruction	\$ 19,538,083	\$ 600,070	\$ 973,771	\$ -	\$ (17,964,242)	\$ -	\$ (17,964,242)	\$ -
Indirect instruction	2,146,125	-	-	-	(2,146,125)	-	(2,146,125)	-
Transportation	1,430,131	-	-	-	(1,430,131)	-	(1,430,131)	-
Custodial and maintenance	2,141,536	-	-	-	(2,141,536)	-	(2,141,536)	-
Support services	1,883,390	-	-	-	(1,883,390)	-	(1,883,390)	-
General administration	2,111,963	58,544	-	-	(2,053,419)	-	(2,053,419)	-
Food service	710,315	605,360	-	-	(104,955)	-	(104,955)	-
Student activities	585,158	141,687	-	-	(443,471)	-	(443,471)	-
Interest	1,903,907	-	-	-	(1,903,907)	-	(1,903,907)	-
Total governmental activities	<u>32,450,608</u>	<u>1,405,661</u>	<u>973,771</u>	<u>-</u>	<u>(30,071,176)</u>	<u>-</u>	<u>(30,071,176)</u>	<u>-</u>
Business-type Activities								
Employee housing	751,524	559,487	556	-		(191,481)	(191,481)	-
Total business-type activities	<u>751,524</u>	<u>559,487</u>	<u>556</u>	<u>-</u>		<u>(191,481)</u>	<u>(191,481)</u>	<u>-</u>
Total primary government	<u>\$ 33,202,132</u>	<u>\$ 1,965,148</u>	<u>\$ 974,327</u>	<u>\$ -</u>	<u>(30,071,176)</u>	<u>(191,481)</u>	<u>(30,262,657)</u>	<u>-</u>
Component Units								
Aspen Community School	2,358,855	137,731	372,699	-				(1,848,425)
Aspen Education Foundation	1,342,515	392,024	120,000	-				(830,491)
Aspen Public Education Fund	<u>1,930,513</u>	<u>-</u>	<u>-</u>	<u>-</u>				<u>(1,930,513)</u>
Total component units	<u>5,631,883</u>	<u>529,755</u>	<u>492,699</u>	<u>-</u>				<u>(4,609,429)</u>
General revenues:								
Taxes:								
Property taxes levied for general purposes					16,214,504	-	16,214,504	1,409,690
Property taxes levied for debt service					7,090,267	-	7,090,267	-
Specific ownership taxes					820,775	-	820,775	-
State revenue					3,278,485	-	3,278,485	2,015,253
Grants and contributions not restricted to specific programs					2,647,815	-	2,647,815	2,086,877
Interest and investment earnings					50,444	440	50,884	(8,061)
Total general revenues and transfer					<u>30,102,290</u>	<u>440</u>	<u>30,102,730</u>	<u>5,503,759</u>
Change in net position					31,114	(191,041)	(159,927)	894,330
Net position, beginning					2,176,399	9,236,962	11,413,361	8,993,801
Net position, ending					<u>\$ 2,207,513</u>	<u>\$ 9,045,921</u>	<u>\$ 11,253,434</u>	<u>\$ 9,888,131</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Non-Major Funds	Total Governmental Funds
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 9,195,098	\$ 6,317,256	\$ -	\$ -	\$ 15,512,354
Accounts, taxes, and interest receivable	1,207,546	454,937	-	-	1,662,483
Other receivable	142,754	-	-	-	142,754
Due from other governments	360,516	-	-	8,481	368,997
Due from other funds	-	-	1,004,973	25,155	1,030,128
	<u>10,905,914</u>	<u>6,772,193</u>	<u>1,004,973</u>	<u>33,636</u>	<u>18,716,716</u>
Total assets and other debits					
	<u>10,905,914</u>	<u>6,772,193</u>	<u>1,004,973</u>	<u>33,636</u>	<u>18,716,716</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other current payables	265,013	-	69,843	32,834	367,690
Accrued expenses	1,389,837	-	-	-	1,389,837
Due to other funds	815,644	-	-	-	815,644
	<u>2,470,494</u>	<u>-</u>	<u>69,843</u>	<u>32,834</u>	<u>2,573,171</u>
Total liabilities					
	<u>2,470,494</u>	<u>-</u>	<u>69,843</u>	<u>32,834</u>	<u>2,573,171</u>
Fund balances:					
Non-spendable					
Long-term receivables	80,764	-	-	-	80,764
Spendable:					
Restricted	743,000	6,772,193	-	-	7,515,193
Committed	943,458	-	935,130	802	1,879,390
Unassigned	6,668,198	-	-	-	6,668,198
	<u>8,435,420</u>	<u>6,772,193</u>	<u>935,130</u>	<u>802</u>	<u>16,143,545</u>
Total fund balances					
	<u>8,435,420</u>	<u>6,772,193</u>	<u>935,130</u>	<u>802</u>	<u>16,143,545</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,905,914</u>	<u>\$ 6,772,193</u>	<u>\$ 1,004,973</u>	<u>\$ 33,636</u>	<u>\$ 18,716,716</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2016

Governmental Funds Total Fund Balance	\$ 16,143,545
Add:	
Capital assets, net of depreciation, used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Details of these items are as follows:	
Value of Capital Assets at Cost	120,518,573
Accumulated Depreciation	(43,667,392)
For current refundings and advance refundings resulting in defeasance of debt, 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 over the shorter of the remaining life of the old debt or the new debt.	
	2,179,604
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of District long-term liabilities. Details of these items are as follows:	
Accrued Interest Payable	(181,069)
Bonds Payable	(48,683,948)
Accrued Compensated Absences	(254,160)
Net Pension Liability	(50,419,922)
Changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan are recorded as deferred inflows or outflows of resources and amortized over the average remaining service life of all active and inactive plan members.	
Unamortized Pension-related Deferred Outflows	7,286,903
Unamortized Pension-related Deferred Inflows	(714,621)
Governmental Activities Net Position	<u>\$ 2,207,513</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Non-Major Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 16,214,502	\$ 7,090,267	\$ -	\$ -	\$ 23,304,769
Specific ownership taxes	820,775	-	-	-	820,775
State income	3,869,283	-	-	-	3,869,283
Federal income	744,598	-	-	-	744,598
Investment income	32,291	17,349	803	-	50,443
Other	3,225,637	-	324,527	141,687	3,691,851
Total revenues	<u>24,907,086</u>	<u>7,107,616</u>	<u>325,330</u>	<u>141,687</u>	<u>32,481,719</u>
EXPENDITURES					
Current:					
Direct instruction	14,739,972	-	-	-	14,739,972
Indirect instruction	1,579,547	-	-	-	1,579,547
Transportation	994,535	-	-	-	994,535
Custodial and maintenance	2,013,083	-	-	-	2,013,083
Support services	1,904,740	-	-	-	1,904,740
General administration	1,845,534	-	-	-	1,845,534
Food service	656,233	-	-	-	656,233
Student activities	-	-	-	585,158	585,158
Debt Service:					
Principal	-	4,975,000	-	-	4,975,000
Interest	-	1,899,978	-	-	1,899,978
Bond issue costs	-	140,836	-	-	140,836
Capital outlay	36,956	-	830,468	-	867,424
Total expenditures	<u>23,770,600</u>	<u>7,015,814</u>	<u>830,468</u>	<u>585,158</u>	<u>32,202,040</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,136,486</u>	<u>91,802</u>	<u>(505,138)</u>	<u>(443,471)</u>	<u>279,679</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	9,610,000	-	-	9,610,000
Bond premium	-	724,884	-	-	724,884
Payment to refunding agent	-	(10,204,860)	-	-	(10,204,860)
Transfers in	-	-	703,000	442,915	1,145,915
Transfers (out)	(1,145,915)	-	-	-	(1,145,915)
Total other financing sources (uses)	<u>(1,145,915)</u>	<u>130,024</u>	<u>703,000</u>	<u>442,915</u>	<u>130,024</u>
NET CHANGE IN FUND BALANCES	(9,429)	221,826	197,862	(556)	409,703
FUND BALANCES, BEGINNING	<u>8,444,849</u>	<u>6,550,367</u>	<u>737,268</u>	<u>1,358</u>	<u>15,733,842</u>
FUND BALANCES, ENDING	<u>\$ 8,435,420</u>	<u>\$ 6,772,193</u>	<u>\$ 935,130</u>	<u>\$ 802</u>	<u>\$ 16,143,545</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Reconciliation of Changes in Fund Balances (Deficit)
to Changes in Net Position
June 30, 2016

Governmental Funds Changes in Fund Balances	\$ 409,703
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the details of the amount by which capital outlay exceeded depreciation during the year:	
Capital outlay capitalized	923,197
Depreciation expense	(3,135,590)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items at the time of debt issuance, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items are as follows:	
Debt issued or incurred:	
Refunding general obligation bonds issued	(9,610,000)
Issuance premiums received	(724,884)
Principal repayments	4,975,000
Payment to refunding agent	10,204,860
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Details of these items are as follow:	
Change in accrued compensated absences	4,812
Amortization of debt-related deferrals	(3,929)
Difference between employer contributions to pension plan and change in pension liability and amortization of pension-related deferrals	(3,012,055)
Governmental Activities Change in Net Position	<u>\$ 31,114</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Net Position
Proprietary Funds
June 30, 2016

	District Housing Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 298,257
Due (to) from other funds	81,032
Total current assets	<u>379,289</u>
Non-current assets:	
Capital assets:	
Buildings	13,063,727
Less accumulated depreciation	<u>(4,048,894)</u>
Total non-current assets	<u>9,014,833</u>
Total assets	<u>9,394,122</u>
LIABILITIES	
Current liabilities:	
Accounts and deposits payable	77,749
Loans payable - current portion	<u>42,298</u>
Total current liabilities	<u>120,047</u>
Non-current liabilities:	
Notes payable	<u>228,157</u>
Total liabilities	<u>348,204</u>
NET POSITION	
Net investment in capital assets	8,744,378
Unrestricted	<u>301,540</u>
Total net position	<u><u>\$ 9,045,918</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	District Housing Fund
OPERATING REVENUES	
Charges for services	\$ 559,487
Other income	556
Total operating revenues	<u>560,043</u>
OPERATING EXPENSES	
Purchased property services	39,671
Purchased services	65,720
Operating supplies	212,976
Depreciation	430,782
Interest expense	2,374
Total operating expenses	<u>751,523</u>
INCOME (LOSS) FROM OPERATIONS	<u>(191,480)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income (loss)	440
Total non-operating revenues (expenses)	<u>440</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(191,040)
TOTAL NET POSITION - BEGINNING	<u>9,236,958</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 9,045,918</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	District Housing Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 559,487
Other cash receipts	556
Payments to vendors	(308,057)
Net cash (used) for operating activities	<u>251,986</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	(203,986)
Net cash provided by noncapital financing activities	<u>(203,986)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest expense	(2,374)
Principal paid on long-term debt	(45,626)
Net cash provided by capital and related financing activities	<u>(48,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash received from investment income	440
Net cash provided by investing activities	<u>440</u>
NET INCREASE (DECREASE) IN CASH	440
Cash and Cash Equivalents - July 1	<u>297,817</u>
Cash and Cash Equivalents - June 30	<u><u>298,257</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used) for Operating Activities:	
Operating income (loss)	(191,480)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	
Depreciation expense	430,782
Interest expense	2,374
Changes in assets and liabilities related to operations:	
Increase (decrease) in accounts payable	10,310
Total adjustments	<u>443,466</u>
Net cash (used) for operating activities	<u><u>\$ 251,986</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Statement of Fiduciary Assets and Liabilities
Agency Fund - Pupil Activity Fund
June 30, 2016

	Pupil Activity
ASSETS	
Current assets:	
Accounts receivable	\$ 523,023
Due (to) from other funds	(358,212)
Total assets	<u>164,811</u>
 LIABILITIES	
Accounts payable	115,761
Accrued payroll	44,714
Due to student groups	4,336
Total liabilities	<u><u>\$ 164,811</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2016

	Aspen Community School	Aspen Education Foundation	Aspen Public Education Fund	Total
ASSETS				
Cash and cash equivalents	\$ 332,910	\$ 268,343	\$ 1,045,759	\$ 1,647,012
Accounts, taxes, and other receivables	338,975	94,486	241,687	675,148
Due from other governments	203,229	-	-	203,229
Prepaid expenses	1,650	-	-	1,650
Other assets	-	226,229	-	226,229
Due from primary government	62,696	-	-	62,696
Capital assets not being depreciated:				
Construction in progress	21,593	-	-	21,593
Capital assets being depreciated:				
Buildings and improvements	11,228,135	-	-	11,228,135
Equipment	468,891	-	-	468,891
Less accumulated depreciation	(948,548)	-	-	(948,548)
Total assets	<u>11,709,531</u>	<u>589,058</u>	<u>1,287,446</u>	<u>13,586,035</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflow	416,534	-	-	416,534
Total deferred outflows of resources	<u>416,534</u>	<u>-</u>	<u>-</u>	<u>416,534</u>
LIABILITIES				
Accounts payable	111,864	500	-	112,364
Accrued compensation and other liabilities	186,540	-	-	186,540
Net pension liability	3,333,611	-	-	3,333,611
Total liabilities	<u>3,632,015</u>	<u>500</u>	<u>-</u>	<u>3,632,515</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable grant and contribution revenue	190,286	-	-	190,286
Pension related deferred outflow	291,637	-	-	291,637
Total deferred inflows of resources	<u>481,923</u>	<u>-</u>	<u>-</u>	<u>481,923</u>
NET POSITION				
Net investment in capital assets	10,770,071	-	-	10,770,071
Restricted for:				
TABOR	49,260	-	-	49,260
Charter School	107,838	-	-	107,838
Other	-	316,715	-	316,715
Unrestricted	(2,915,042)	271,843	1,287,446	(1,355,753)
Total net position	<u>\$ 8,012,127</u>	<u>\$ 588,558</u>	<u>\$ 1,287,446</u>	<u>\$ 9,888,131</u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended June 30, 2016

	Aspen Community School	Aspen Education Foundation	Aspen Public Education Fund	Total
PROGRAM REVENUES				
Charges for services	\$ 137,731	\$ 392,024	\$ -	\$ 529,755
Operating grants	372,699	120,000	-	492,699
Total program revenues	<u>510,430</u>	<u>512,024</u>	<u>-</u>	<u>1,022,454</u>
PROGRAM EXPENSES	<u>2,358,855</u>	<u>1,342,515</u>	<u>1,930,513</u>	<u>5,631,883</u>
GENERAL REVENUES				
Taxes:				
Property taxes levied for general purposes	1,409,690	-	-	1,409,690
State revenue	-	-	2,015,253	2,015,253
Grants and contributions not restricted to specific programs	1,790,217	296,660	-	2,086,877
Interest and investment earnings	537	(8,682)	84	(8,061)
Total general revenues and transfer	<u>3,200,444</u>	<u>287,978</u>	<u>2,015,337</u>	<u>5,503,759</u>
Change in net position	1,352,019	(542,513)	84,824	894,330
Net position, beginning	6,660,108	1,131,071	1,202,622	8,993,801
Net position, ending	<u><u>\$ 8,012,127</u></u>	<u><u>\$ 588,558</u></u>	<u><u>\$ 1,287,446</u></u>	<u><u>\$ 9,888,131</u></u>

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements



Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Aspen School District (the "District") is organized under Colorado statutes for school districts. Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expense/expenditure. The membership of the Board consists of five members elected by the public. The Board has broad control responsibilities including the approval of the annual budget, establishment of a system of accounting and budgetary control, acquisition and disposition of school property, and the establishment, organization and operation of schools. The District is a primary government because it is a special-purpose government that has a separately elected governing board and is fiscally independent of other state or local governments. The accompanying financial statements present the District and its discretely presented component units, entities for which the District is considered to be financially accountable.

Discretely Presented Component Units

Aspen Community School:

The State of Colorado Legislature in 1993 enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30-101." This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter Schools are financed from a portion of the District's School Finance Act Revenues and from revenues generated by the Charter Schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the District must approve all Charter School applications and budgets. Therefore, the Aspen Community School is included in the District's reporting entity because of the nature and significance of their operational or financial relationships with the District. Complete financial statements can be obtained by contacting Compass...for lifelong discovery, P.O. Box 336, 1199 Woody Creek Rd., Woody Creek, Colorado 81656.

Aspen Education Foundation:

The Aspen Education Foundation ("AEF") is a Colorado nonprofit organization dedicated to supporting Aspen School District by raising funds from the community. AEF is included in the District's reporting entity because of the nature and significance of their organizational or financial relationship with the District. Complete financial statements can be obtained by contacting Aspen Education Foundation, P.O. Box 2200, Aspen, CO 81620.

Aspen Public Education Fund:

The Aspen Public Education Fund ("APEF") is a Colorado nonprofit organization dedicated to supporting Aspen School District by receiving the three-tenths of one percent (.3%) sales tax approved by the electors of the City of Aspen on November 6, 2012 and disbursing these funds to the Aspen School District for educational purposes. This sales tax was approved to be collected starting January 1, 2013 and ending on December 31, 2016. APEF is included in the District's reporting entity because of the nature and significance of their organizational or financial relationship with the District.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements

1. District-wide Financial Statements

The district-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

2. Fund Financial Statements

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

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. This fund is comprised of the general educational, preschool, local option and 2001 election departments.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

2. Fund Financial Statements

B. District-wide and Fund Financial Statements (continued)

The *Capital Reserve Capital Projects Fund* is used to account for proceeds restricted by outside parties (i.e. land dedication fees), as well as amounts committed by the School Board of the District for expenditures of capital outlay. It excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The District reports the following major proprietary funds:

The *District Housing Fund* accounts for all financial activities associated with the District's employee housing units.

Additionally, the District reports the following fund types:

The *Agency Fund - Pupil Activity Fund* accounts for student clubs and other organizations which exist with the explicit approval of, and are subject to revocation by, the District's Board of Directors.

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and automotive ownership taxes are reported as receivables and deferred revenue 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

The District follows guidance of the Governmental Accounting Standards Board for preparation of financial statements, including proprietary fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the district-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.

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.

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

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

D. Assets, Liabilities and Net Position or Equity

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

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 records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are allocated to each fund with a pooled cash balance.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

2. Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Property Taxes

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15.

Property taxes levied in 2015 but not yet collected in 2016 are identified as property taxes receivable at June 30, 2016, and are presented net of an allowance for uncollectible taxes.

4. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest on the construction of capital assets.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

5. Capital Assets (continued)

Property, vehicles and equipment of the District, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	30 to 50 years
Transportation equipment	7 to 13 years
Other equipment	5 to 20 years

6. Pensions

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of net 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. The District has two items that qualify for reporting in this category. They are the deferred charge on refunding and the pension related deferred outflows, both reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualifies for this type of reporting, pension related deferred inflows and unavailable revenue.

See Note IV (G) below for discussion on pension related deferred outflows and inflows.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Equity (continued)

8. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the district-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

9. Long-Term Obligations

In the district-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 governmental activities, business-type activities or proprietary fund type statements 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*. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

10. Bond Premiums, Discounts, and deferred amount on refunding

In the district-wide and proprietary fund financial statements, bond premiums and discounts, as well as the difference between the reacquisition price on refunding debt and the net book value of the old debt, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

11. Fund Equity

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the district-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 district-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 district-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.

Due from other funds – governmental fund statements	\$ 1,030,128
Due to other funds– governmental fund statements	(815,644)
Eliminated governmental activities internal balances	<u>\$ 214,484</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. On or about December 1, the Superintendent submits to the Board of Education a five year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31st, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information (continued)

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

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 except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

The District amended the following funds budgets during the year:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 30,565,030	\$ 32,347,098
Debt Service Fund	13,546,956	13,602,336
Capital Reserve Capital Projects Fund	1,589,297	1,691,018
Student Athletics Fund	600,000	600,000
District Housing Fund	10,103,672	9,768,730

The District had the following funds over budget at June 30, 2016, which may be a violation of state statutes:

Pupil Activity Fund	\$ 2,271,084
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IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The deposits and investments held by the District at June 30, 2016, are as follows:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>One to Five Years</u>
Petty Cash		\$ 4,672	\$ -	\$ -
Checking Accounts		9,095,641	-	-
Cash with Fiscal Agent		6,317,257	-	-
Investments:				
Investment Pools	AAAm	393,041	393,041	-
		<u>\$ 15,810,611</u>	<u>\$ 393,041</u>	<u>\$ -</u>

The Investment Pool represents an investment in Colotrust and CSAFE which are a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investments policy that would further limit its investment choices. At June 30, 2016 only the District's investment in investment pools were subject to ratings.

Credit quality distribution for investments, with credit exposure as a percentage of total investments.

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
CSAFE	AAAm	76%
Colotrust	AAAm	24%

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District has restricted cash and investments in the governmental funds as of June 30, 2016 for future debt service of \$6,317,257.

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the amount of securities that can be held by counterparties.

B. Accounts and Taxes Receivable

Receivable at June 30, 2016 for the District's individual major funds and nonmajor, internal service, and fiduciary fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			
	General Fund	Debt Service Fund	Capital Reserve Capital Projects Fund	Non-major Funds
Receivables:				
Taxes	\$ 1,207,546	\$ 454,937	\$ -	\$ -
Other	142,754	-	-	-
Intergovernmental	360,516	-	-	8,481
Gross receivables	1,710,816	454,937	-	8,481
Less: allowance for uncollectible	-	-	-	-
Net Receivables	\$ 1,710,816	\$ 454,937	\$ -	\$ 8,481

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Governmental Activities: Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	2,524,133	-	-	2,524,133
Total capital assets, not being depreciated	2,524,133	-	-	2,524,133
Capital assets, being depreciated:				
Buildings and improvements	108,609,231	-	-	108,609,231
Transportation equipment	3,022,049	220,000	(168,644)	3,073,405
Other equipment	5,608,607	703,197	-	6,311,804
Total capital assets being depreciated	117,239,887	923,197	(168,644)	117,994,440
Total capital assets - Cost	119,764,020	923,197	(168,644)	120,518,573
Less: accumulated depreciation for:				
Buildings and improvements	(33,805,520)	(2,489,995)	-	(36,295,515)
Transportation equipment	(2,104,899)	(281,731)	168,644	(2,217,986)
Other equipment	(4,790,027)	(363,864)	-	(5,153,891)
Total accumulated depreciation	(40,700,446)	(3,135,590)	168,644	(43,667,392)
Governmental activities capital assets, net	\$ 79,063,574	\$ (2,212,393)	\$ -	\$ 76,851,181

Business-type Activities: A summary of changes in the Business-type Activities capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 13,063,727	\$ -	\$ -	\$ 13,063,727
Total capital assets being depreciated	13,063,727	-	-	13,063,727
Less: accumulated depreciation for:				
Equipment	(3,618,112)	(430,782)	-	(4,048,894)
Total accumulated depreciation	(3,618,112)	(430,782)	-	(4,048,894)
Total capital assets, being depreciated, net	9,445,615	(430,782)	-	9,014,833
Business-type activities capital assets, net	\$ 9,445,615	\$ (430,782)	\$ -	\$ 9,014,833

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

	Depreciation Expense
Governmental activities:	
Direct instruction	\$ 2,402,063
Indirect instruction	369,463
Transportation	286,088
Custodial and maintenance	1,500
Support services	73,904
General administration	2,572
Total governmental activities	\$ 3,135,590
Business-type activities:	
Employee housing	\$ 430,782
Total business-type activities	\$ 430,782

D. Interfund Receivables, Payables and Transfers

The outstanding balances between funds result mainly from the amount of pooled cash attributable to each fund, reported in its entirety in the *general fund*.

The composition of interfund balances as of June 30, 2016, is as follows:

	Due (to)/from Other Funds
General Fund	\$ (752,948)
Projects Fund	1,004,973
Non-major Funds	25,155
District Housing Fund	81,032
Agency Fund	(358,212)
	\$ -

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables and Transfers

For the year ended June 30, 2016, the District made the following transfers:

	Transfer In (out)	Purpose
General Fund	\$ (1,145,915)	Supplemental funding
Capital Projects		
Projects Fund	703,000	Supplemental funding
Non-major Funds	<u>442,915</u>	Supplemental funding
	<u>\$ -</u>	

E. Long-Term Debt

1. General Obligation Bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are payable from general property taxes. These bonds generally are issued as 20 year serial bonds. General obligation bonds currently outstanding were issued as follows:

\$33,000,000 Series 2005 General Obligation Bonds, dated December 22, 2005, were issued to construct, furnish and equip a new middle school. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 3.75% to 5.0%. Principal payments are due December 1 until December 2016. These bonds were partially refunded and defeased by the Series 2011 General Obligation Refunding Bonds and the Series 2012 General Obligation Refunding Bonds. The remainder of these bonds were refunded and defeased by the Series 2016 General Obligation Refunding Bonds.

\$23,560,000 Series 2007 General Obligation Refunding Bonds, dated February 14, 2007, were issued to refund a portion of the Series 2001 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 4.0% to 5.25%. Principal payments are due December 1 until December 2020.

\$12,000,000 Series 2009 General Obligation Bonds, dated January 27, 2009, were issued to acquire and construct residences to be used as rental housing for school employees and related facilities. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.5% to 3.5%. Principal payments are due December 1 until December 2028. These bonds were partially refunded and defeased by the Series 2016 General Obligation Refunding Bonds.

\$14,810,000 Series 2011 General Obligation Refunding Bonds, dated September 22, 2011, were issued to partially refund the Series 2001 and Series 2005 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2022.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

1. General Obligation Bonds (continued)

\$7,840,000 Series 2012 General Obligation Refunding Bonds, dated February 28, 2012, were issued to partially refund the Series 2005 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 3.0%. Principal payments are due December 1 until December 2025.

\$9,610,000 Series 2016 General Obligation Refunding Bonds, dated March 9, 2016, were issued to refund the Series 2005 General Obligation Bonds and partially refund the Series 2009 General Obligation Bonds. Interest payments are due semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%. Principal payments are due December 1 until December 2028. The refunding was undertaken to reduce total debt service payments over the next thirteen years by \$660,047 and resulted in an economic gain of \$583,457.

Annual debt service requirement to maturity for general obligation bonds is as follows:

Fiscal Year	Principal	Interest	Total
2017	\$ 5,390,000	\$ 1,702,857	\$ 7,092,857
2018	5,510,000	1,483,606	6,993,606
2019	5,750,000	1,235,741	6,985,741
2020	6,005,000	976,006	6,981,006
2021	6,280,000	715,631	6,995,631
2022 - 2026	15,035,000	1,752,700	16,787,700
2027 - 2028	2,760,000	168,400	2,928,400
Total	<u>\$ 46,730,000</u>	<u>\$ 8,034,941</u>	<u>\$ 54,764,941</u>

2. Compensated Absences

The District's policy is to pay out accrued vacation upon termination at the employee's rate of pay. This liability along with the related employment taxes and benefits has been accrued on the District's government wide financial statement. Payments which are anticipated to be paid out from current available resources are accrued on the District's funds.

3. Promissory Notes

The District has entered into one promissory notes financing the acquisition of certain residential properties as follows:

Note with Community Banks of Colorado, Aspen accrues interest at prime rate less 2.5% and matures January 13, 2025. The note is secured by a first deed of trust on units A, B,C,D,E,F,G and H of Building E, Pitkin Park Place Condos, Pitkin, Colorado. The balance outstanding at June 30, 2016 was \$270,455.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

- 4. Changes in General Long-Term Liabilities.** Long-term liability activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	(Reductions)	Balance June 30, 2016	Due Within One Year
Governmental Activities:					
Series 2005 GO Bonds	\$ 3,125,000	\$ -	\$ (3,125,000)	\$ -	\$ -
Series 2007 GO Bonds	18,200,000	-	(2,680,000)	15,520,000	2,805,000
Series 2009 GO Bonds	10,395,000	-	(7,960,000)	2,435,000	580,000
Series 2011 Refunding Bonds	11,880,000	-	(100,000)	11,780,000	100,000
Series 2012 Refunding Bonds	7,485,000	-	(100,000)	7,385,000	105,000
Series 2016 Refunding Bonds	-	9,610,000	-	9,610,000	1,800,000
Bond premium	2,410,085	-	(456,137)	1,953,948	-
Accrued compensated absences	258,969	124,676	(129,485)	254,160	127,080
Total governmental activities	53,754,054	9,734,676	(14,550,622)	48,938,108	5,517,080
Business-type Activities:					
Promissory notes	316,081	-	(45,626)	270,455	42,298
Total business type activities	316,081	-	(45,626)	270,455	42,298
Total long-term debt	\$ 54,070,135	\$ 9,734,676	\$ (14,596,248)	\$ 49,208,563	\$ 5,559,378

F. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Board of Education. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Education platform to review, and/or make changes to each department's budget. The Budget is then formally presented to Board of Education via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Education approval, must be presented via a public process and again approval by Board of Education.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Fund Balance Disclosure (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Board of Education.

At June 30, 2016, the District had fund balances restricted for the following purposes:

Debt service on G.O. Debt	\$ 6,772,193
Tabor reserve	<u>743,000</u>
	<u>\$ 7,515,193</u>

At June 30, 2016, the District had fund balances committed for the following purposes:

Local option	\$ 116,681
Housing	826,777
Capital projects	935,130
Student athletics	<u>802</u>
	<u>\$ 1,879,390</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

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

At June 30, 2016, the District reported a liability of \$50,419,922 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 District proportion of the net pension liability was based on District 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 District proportion was 0.3297%, as compared to 0.3235% at December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,718,758. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 665,801	\$ 2,100
Changes of assumptions or other inputs	-	712,521
Net difference between projected and actual earnings on pension plan investments	4,287,108	-
Changes in proportionate share of contribution	1,074,155	-
Difference between actual and reported contributions recognized	5,461	-
Contributions subsequent to the measurement date	1,254,378	-
Total	<u>\$ 7,286,903</u>	<u>\$ 714,621</u>

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:		
2017	\$	1,630,249
2018		1,544,453
2019		1,267,908
2020		875,294
	<u>\$</u>	<u>5,317,904</u>

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

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 valuation 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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:

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 be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective net pension liability	\$ 19,825,875,000	15,294,294,000	11,524,864,000
Proportionate share of net pension liability	\$ 65,358,954	50,419,922	37,993,433

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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and distortion of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. The District participates in the Colorado School Districts Self Insurance Pool. The Pool covers all insurance risks except for Worker's Compensation. The District pays annual premiums which are adjusted for any dividends during the year. Claim levels of the Pool may affect the District's premiums in future years. The District did not receive dividends during the year ended June 30, 2016. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District is fully self-insured for unemployment compensation and has a \$10,000 deductible property insurance and a \$10,000,000 annual aggregate liability limit. The district paid unemployment claims totaling \$14,330 in fiscal year 2016. The District continues to carry commercial insurance for all other risks of loss, including errors and omissions. Settled claims resulting from these risks have not exceeded commercial coverage in the past four years.

Pupil Counts: Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students' funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits.

The School believes its pupil count information is accurate and any adjustment would not be material.

B. Jointly Governed Organization - BOCES

The District, together with nine other school districts, participates in the Mountain Board of Cooperative Educational Services (the "BOCES"). The creation of BOCES is provided by Colorado statute and provides districts with a means to pool resources to provide services common to each on a basis that is more economical than if the same services were provided individually. Administrative costs are borne equally by the districts. Services by BOCES are charged to each district based upon individual needs and the student population. The District was granted approval to become their own administrative unit effective June 1, 2016.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information (continued)

B. Jointly Governed Organization – BOCES (continued)

The Board of the BOCES consists of one member of the board of education of each participating district. Each district has equal voting rights in the decisions of the BOCES. The BOCES has issued its own audited financial statements for the year ended June 30, 2015, the latest available data. The following summary information is presented:

Assets	\$ 5,958,982
Liabilities	<u>(8,860,777)</u>
Net Assets	<u><u>(2,901,795)</u></u>
Expenses	(10,656,311)
Program Revenues	10,240,983
General Revenues	<u>149,921</u>
Change in Net Assets	<u><u>(265,407)</u></u>
Net Assets - Beginning	<u>(2,636,388)</u>
Net Assets - Ending	<u><u>\$ (2,901,795)</u></u>

For the year ended June 30, 2016, the District made operating contributions of \$66,030. For a complete audit report please contact Mountain BOCES at 1713 Mount Lincoln Drive West, Leadville, CO 80461.

C. Contingencies

Claims. During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2016.

The District receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Tabor Amendment - Revenue and Spending Limitation Amendment. In November 1992, Colorado voters amended 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. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

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 fiscal years.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information (continued)

C. Contingencies (continued)

TABOR also 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 3% of adjusted revenue. The District has reserved a portion of its June 30, 2016 year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$743,000, which is approximately 3% of the fiscal year spending at June 30, 2016.

The initial base for local government spending and revenue limits is June 30, 1993 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Arbitrage Rebate.

Investment of bond reserves and bond proceeds at net interest rates in excess of the net interest rate being paid on the bonds may cause the District to be subject to an arbitrage penalty on the difference between the net interest earned and net interest paid. This arbitrage penalty would be payable to the U.S. Treasury on the five-year anniversary date of the bonds. Final arbitrage rebate cannot be determined until the bond proceeds are expended.

D. Defined Benefit Pension Plan

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

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

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

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

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information (continued)

D. Defined Benefit 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.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information (continued)

D. Defined Benefit Pension Plan (continued)

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below with rates expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42):

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF ¹	17.33%	18.13%

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,512,670 for the year ended June 30, 2016.

E. Postemployment Healthcare Benefits

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF 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 District 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 District 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 District's contributions to HCTF were approximately \$150,200, \$142,300 and \$133,000 respectively, equal to their required contributions.

Aspen School District No. 1 (RE)
Notes to the Basic Financial Statements
June 30, 2016
(Continued)

V. Other Information (continued)

F. Defined Contribution Pension Plan

Plan Description - Employees of the District 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. 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, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the year ended June 30, 2016, 2015 and 2014.

Aspen School District No. 1 (RE)
Required Supplemental Information



Aspen School District No. 1 (RE)
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016			2015
			Variance with Final Budget- Positive (Negative)	
	Budgeted Amounts		Actual Amounts	Actual Amounts
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 14,794,698	\$ 16,363,495	\$ 16,214,502	\$ 13,890,033
Specific ownership taxes	725,375	744,328	820,775	749,541
State income	4,442,733	3,609,124	3,869,283	4,755,073
Federal income	312,904	312,904	744,598	720,113
Investment Income	40,165	47,725	32,291	29,065
Other	3,508,177	3,515,677	3,225,637	2,836,223
Total revenues	<u>23,824,052</u>	<u>24,593,253</u>	<u>24,907,086</u>	<u>22,980,048</u>
EXPENDITURES				
Current:				
Direct instruction	15,005,444	15,118,618	14,739,972	14,354,990
Indirect instruction	1,137,658	1,205,164	1,579,547	1,373,459
Transportation	916,893	916,893	994,535	757,946
Custodial and maintenance	1,913,576	1,913,576	2,013,083	1,951,496
Support services	1,827,756	1,827,756	1,904,740	1,863,754
General administration	1,825,354	1,879,779	1,845,534	1,708,067
Community service	6,000	6,000	-	-
Food service	645,407	690,445	656,233	307,419
Capital outlay	22,440	30,000	36,956	13,468
Contingency	6,156,591	7,650,956	-	-
Total expenditures	<u>29,457,119</u>	<u>31,239,187</u>	<u>23,770,600</u>	<u>22,330,599</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,633,067)</u>	<u>(6,645,934)</u>	<u>1,136,486</u>	<u>649,449</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(1,107,911)</u>	<u>(1,107,911)</u>	<u>(1,145,915)</u>	<u>(1,139,919)</u>
Total other financing sources (uses)	<u>(1,107,911)</u>	<u>(1,107,911)</u>	<u>(1,145,915)</u>	<u>(1,139,919)</u>
NET CHANGE IN FUND BALANCES	<u>(6,740,978)</u>	<u>(7,753,845)</u>	<u>(9,429)</u>	<u>(490,470)</u>
FUND BALANCES, BEGINNING	<u>6,740,978</u>	<u>7,753,845</u>	<u>8,444,849</u>	<u>8,935,319</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,435,420</u>	<u>\$ 8,444,849</u>

Aspen School District No. 1 (RE)
Schedule of Employer's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.3297%	0.3235%	0.3152%
District's proportionate share of the net pension liability	50,419,922	43,847,640	40,208,362
District's covered payroll	\$ 14,728,524	\$ 13,951,998	\$ 13,040,341
District's proportionate share of the net pension liability as a percentage of its covered payroll	342.33%	314.27%	308.34%
Plan fiduciary net position as a percentage of the total pension liability	59.20%	62.84%	64.07%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2014.

Notes to the Schedule of Employers Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2016:

Note 1. Changes of assumptions.

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

The following programming changes were made:

- o Valuation of the full survivor benefit without any reduction for possible remarriage.
- o Reflection of the employer match on separation benefits for all eligible years.
- o Reflection of one year of service eligibility for survivor annuity benefit.
- o Refinement of the 18 month annual increase timing.
- o Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- o Recognition of merit salary increases in the first projection year.
- o Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- o Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- o Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)
Schedule of District Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,489,753	\$ 2,226,776	\$ 1,973,583
Contributions in relation to the contractually required contribution	<u>\$ (2,489,753)</u>	<u>\$ (2,226,776)</u>	<u>\$ (1,973,583)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,728,524	\$ 13,951,998	\$ 13,040,341
Contributions as a percentage of covered payroll	16.90%	15.96%	15.13%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred the fiscal year. Information is only available beginning in fiscal year 2014.

Notes to the Schedule of District Contributions For the Year Ended June 30, 2016:

Note 1. Changes of assumptions.

No changes during the years presented above.

Note 2. Changes of benefit terms.

No changes during the years presented above.

Note 3. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

The notes to the financial statements are an integral part of this statement.

Aspen School District No. 1 (RE)

Supplemental Information



Aspen School District No. 1 (RE)
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				2015
	Budgeted Amounts		Actual	Variance with	
	Original	Final	Amounts	Final Budget- Positive (Negative)	Actual Amounts
REVENUES					
Taxes					
Property taxes	\$ 7,051,969	\$ 7,051,969	\$ 7,090,267	\$ 38,298	\$ 7,112,267
Investment Income	-	-	17,349	17,349	10,892
Total revenues	<u>7,051,969</u>	<u>7,051,969</u>	<u>7,107,616</u>	<u>55,647</u>	<u>7,123,159</u>
EXPENDITURES					
Debt Service:					
Principal	4,975,000	4,975,000	4,975,000	-	4,800,000
Interest	2,071,469	2,071,469	1,899,978	171,491	2,263,406
Bond issue costs	5,500	5,500	140,836	(135,336)	4,372
Reserve expenses	<u>6,494,987</u>	<u>6,550,367</u>	<u>-</u>	<u>6,550,367</u>	<u>-</u>
Total expenditures	<u>13,546,956</u>	<u>13,602,336</u>	<u>7,015,814</u>	<u>6,586,522</u>	<u>7,067,778</u>
EXCESS (DEFICIENCY) OF					
 REVENUES OVER EXPENDITURES	<u>(6,494,987)</u>	<u>(6,550,367)</u>	<u>91,802</u>	<u>6,642,169</u>	<u>55,381</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	9,610,000	9,610,000	-
Bond premium	-	-	724,884	724,884	-
Payment to refunding agent	<u>-</u>	<u>-</u>	<u>(10,204,860)</u>	<u>(10,204,860)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>130,024</u>	<u>130,024</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(6,494,987)	(6,550,367)	221,826	6,772,193	55,381
FUND BALANCES, BEGINNING	<u>6,494,987</u>	<u>6,550,367</u>	<u>6,550,367</u>	<u>-</u>	<u>6,494,986</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,772,193</u>	<u>\$ 6,772,193</u>	<u>\$ 6,550,367</u>

Aspen School District No. 1 (RE)
Capital Reserve Capital Projects
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Positive (Negative)	Actual Amounts
	Original	Final			
REVENUES					
Investment Income	\$ 750	\$ 750	\$ 803	\$ 53	\$ 171
Other	250,000	250,000	324,527	74,527	579,920
Total revenues	250,750	250,750	325,330	74,580	580,091
EXPENDITURES					
Capital outlay	1,589,298	1,691,018	830,468	860,550	920,921
Total expenditures	1,589,298	1,691,018	830,468	860,550	920,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,338,548)	(1,440,268)	(505,138)	935,130	(340,830)
OTHER FINANCING SOURCES (USES)					
Transfers in	703,000	703,000	703,000	-	703,000
Total other financing sources (uses)	703,000	703,000	703,000	-	703,000
NET CHANGE IN FUND BALANCES	(635,548)	(737,268)	197,862	935,130	362,170
FUND BALANCES, BEGINNING	635,548	737,268	737,268	-	375,098
FUND BALANCES, ENDING	\$ -	\$ -	\$ 935,130	\$ 935,130	\$ 737,268

Aspen School District No. 1 (RE)
Combining Balance Sheet
Non-Major Funds
June 30, 2016

	Student Athletics Fund	Total Non-Major Funds
ASSETS AND OTHER DEBITS		
Due from other governments	\$ 8,481	\$ 8,481
Due from other funds	25,155	25,155
Total assets and other debits	<u>33,636</u>	<u>33,636</u>
FUND BALANCES		
Liabilities:		
Accounts and other current payables	32,834	32,834
Total liabilities	<u>32,834</u>	<u>32,834</u>
Fund balances:		
Spendable:		
Committed	802	802
Total fund balances	<u>802</u>	<u>802</u>
Total liabilities and fund balances	<u>\$ 33,636</u>	<u>\$ 33,636</u>

Aspen School District No. 1 (RE)
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Funds
For the Year Ended June 30, 2016

	Student Athletics Fund	Total Non-Major Funds
REVENUES		
Other	\$ 141,687	\$ 141,687
Total revenues	<u>141,687</u>	<u>141,687</u>
EXPENDITURES		
Student activities	<u>585,158</u>	<u>585,158</u>
Total expenditures	<u>585,158</u>	<u>585,158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(443,471)</u>	<u>(443,471)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>442,915</u>	<u>442,915</u>
Total other financing sources (uses)	<u>442,915</u>	<u>442,915</u>
NET CHANGE IN FUND BALANCES	(556)	(556)
FUND BALANCES, BEGINNING	<u>1,358</u>	<u>1,358</u>
FUND BALANCES, ENDING	<u><u>\$ 802</u></u>	<u><u>\$ 802</u></u>

Aspen School District No. 1 (RE)
Student Athletics Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				2015
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Actual
	Original	Final	Amounts		Amounts
REVENUES					
Other	\$ 201,830	\$ 201,830	\$ 141,687	\$ (60,143)	\$ 131,121
Total revenues	201,830	201,830	141,687	(60,143)	131,121
EXPENDITURES					
Current:					
Student activities	600,000	600,000	585,158	14,842	568,180
Total expenditures	600,000	600,000	585,158	14,842	568,180
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(398,170)	(398,170)	(443,471)	(45,301)	(437,059)
OTHER FINANCING SOURCES (USES)					
Transfers in	396,774	396,774	442,915	46,141	436,919
Total other financing sources (uses)	396,774	396,774	442,915	46,141	436,919
NET CHANGE IN FUND BALANCES	(1,396)	(1,396)	(556)	840	(140)
FUND BALANCES, BEGINNING	1,396	1,396	1,358	(38)	1,498
FUND BALANCES, ENDING	\$ -	\$ -	\$ 802	\$ 802	\$ 1,358

Aspen School District No. 1 (RE)
Employee Housing Fund
Schedule of Revenues, Expenditures and Changes in Net
Assets - Budget (Non-GAAP Basis) and Actual with
Reconciliation to GAAP Basis
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016			2015
	Budgeted Amounts		Variance with Final Budget- Positive (Negative)	Actual Amounts
	Original	Final	Actual Amounts	
OPERATING REVENUES				
Charges for Services	\$ 576,769	\$ 576,769	\$ 559,487	\$ 569,120
Other income	-	-	556	1,823
Total operating revenues	<u>576,769</u>	<u>576,769</u>	<u>560,043</u>	<u>570,943</u>
OPERATING EXPENSES				
Repairs and maintenance	-	-	-	195,086
Purchased services	61,410	61,410	65,720	63,985
Operating supplies	179,000	179,000	212,976	172,918
Property	40,000	40,000	10,323	15,968
Other objects	24,500	24,500	29,348	24,014
Contingency	9,795,762	9,460,820	-	-
Interest Expense	3,000	3,000	2,374	3,151
Total operating expenses	<u>10,103,672</u>	<u>9,768,730</u>	<u>320,741</u>	<u>475,122</u>
INCOME (LOSS) FROM OPERATIONS	<u>(9,526,903)</u>	<u>(9,191,961)</u>	<u>239,302</u>	<u>95,821</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	-	-	440	19
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>440</u>	<u>19</u>
CHANGE IN NET POSITION - NON-GAAP BASIS	<u>\$ (9,526,903)</u>	<u>\$ (9,191,961)</u>	<u>239,742</u>	<u>95,840</u>
RECONCILIATION TO GAAP BASIS				
Depreciation			(430,782)	(430,782)
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ (191,040)</u>	<u>\$ (334,942)</u>

Aspen School District No. 1 (RE)
Pupil Activity Fund
Schedule of Fiduciary Fund Increases and Decreases
Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2016
With Comparative Actual Amounts for 2015

	2016				2015
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Actual
	Original	Final	Amounts		Amounts
INCREASES:					
Student Activities	\$ -	\$ -	\$ 2,125,290	\$ 2,125,290	\$ 2,100,012
Total Increases	-	-	2,125,290	2,125,290	2,100,012
DECREASES:					
Student Activities	-	-	2,271,084	(2,271,084)	2,082,585
Total Decreases	-	-	2,271,084	(2,271,084)	2,082,585
Change in Due to Students	<u>\$ -</u>	<u>\$ -</u>	(145,794)	<u>\$ (145,794)</u>	17,427
Due to Students - Beginning of Year			150,130		132,703
Due to Students - End of Year			<u>\$ 4,336</u>		<u>\$ 150,130</u>

Aspen School District No. 1 (RE)
STATE COMPLIANCE SECTION





Colorado Department of Education
Auditors Integrity Report
 District: 2640 - ASPEN 1
 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	8,444,845	23,548,955	23,558,385	8,435,415
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	212,215	212,215	0
Sub- Total	8,444,845	23,761,170	23,770,600	8,435,415
11 Charter School Fund	-1,187,230	5,045,468	3,732,373	125,865
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	1,358	584,602	585,158	803
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	6,550,368	17,442,500	17,220,673	6,772,195
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	737,268	1,028,330	830,468	935,130
Totals	14,546,610	47,862,070	46,139,272	16,269,408
Proprietary				
50 Other Enterprise Funds	9,236,961	560,482	751,524	9,045,919
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	9,236,961	560,482	751,524	9,045,919
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	150,130	2,125,290	2,271,084	4,336
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	2,333,694	2,815,340	3,273,028	1,876,006
Totals	2,483,824	4,940,630	5,544,112	1,880,342

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.

Aspen School District No. 1 (RE)

STATISTICAL SECTION



ASPEN SCHOOL DISTRICT
Net Assets by Component
(Accrual Basis of Accounting)
Last Five Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 20,843,239	\$ 19,791,802	\$ 22,773,379	\$ 25,568,490	\$ 28,167,233
Restricted for:					
TABOR	581,000	559,000	658,000	691,000	743,000
Capital Projects					
Debt Service	6,208,756	6,429,949	6,494,986	6,550,367	6,772,193
Unrestricted	10,645,334	12,045,265	10,872,656	(30,633,458)	(33,474,913)
Total governmental activities net assets	<u>\$ 38,278,329</u>	<u>\$ 38,826,016</u>	<u>\$ 40,799,021</u>	<u>\$ 2,176,399</u>	<u>\$ 2,207,513</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 9,824,813	\$ 9,608,073	\$ 9,394,016	\$ 9,129,534	\$ 8,744,378
Unrestricted	(120,138)	(89,468)	177,851	107,428	301,543
Total business-type activities net assets	<u>\$ 9,704,675</u>	<u>\$ 9,518,605</u>	<u>\$ 9,571,867</u>	<u>\$ 9,236,962</u>	<u>\$ 9,045,921</u>
Primary government					
Invested in capital assets, net of related debt	\$ 30,668,052	\$ 29,399,875	\$ 32,167,395	\$ 34,698,024	\$ 36,911,611
Restricted for:					
TABOR	581,000	559,000	658,000	691,000	743,000
Capital Projects	-	-	-	-	-
Debt Service	6,208,756	6,429,949	6,494,986	6,550,367	6,772,193
Unrestricted	10,525,196	11,955,797	11,050,507	(30,526,030)	(33,173,370)
Total governmental activities net assets	<u>\$ 47,983,004</u>	<u>\$ 48,344,621</u>	<u>\$ 50,370,888</u>	<u>\$ 11,413,361</u>	<u>\$ 11,253,434</u>

ASPEN SCHOOL DISTRICT
Changes in Net Assets
(Accrual Basis of Accounting)
Last Five Years

	2012	2013	2014	2015	2016
Expenses					
Governmental activities					
Current:					
Direct instruction	\$ 15,165,210	\$ 15,204,891	\$ 15,955,556	\$ 18,219,254	\$ 19,538,083
Indirect instruction	1,381,923	1,540,924	1,637,160	1,865,567	2,146,125
Transportation	952,482	986,351	1,063,034	1,092,101	1,430,131
Custodial and maintenance	1,741,027	1,926,774	1,954,497	2,025,531	2,141,536
Support services	1,094,518	1,177,038	1,532,776	2,016,413	1,883,390
General administration	1,690,406	1,593,813	1,605,506	1,871,429	2,111,963
Food service			302,510	321,933	710,315
Student activities	543,394	548,466	577,576	568,180	585,158
Interest	2,486,681	2,528,949	2,383,191	2,217,299	1,903,907
Total governmental activities	25,055,641	25,507,206	27,011,806	30,197,707	32,450,608
Business-type activities					
Employee housing	270,107	261,920	766,185	905,903	751,524
Food service	701,098	707,937	-	-	-
Total business-type activities	971,205	969,857	766,185	905,903	751,524
Total primary government expenses	\$ 26,026,846	\$ 26,477,063	\$ 27,777,991	\$ 31,103,610	\$ 33,202,132
Program Revenues					
Governmental activities:					
Charges for services	\$ 459,997	\$ 743,894	\$ 1,142,868	\$ 1,074,985	\$ 1,405,661
Operating grants and contributions	1,076,619	689,808	949,919	888,103	973,771
Capital grants and contributions	3,301	-	-	-	-
Total governmental activities program revenues	1,539,917	1,433,702	2,092,787	1,963,088	2,379,432
Business-type activities					
Employee housing rental	531,119	505,841	538,114	569,120	559,487
Food service	271,018	250,666	-	-	-
Operating grants and contributions	13,674	27,280	-	1,823	556
Total business-type activities program revenues	815,811	783,787	538,114	570,943	560,043
Total primary government program revenues	\$ 2,355,728	\$ 2,217,489	\$ 2,630,901	\$ 2,534,031	\$ 2,939,475
Net (Expense)/Revenue					
Governmental activities	\$ (23,515,724)	\$ (24,073,504)	\$ (24,919,019)	\$ (28,234,619)	\$ (30,071,176)
Business-type activities	(155,394)	(186,070)	(228,071)	(334,960)	(191,481)
Total primary government net expense	\$ (23,671,118)	\$ (24,259,574)	\$ (25,147,090)	\$ (28,569,579)	\$ (30,262,657)
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes, levied for general education	\$ 14,589,887	\$ 14,552,575	\$ 13,934,484	\$ 13,890,033	\$ 16,214,504
Property taxes, levied for debt service	7,069,205	7,336,554	7,123,751	7,112,267	7,090,267
Specific ownership taxes	651,137	666,939	747,541	749,541	820,775
State revenue	2,076,499	2,270,170	3,206,041	4,191,179	3,278,485
Grants and contributions not restricted to specific programs	591,214	382,236	2,105,260	2,769,207	2,647,815
Interest and investment earnings	(424)	81,327	56,280	40,128	50,444
Miscellaneous income					
Transfers			(297,793)	-	-
Total governmental activities	\$ 24,977,518	\$ 25,289,801	\$ 26,875,564	\$ 28,752,355	\$ 30,102,290
Business-type activities					
Interest and investment earnings	-	-	-	19	440
Transfers	-	-	297,793	-	-
Total business-type activities	-	-	297,793	19	440
Total primary government	\$ 24,977,518	\$ 25,289,801	\$ 27,173,357	\$ 28,752,374	\$ 30,102,730
Change in Net Assets					
Governmental activities	\$ 1,461,794	\$ 1,216,297	\$ 1,956,545	\$ 517,736	\$ 31,114
Business-type activities	(155,394)	(186,070)	69,722	(334,941)	(191,041)
Total primary government	\$ 1,306,400	\$ 1,030,227	\$ 2,026,267	\$ 182,795	\$ (159,927)

ASPEN SCHOOL DISTRICT
Fund Balances of Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Non-spendable	\$ 124,270	\$ 300,443	\$ 363,023	\$ 725,034	\$ 698,494	\$ 563,615	\$ 355,959	\$ 598,577	\$ 317,721	\$ 80,764
Spendable										
Restricted	550,000	\$ 550,000	\$ 550,000	\$ 625,597	\$ 625,597	\$ 625,597	\$ 559,000	\$ 658,000	\$ 691,000	\$ 743,000
Committed	1,053,435	\$ 1,098,268	\$ 1,093,048	\$ 1,110,538	\$ 1,061,106	\$ 1,076,808	\$ 732,677	\$ 678,180	\$ 816,791	\$ 1,017,757
Assigned							\$ 6,580,690	\$ 550,324	\$ 531,954	\$ -
Unassigned	5,325,408	5,103,985	5,331,231	5,118,791	6,989,067	7,251,541	728,901	6,495,588	6,087,385	6,593,899
Total general fund	<u>\$ 7,053,113</u>	<u>\$ 7,052,696</u>	<u>\$ 7,337,302</u>	<u>\$ 7,579,960</u>	<u>\$ 9,374,264</u>	<u>\$ 9,517,561</u>	<u>\$ 8,957,227</u>	<u>\$ 8,980,669</u>	<u>\$ 8,444,851</u>	<u>\$ 8,435,420</u>
 All Other Governmental Funds										
Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,786,932	6,632,281	6,881,488	6,807,041	6,216,677	6,208,756	6,429,949	6,494,986	6,550,367	6,772,193
Committed	322,918	108,704	1,030,276	309,223	1,780,056	1,573,339	720,579	376,596	738,626	935,932
Assigned	7,260,989	1,118,293	8,188,688	2,689,232	355,678	300,170	297,793	36	-	-
Unassigned							(8,038)	-	-	-
Total governmental activities net assets	<u>\$ 13,370,839</u>	<u>\$ 7,859,278</u>	<u>\$ 16,100,452</u>	<u>\$ 9,805,496</u>	<u>\$ 8,352,411</u>	<u>\$ 8,082,265</u>	<u>\$ 7,440,283</u>	<u>\$ 6,871,618</u>	<u>\$ 7,288,993</u>	<u>\$ 7,708,125</u>

ASPEN SCHOOL DISTRICT
Changes in Fund Balances of Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes										
Property taxes	\$ 17,778,509	\$ 21,311,487	\$ 24,025,636	\$ 26,201,754	\$ 27,627,357	\$ 21,665,692	\$ 21,925,046	\$ 21,058,783	\$ 21,002,300	\$ 23,304,769
Specific ownership taxes	826,539	909,076	866,873	670,087	724,053	651,137	666,939	747,541	749,541	820,775
State income	3,943,989	1,248,404	1,585,326	157,058	326,523	2,889,064	2,625,898	3,834,735	4,755,073	3,869,283
Federal income	109,475	111,222	76,028	172,955	257,575	267,355	334,081	321,225	720,133	744,598
Interest income	1,555,717	495,904	188,290	91,907	84,186	(425)	81,327	56,281	40,128	50,443
Other	1,891,504	2,255,915	1,497,490	1,456,871	1,476,259	1,051,210	1,126,130	3,248,128	3,448,289	3,691,851
Total revenues	26,105,734	26,332,008	28,239,643	28,750,632	30,495,953	26,524,033	26,759,421	29,266,693	30,715,464	32,481,719
EXPENDITURES										
Current:										
Direct instruction	11,570,805	11,789,328	11,766,999	12,608,654	12,694,204	12,132,280	12,488,574	13,291,009	14,256,014	14,739,972
Indirect instruction	567,498	597,708	861,349	881,600	1,024,657	925,402	971,928	1,038,127	1,373,459	1,579,547
Transportation	568,572	660,307	730,925	749,773	756,547	743,268	743,645	805,109	757,946	994,535
Custodial and maintenance	1,382,617	1,585,811	1,716,775	1,760,203	1,689,133	1,642,973	1,830,317	1,953,944	1,951,496	2,013,083
Support services	1,006,916	1,078,205	911,220	1,190,668	973,190	1,143,457	1,215,506	1,457,035	1,863,754	1,904,740
General administration	1,899,153	1,852,341	2,046,221	1,914,639	1,833,764	1,430,674	1,560,098	1,593,350	1,708,067	1,845,534
Community service	1,000	150	9,749	-	-	-	-	-	-	-
Food service			2,000	-	-	-	-	302,510	307,419	656,233
Student activities	493,627	674,248	583,787	583,535	654,963	543,394	548,466	577,576	568,180	585,158
Debt Service:										
Principal	2,905,000	3,270,000	3,161,803	3,292,706	3,422,780	3,765,000	4,560,000	4,630,000	4,800,000	4,975,000
Interest	3,254,709	3,100,155	3,280,778	3,365,848	3,229,127	2,582,988	2,587,744	2,440,556	2,263,406	1,899,978
Bond issue cost	177,568	950	1,075	977	900	220,743	3,968	5,317	4,372	140,836
Other	178,946	-	-	-	29,376	-	-	-	-	-
Capital outlay	28,761,972	7,258,038	7,232,042	8,381,969	3,681,693	1,380,656	1,451,491	1,436,050	934,388	867,424
Total expenditures	52,768,383	31,867,241	32,304,723	34,730,572	29,990,334	26,510,835	27,961,737	29,530,583	30,788,501	32,202,040
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(26,662,649)</u>	<u>(5,535,233)</u>	<u>(4,065,080)</u>	<u>(5,979,940)</u>	<u>505,619</u>	<u>13,198</u>	<u>(1,202,316)</u>	<u>(263,890)</u>	<u>(73,037)</u>	<u>279,679</u>
OTHER FINANCING SOURCES (USES)										
Bond proceeds	23,560,000	-	12,674,216	-	-	22,650,000	-	-	-	9,610,000
Bond premium	2,011,845	-	-	-	-	1,907,812	-	-	-	724,884
Payment to refunding agent	(25,158,154)	-	-	-	-	(24,339,973)	-	-	-	(10,204,860)
Transfers in	1,608,878	246,664	345,325	377,950	1,282,461	615,871	912,400	1,089,103	1,139,919	1,145,915
Transfers (out)	(1,673,536)	(253,515)	(428,683)	(450,308)	(1,446,860)	(615,871)	(912,400)	(1,386,896)	(1,139,919)	(1,145,915)
Total other financing sources (use):	349,033	(6,851)	12,590,858	(72,358)	(164,399)	217,839	-	(297,793)	-	130,024
NET CHANGE IN FUND BALANCES	<u>\$ (26,313,616)</u>	<u>\$ (5,542,084)</u>	<u>\$ 8,525,778</u>	<u>\$ (6,052,298)</u>	<u>\$ 341,220</u>	<u>\$ 231,037</u>	<u>\$ (1,202,316)</u>	<u>\$ (561,683)</u>	<u>\$ (73,037)</u>	<u>\$ 409,703</u>
Debt service as a percentage of noncapital expenditures	37.3%	34.9%	34.6%	33.8%	34.0%	35.4%	36.9%	33.7%	31.0%	28.8%

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years ⁽³⁾
(Unaudited)

Assessment Year	Collection Year	Assessed Value ⁽¹⁾	Estimated Actual Value ⁽²⁾	Ratio of Assessed to Estimated Actual Value ⁽¹⁾
2006	2007	1,751,897,506	16,584,354,400	10.56
2007	2008	2,504,624,080	24,110,287,000	10.39
2008	2009	2,552,953,670	24,759,509,500	10.31
2009	2010	3,355,435,658	32,870,418,500	10.21
2010	2011	3,374,848,280	33,202,605,770	10.16
2011	2012	2,553,629,900	24,786,431,350	10.30
2012	2013	2,545,246,460	24,901,033,460	10.22
2013	2014	2,408,091,890	22,994,463,480	10.47
2014	2015	2,418,733,540	23,179,824,930	10.43
2015	2016	2,735,887,980	26,453,894,830	10.34

Notes:

⁽¹⁾ From 1998 to 2007, commercial property, vacant land, personal property and utilities were assessed at 29% of actual or depreciated value. Residential property is valued at market and all other property is valued considering the three approaches to appraisal (income, cost and market).

Residential real property was assessed as follows:

Assessment Year	Assessment Percentage	Base Year
2005	7.96%	2004 appraised value
2006	7.96%	2004 appraised value
2007	7.96%	2006 appraised value
2008	7.96%	2006 appraised value
2009	7.96%	2008 appraised value
2010	7.96%	2008 appraised value
2011	7.96%	2010 appraised value
2012	7.96%	2010 appraised value
2013	7.96%	2012 appraised value
2015	7.96%	2014 appraised value

⁽²⁾ All residential and commercial properties are reappraised biennially from sales that occurred in the twenty-four month period ending June 30 of the odd-numbered base year bringing properties to their current market value. The residential assessment rate is set by the Colorado General Assembly and coincides with changes in value. This is constitutionally mandated and designed to even out the tax burden on residential property.

⁽³⁾ The property tax collection year is January through December. Therefore all data is presented on a calendar year

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Direct and Overlapping Property Tax Rates
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years ⁽¹⁾
(Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Aspen School District										
General Fund	6.726	6.154	6.725	5.848	6.267	6.291	6.289	6.362	6.342	6.496
Bond Redemption Fund	3.568	2.468	2.630	1.998	1.987	2.814	2.912	2.971	2.955	2.615
Total	10.294	8.622	9.355	7.846	8.254	9.105	9.201	9.333	9.297	9.111
Other ⁽²⁾										
Aspen Ambulance	0.228	0.170	0.176	0.138	0.014	0.198	0.204	0.220	0.400	0.451
Aspen Consolidated Sanitation	0.229	0.168	0.168	0.130	0.130	0.130	0.130	0.130	0.130	0.111
Aspen Fire Protection	1.802	1.397	1.506	1.146	1.306	1.455	1.455	1.477	1.476	1.411
Aspen Highlands Commercial	36.565	33.000	33.782	30.850	31.398	32.871	34.320	35.564	35.564	35.564
Aspen Highlands Residential	36.565	33.000	33.782	30.850	31.398	36.794	37.597	38.925	39.885	40.125
Aspen Historic Park & Rec.	0.300	0.300	0.300	0.236	0.237	0.300	0.300	0.300	0.300	0.300
Aspen Valley Hospital	1.500	1.280	1.280	0.969	1.931	2.664	2.920	2.539	2.818	2.819
Aspen Village Metropolitan	99.662	99.662	99.662	71.662	71.662	83.994	83.994	103.060	106.060	106.100
Base Village Metropolitan #2	29.500	29.500	29.500	43.500	43.500	43.500	43.500	43.500	43.500	43.500
Brush Creek Metropolitan	26.889	19.675	20.636	15.957	16.469	20.806	20.928	28.569	29.003	26.075
Buttermilk Metropolitan	21.064	17.545	17.545	11.878	11.878	14.205	14.205	14.205	14.205	15.205
City of Aspen	5.419	5.459	5.467	4.042	3.854	5.236	5.346	5.654	5.817	4.978
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Colorado River Water	0.221	0.191	0.198	0.166	0.188	0.228	0.242	0.254	0.253	0.243
East Aspen Metropolitan	0.560	0.350	0.350	0.276	0.284	0.395	0.393	0.395	0.410	0.390
Five Trees Metro	15.000	11.861	11.861	10.858	10.850	11.806	13.500	17.177	18.000	17.600
Meadowood Metro District	0.000	0.000	34.883	24.202	20.192	26.210	28.678	31.310	31.260	23.840
Pitkin County	7.602	6.620	6.756	5.677	5.737	7.044	7.194	7.500	7.564	7.274
Pitkin County Library	1.398	1.113	1.148	0.906	0.932	1.296	1.336	1.439	1.490	1.359
Snowmass Village	4.363	9.546	9.509	7.485	7.356	8.940	9.019	9.261	9.200	9.236
Snowmass Water & Sanitation	2.215	1.645	1.623	1.257	1.228	1.568	1.575	2.414	2.414	2.414
Snowmass Fire Protection	4.363	4.354	4.352	4.043	4.351	4.351	5.351	5.351	7.356	7.494
Starwood Metropolitan	23.702	16.510	25.449	16.366	19.257	22.378	22.175	26.794	26.483	21.580
Twining Flats Improvement	6.359	4.575	4.782	4.039	4.080	5.368	5.408	6.820	6.755	6.204
W/J Ranch Metro	48.500	48.500	48.500	43.500	43.500	48.500	48.500	48.500	48.500	48.500
West Divide Water	0.077	0.077	0.075	0.048	0.048	0.042	0.041	0.041	0.039	0.039
White Horse Springs Water	5.689	0.262	0.262	0.221	0.229	0.229	0.229	0.229	0.229	3.419

Notes:

⁽¹⁾ The property tax collection year is January through December. Therefore, all data is presented on a calendar year basis, even though the State of Colorado required a change to fiscal years ending June 30th, as of June 30, 1992.

⁽²⁾ Totals are not shown since individual properties are not subject to all levies.

Source: Pitkin County Assessor's Office

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Principal Property Tax Payers
Current Year and Ten Years Ago
(Unaudited)

Taxpayer	2015			2006		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Value
Aspen Skiing Co	\$ 60,699,740	1	2.06%			
Aspen/Buttermilk/Snowmass Skiing Co/ Little Nell/Snowmass Club Associates 315 East Dean Assoc. Inc.	27,217,080	2	0.92%	\$ 55,334,950	1	2.86%
Snowmass Acquisition Company, LLC	24,555,970	3	0.83%	-		
Sheridan Luxury Trust, Aspen Dean St LLC				19,944,230	2	1.03%
Silvertree Property Co	17,955,340	4	0.61%	13,286,890	3	0.69%
The Residences at Little Nell Condo Assoc, Inc.	17,151,630	5	0.58%			
Hyatt Grand Aspen	14,513,360	6	0.49%			
Holy Cross Electric Assn	12,173,900	7	0.41%	5,942,950	7	0.31%
Iconic Properties-Jerome Property LLC	11,778,890	8	0.40%			
Hotel Jerome, Inc				8,730,430	4	0.45%
Snowmass Holding Co				6,654,720	5	0.34%
Maroon Creek LLC				6,528,550	6	0.34%
James E Cox Living Trust	10,224,000	9	0.35%			
Ajax Mountain Associates LLC	9,999,710	10	0.34%			
Starwood Hotels & Resorts Worldwide				4,461,790	8	0.23%
Ritz Carlton				1,332,700	9	0.07%
Savannah Limited Partnership/Colorado Chalet/Grand Aspen				459,820	10	0.02%
Total	<u>\$ 206,269,620</u>		<u>7.01%</u>	<u>\$ 122,677,030</u>		<u>6.34%</u>
Total assessed valuation	<u>\$ 2,943,772,090</u>			<u>\$ 1,934,052,050</u>		

Source: Pitkin County Assessor's Office

ASPEN SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years ⁽¹⁾
(Unaudited)

Fiscal Year Ended June 30,	Total Mill Levy	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2004	8.955	14,505,483	14,422,491	99.43	6,143	14,428,634	99.47
2005	8.969	14,573,813	14,529,764	99.70	4,281	14,534,045	99.73
2006	10.458	17,851,739	17,803,923	99.73	2,981	17,806,905	99.75
2007	10.294	18,031,777	17,731,311	98.33	11,551	17,742,862	98.40
2008	8.622	21,595,175	21,479,895	99.47	5,767	21,485,662	99.49
2009	9.355	23,882,577	23,793,483	99.63	8,322	23,801,805	99.66
2010	7.846	26,325,050	26,121,144	99.23	20,269	26,141,413	99.30
2011	8.254	27,854,879	27,500,827	98.73	14,553	27,515,380	98.78
2012	9.105	23,250,814	22,973,201	98.81	11,341	22,984,542	98.85
2013	9.201	23,421,519	23,304,407	99.50	15,422	23,319,829	99.57
2014	9.333	22,474,211	22,345,422	99.43	17,957	22,363,379	99.51
2015	9.297	22,485,894	22,282,212	99.09	(6,953)	22,275,259	99.06
2016 ⁽²⁾	9.297	24,932,874	23,827,101	95.56	N/A	N/A	N/A

Notes:

⁽¹⁾ The property tax collection year is January through December. Therefore all data is presented on a calendar year basis, even though the State of Colorado required a change to fiscal years ending June 30th, as of June 30, 1992.

⁽²⁾ Full year collection data is not yet available for 2016.

Source: Information extracted from the Aspen School District No. 1 (RE) Comprehensive Annual Financial Reports and Audit Reports, Pitkin County Treasurer's Office and Pitkin County Assessor's Office.

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population⁽¹⁾	Assessed Value ⁽²⁾	Gross Bonded Debt	Debt Service Funds Avail.⁽³⁾	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2006	16,087	1,706,912,560	71,295,000	4,862,009	66,432,991	3.89	\$ 4,129.61
2007	16,236	1,751,897,506	68,145,000	5,279,327	62,865,673	3.59	\$ 3,871.99
2008	16,673	2,504,624,080	64,875,000	5,007,105	59,867,895	2.39	\$ 3,590.71
2009	17,053	2,552,953,670	73,725,000	5,415,099	68,309,901	2.68	\$ 4,005.74
2010	17,156	3,355,435,658	70,445,000	5,463,574	64,981,426	1.94	\$ 3,787.68
2011	17,131	3,374,848,280	67,035,000	5,512,318	61,522,682	1.82	\$ 3,591.31
2012	17,239	2,553,629,900	65,075,000	6,208,756	58,866,244	2.31	\$ 3,414.71
2013	17,412	2,545,246,460	60,515,000	6,429,951	54,085,049	2.12	\$ 3,106.19
2014	17,645	2,408,091,890	55,885,000	6,494,986	49,390,014	2.05	\$ 2,799.09
2015	17,845	2,418,733,540	51,085,000	6,550,367	44,534,633	1.84	\$ 2,495.64
2016	17,845	2,735,887,980	46,730,000	6,772,193	39,957,807	1.46	\$ 2,239.16

Notes:

⁽¹⁾ 2013 is latest population amount available.

⁽²⁾ Calculations on this schedule reflect assessed valuation and net bonded debt at year end.

⁽³⁾ Includes \$1,826,838 due to the change in accounting to recognize deferred property taxes in 2005.

Source: Information extracted from the Aspen School District No. 1 (RE) Comprehensive Annual Financial Reports and Audit Reports.

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Direct and Overlapping Governmental Activities Debt
Year Ended June 30, 2016
(Unaudited)

	<u>Total Debt Outstanding</u>	<u>Percent Applicable To Aspen School Dist.</u>	<u>Amount Applicable To Aspen School Dist.</u>
Aspen Fire Protection District	9,760,000	100%	9,760,000
Aspen Highlands Residential Metro	4,665,839	100%	4,665,839
Aspen Valley Hospital	40,080,000	100%	40,080,000
Base Village Metro District #2	19,080,000	100%	19,080,000
Brush Creek Water District	370,000	100%	370,000
Buttermilk Metro District	1,984,469	100%	1,984,469
City of Aspen	9,199,908	100%	9,199,908
Meadowood Metro District	2,041,269	100%	2,041,269
Pitkin County	14,740,000	93%	13,708,200
Starwood Water and Sanitation	2,390,000	100%	2,390,000
Town of Snowmass Village	<u>5,795,000</u>	100%	<u>5,795,000</u>
Subtotal, overlapping debt			\$ 109,074,685
Self supporting debt			<u>10,009,908</u>
Net overlapping debt			\$ 99,064,777
Aspen School District direct debt			<u>46,730,000</u>
Total direct and overlapping debt			<u><u>\$ 145,794,777</u></u>

Source: Pitkin County Finance Office

ASPEN SCHOOL DISTRICT
Legal Debt Margin Information
(Unaudited)
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed valuation	<u>\$ 1,751,897,506</u>	<u>\$ 2,504,624,080</u>	<u>\$ 2,552,953,670</u>	<u>\$ 3,355,435,658</u>	<u>\$ 3,374,848,280</u>	<u>\$ 2,553,629,900</u>	<u>\$ 2,545,246,460</u>	<u>\$ 2,408,091,890</u>	<u>\$ 2,418,733,540</u>	<u>\$ 2,735,887,980</u>
Debt limit (20% of assessed valuation)	<u>350,379,501</u>	<u>500,924,816</u>	<u>510,590,734</u>	<u>671,087,132</u>	<u>674,969,656</u>	<u>510,725,980</u>	<u>509,049,292</u>	<u>481,618,378</u>	<u>483,746,708</u>	<u>547,177,596</u>
Debt applicable to limit:										
General obligation bonds	\$ 68,145,000	\$ 64,875,000	\$ 73,725,000	\$ 70,445,000	\$ 67,035,000	\$ 65,075,000	\$ 60,515,000	\$ 55,885,000	\$ 51,085,000	\$ 46,730,000
Less: Amount set aside for repayment of general obligation debt	<u>(5,279,327)</u>	<u>(5,007,105)</u>	<u>(5,415,099)</u>	<u>(5,463,574)</u>	<u>(5,512,318)</u>	<u>(6,208,756)</u>	<u>(6,429,951)</u>	<u>(6,494,986)</u>	<u>(6,550,367)</u>	<u>(6,772,193)</u>
Total net debt applicable to limit	<u>\$ 62,865,673</u>	<u>\$ 59,867,895</u>	<u>\$ 68,309,901</u>	<u>\$ 64,981,426</u>	<u>\$ 61,522,682</u>	<u>\$ 58,866,244</u>	<u>\$ 54,085,049</u>	<u>\$ 49,390,014</u>	<u>\$ 44,534,633</u>	<u>\$ 39,957,807</u>
Legal debt margin	\$ 287,513,828	\$ 441,056,921	\$ 442,280,833	\$ 606,105,706	\$ 613,446,974	\$ 451,859,736	\$ 454,964,243	\$ 432,228,364	\$ 439,212,075	\$ 507,219,789
Total net debt applicable to the limit as a percentage of debt limit	17.94%	11.95%	13.38%	9.68%	9.11%	11.53%	10.62%	10.26%	9.21%	7.30%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 20% of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Demographic Statistics
(Unaudited)
Last Ten Years (6) (7)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population ⁽¹⁾	16,087	16,236	16,673	17,053	17,156	17,131	17,239	17,412	17,645	17,845
Percent Change	-0.3%	0.9%	2.7%	2.3%	0.6%	-0.1%	0.6%	1.0%	1.3%	1.1%
Births	157	166	162	171	141	175	128	139	119	127
Deaths	35	40	43	44	38	53	51	23	33	54
Net Migration	(171)	23	318	253	-	(184)	35	182	158	150
Population Change	(49)	149	437	380	103	(25)	108	173	233	200
School Enrollment ⁽²⁾	1,605	1,633	1,656	1,698	1,727	1,712	1,732	1,728	1,756	1,728
Percent Change	-0.4%	1.7%	1.4%	2.5%	1.7%	0.3%	0.9%	-0.2%	1.6%	-1.6%
School Employment ⁽³⁾	209.5	210.4	218.3	219.0	225.2	225.2	230.1	237.4	254.5	265.8
Percent Change	4.9%	0.4%	3.7%	0.3%	2.8%	0.0%	2.2%	3.2%	7.2%	4.4%
Labor Force ⁽⁴⁾	10,563	11,518	11,950	12,248	12,509	12,683	10,772	N/A	N/A	N/A
Percent Change	-4.2%	9.0%	3.8%	2.5%	2.1%	1.4%	-15.1%	N/A	N/A	N/A
Unemployment rate	2.3%	2.5%	3.7%	4.3%	7.1%	7.7%	7.1%	6.4%	4.9%	3.8%
Auto Registration ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Per Capita Income	\$ 80,062	\$ 86,609	\$ 92,680	\$ 84,264	\$ 74,414	\$ 79,086	\$ 80,331	\$ 88,766	\$ 112,796	N/A
Percent Change	14.4%	8.2%	7.0%	-9.1%	-11.7%	6.3%	1.6%	10.5%	27.1%	N/A
Median Age	41.5	42.0	41.9	42.0	42.1	42.7	43.2	43.6	43.8	43.9

Notes:

(1) Estimate of the population as of December 31.

(2) Fall of calendar year. Includes the Aspen Community School beginning in 2001.

(3) Full time equivalents, fall of calendar year. Including bus drivers starting in 1998.

(4) Calendar year average monthly labor force estimates.

(5) Calendar year passenger automobile registration.

(6) Data is for the total county, on a calendar year basis.

N/A = Information not available

Source: All the information was jointly compiled by the demographic section of the Colorado Division of Local Government and the Pitkin County Finance Office, except for school statistics which were provided by the Aspen School District No. 1 (RE).

ASPEN SCHOOL DISTRICT NO. 1 RE
Principal Employers
(Unaudited)
Current Year and Ten Years Ago

Employers	2015			2006		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Aspen Skiing Company/Little Nell Hotel	3,667	1	34.04%	3,512	1	31.85%
Aspen Valley Hospital	470	2	4.36%	400	2	3.63%
St Regis Aspen Resort	325	3	3.02%			
Roaring Fork Transit Agency	354	4	3.29%	243	6	2.20%
City of Aspen	288	5	2.67%	360	4	3.26%
Pitkin County	265	6	2.46%	233	7	2.11%
Aspen School District	239	7	2.22%	214	9	1.94%
Westin Snowmass Wildwood Resort Hotel	200	8	1.86%			
Viceroy Snowmass Resort	300	9	2.78%			
Ritz Carlton	190	10	1.76%			
Silvertree Hotel of Snowmass				398	3	3.61%
Sheridan Luxury Trust, Aspen Dean St LLC				258	5	2.34%
Hotel Jerome				220	8	1.99%
Total	6,298		58.47%	5,838		52.94%
Total Pitkin County Labor Force	10,772			11,028		

Source: Pitkin County Finance Department

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Miscellaneous Statistical Data
(Unaudited)

Form of Government:	Board - Superintendent
Area:	144 square miles of Pitkin County
Year of Reorganization:	1953

Employees Fall of 2014:	Full Time Equivalent
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<u>Administration</u>	
Supertintendent	1.00
Assistant Supertintendent	1.00
Curriculum Director	1.00
Chief Financial Officer	1.00
Principals	3.00
Assistant Principals	3.00
Director of Special Education	1.00
Director of Transportation	1.00
Director of Human Resources	1.00

<u>Instruction/Classroom</u>	
Certified Teachers	149.03
Para Professionals	32.10
Librarians/Aides	3.50

<u>Support Staff</u>	
School Psychologist/Occupation Therapist	2.00
Computer Technicians/Counseling Support	9.00
Nurses	1.00
District/Business Office	3.50
School Secretaries/Admin. Assistants	9.00
Maintenance Engineer	1.00
Custodians/kitchen staff	22.65
Mechanics	2.00
Bus Drivers (Full time is 3.5 hrs./day)	18.00
Total	265.78

Student Enrollment by School:	Oct. 2014	Oct. 2015
Preschool	53	57
Elementary School	526	508
Middle School	486	462
High School	562	567
Aspen Community School	129	134
Total	1,756	1,728

Student/Teacher Ratio	10.7
Percentage of Students Eligible for Free or Reduced Lunch	6.8%

Facilities	Year Built/Renovated	Square Footage	Capacity	% Capacity
Elementary School	1991/1995/2007	120,000	550	92%
Middle School	2007	113,000	600	77%
High School	2003	184,900	550	103%

Source: Aspen School District Business Office.

ASPEN SCHOOL DISTRICT NO. 1 RE
Operating Statistics
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Fund Expenditures	Student Count	Cost Per Pupil	Percentage Change	Teaching Staff FTE	Pupil Teacher Ratio
2007	52,768,383	1,485	\$ 35,534	140.1%	131.5	11.3
2008	31,937,878	1,512	\$ 21,123	-40.6%	132.0	11.5
2009	32,304,723	1,534	\$ 21,059	-0.3%	135.5	11.3
2010	34,730,572	1,576	\$ 22,037	4.6%	138.0	11.4
2011	29,990,334	1,601	\$ 18,732	-15.0%	137.0	11.7
2012	26,510,835	1,583	\$ 16,747	-10.6%	137.0	11.6
2013	27,961,737	1,606	\$ 17,411	4.0%	139.0	11.6
2014	29,530,583	1,603	\$ 18,422	10.0%	144.7	11.1
2015	30,197,707	1,627	\$ 18,560	6.6%	145.4	11.2
2016	32,202,040	1,594	\$ 20,202	9.7%	149.0	10.7

Note: All figures exclude the Aspen Community School.

**ASPEN SCHOOL DISTRICT NO. 1 RE
SCHEDULE OF INSURANCE
(Unaudited)**

<u>Description of Insurance</u>	<u>Carrier or Pool</u>	<u>Coverage Limit</u>	<u>Deductible</u>
General Liability	Colorado School Districts Self Insurance Pool (CSDSIP)	\$5,000,000	\$10,000
Property Including:			
Inland marine	CSDSIP	\$130,304,345	\$10,000
Boiler and machinery	HUB International	\$5,000,000	\$1,000
Automobile Liability:	CSDSIP		
Combined single limit		\$5,000,000	\$5,000
Personal injury protection		\$5,000	\$0
Uninsured motorist		\$2,000,000	\$0
School Leaders Errors and Omissions	CSDSIP	\$2,000,000	\$1,000
Public Officials Bond	CSDSIP	\$10,000	\$100
Crime:	CSDSIP		
Employee dishonesty		\$150,000	\$500
Theft		\$10,000	\$500
Forgery/alteration		\$100,000	\$500
Employment Practices Liability	CSDSIP	\$1,000,000	\$1,000
Worker's Compensation	Pinnacol		
Unemployment	Claims basis		

Source: Aspen School District Business Office

ASPEN SCHOOL DISTRICT NO. 1 (RE)
Construction and Property Values
Last Ten Fiscal Years (4)
(Unaudited)

Fiscal Year	Total Value of Construction ⁽¹⁾ (in millions)	Percent Change	Property Values ⁽²⁾	
			Assessed Value (in millions)	Estimated Actual Value ⁽³⁾ (in millions)
2006	241.0	39.9%	1,706.9	16,065.2
2007	227.2	-5.7%	1,751.9	16,584.3
2008	283.3	24.7%	2,504.6	24,110.3
2009	95.3	-66.4%	2,552.9	24,759.5
2010	108.1	13.4%	3,355.4	32,870.4
2011	246.2 (4)	n/a	3,374.8	33,202.6
2012	268.9	9.2%	2,553.6	24,786.4
2013	342.5	27.4%	2,545.2	24,901.0
2014	571.2	66.8%	2,408.1	22,994.5
2015	545.0	-4.6%	2,418.7	23,179.8

Notes:

(1) Source: Pitkin County Finance Office.

(2) For the Aspen School District No. 1 (RE) only.

(3) Beginning in 1987 (fiscal year 1988) statutory actual value was reappraised biennially from sales that occurred in the eighteen month period prior to July 1 of the indicated valuation base year. All property is valued at 100% of market value with the exception of agricultural, natural resources, and state assessed properties.

(4) City of Aspen changed the method of reporting permits from permits issued to permits applied for.

N/A = Information not available