

***Akron School District R-1***  
**Akron, Colorado**

**Financial Statements**

**For the Year ended June 30, 2016**



**RECEIVED**

*By Justin L. Smith at 12:22 pm, Dec 14, 2016*

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## **Independent Auditors' Report**

Board of Education  
Akron School District R-1  
Akron, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Akron School District R-1 (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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 29, 2016

**AKRON SCHOOL DISTRICT R-1  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2016**

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This section of Akron School District R-1 annual financial report presents its discussion and analysis of the District's financial performance during the year ended June 30, 2016.

**Financial Highlights**

- The assets of the Akron School District R-1 exceeded its liabilities at the close of the most recent fiscal year. Our net position as of June 30, 2016 is \$12,058,933.
- The district's total net position decreased by \$135,146.
- General revenues accounted for \$4,097,954 or 83% of the \$4,919,319 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for \$821,365 or 17% of revenues.
- The general fund ending fund balance reached \$1,237,585. This was an increase of \$167,479 from last year.

**Overview of Financial Statements**

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. A comparison to the prior year's activity is normally provided in the document. The basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statement. This report also contains required and other supplementary information in addition to the basic financial statements.

**Government-wide Statements**

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes.). In the government-wide financial statements, the School District's activities include the following:

- **Governmental activities:** Most of the School District's basic services are included here, such as instruction, transportation, maintenance, operations, and administration. Taxes and intergovernmental revenues principally support these activities.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has two kinds of funds: governmental funds and fiduciary funds.

### **Governmental Funds**

Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School District's program.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities.

The School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund and Bond Redemption Fund, which are considered to be major funds. Data for the other three governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

### **Fiduciary Funds**

Fiduciary funds are used to count for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 20-21 of this report.

## Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 22-47 of this report.

### Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets. Budgeted amounts may be found on pages 58-72.

### Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position.

92% of the School District's assets are capital assets (e.g., land, buildings and equipment). The school District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the district's net position as of June 30, 2016.

	Governmental Activities		Total Percentage Change
	2016	2015	2015-2016
Current and Other assets	\$ 2,593,087	\$ 2,223,534	16.62%
Capital assets	21,935,410	23,293,731	-5.83%
<b>Total assets</b>	<b>24,528,497</b>	<b>25,517,265</b>	<b>-3.87%</b>
<b>Deferred outflows of resources</b>	<b>851,165</b>	<b>302,767</b>	<b>181.13%</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$25,379,662</b>	<b>\$25,820,032</b>	<b>-1.71%</b>
Long term liabilities	\$12,616,689	\$12,183,580	3.55%
Other liabilities	444,222	327,688	35.56%
<b>Total liabilities</b>	<b>13,060,911</b>	<b>12,511,268</b>	<b>4.39%</b>
<b>Deferred inflows of resources</b>	<b>259,818</b>	<b>276,724</b>	<b>-6.11%</b>
Net investment in capital assets	16,092,245	17,136,970	-6.10%
Restricted	755,349	678,834	11.27%
Unrestricted	(4,788,661)	(4,783,764)	.10%
<b>Total net position</b>	<b>12,058,933</b>	<b>\$13,032,040</b>	<b>-7.47%</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$25,379,662</b>	<b>\$25,820,032</b>	<b>-1.71%</b>

The following table is a summary of the District's change in net position.

	Governmental Activities		Total Percentage Change
	2016	2015	2015-2016
<b>Revenues</b>			
Program Revenues			
Charges for services	\$ 54,698	\$ 70,000	-21.86%
Operating Grants & Contributions	488,275	393,483	24.09%
Capital Grants & Contributions	278,392	7,900	3,423.95%
Property taxes	1,788,045	1,762,441	1.45%
State equalization	1,962,809	1,883,113	4.23%
Other	347,100	431,645	-19.59%
<b>Total Revenue</b>	<b>4,919,319</b>	<b>4,548,582</b>	<b>8.15%</b>
<b>Expenses</b>			
Instruction	2,488,227	2,375,348	4.75%
Pupil & Instructional Services	362,901	151,737	139.16%
Administration & Business	487,406	491,406	-.81%
Maintenance & Operations	399,977	372,995	7.23%
Transportation	217,294	240,408	-9.61%
Other	1,098,660	1,125,246	-2.36%
<b>Total Expenses</b>	<b>5,054,465</b>	<b>4,757,140</b>	<b>6.25%</b>
<b>Change in net position</b>	<b>\$(135,146)</b>	<b>\$(208,558)</b>	<b>-35.20%</b>

### Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received \$9,314 per funded student. In fiscal year 2015-16 the funded pupil count was 338.1. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 52 percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated \$1,588,393 in property taxes for fiscal year 2015-2016.

### Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of \$2,120,365, an increase of \$254,230. The General Fund and Bond Redemption Fund had fund balance increases of \$167,479 and \$20,806, respectively, while the Other Governmental Funds had a fund balance increase of \$65,945.

## General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund.

The differences that are found between the original budget and final numbers in the 2015-2016 school year are as follows:

- The Colorado Preschool Program Fund, in its twelfth year, continues to operate without additional District subsidy.
- The Food Services Program had a successful year and operated without additional District subsidy.
- The non-scholarship trust performed well. In May of 2016, interest totaled over \$18,000, allowing the District to award three \$5,000 scholarships, one \$2,500 scholarship, and one \$2,000 scholarship from the one remaining Trust & Agency account.
- The PK-12 school and transportation facility have been occupied for four years.
- To maintain compliance with the original BEST Capital Construction Grant, the District set aside \$100/student to be held in a Capital Renewal Reserve Account for the purpose of maintaining and replacing facilities and equipment for the new school.
- The District has maintained a student head count of ~350 for five years; however, the District has experienced an increase in elementary class sizes of 30 or more. This trend has prompted the hiring of an additional first grade teacher.
- New elementary reading and math curriculum was purchased and implemented in grades K-6. The District also followed the textbook rotation schedule with purchase of 5<sup>th</sup>/6<sup>th</sup>/9<sup>th</sup>/11<sup>th</sup> History textbooks.
- The Board of Education allowed an experience step and horizontal step based on approved education credits for salary advancement.
- The District received \$345,020 from the BEST Lease-Purchase Grant. With these funds, a variety of projects were completed including:
  - Concessions stand and bathroom installation at the softball field
  - Shade structures and picnic tables for the softball, t-ball, and baseball fields
  - Installation of an Apple I-lab in the Vocational Business Department
  - New computerized sewing machines for the Family & Consumer Sciences Department
  - Music risers for the Music Department
  - Technology items ranging from Chromebooks, Mimeo systems, security cameras, printers, money counter, and an additional switch
  - Maintenance items including drinking fountain dispensers, parking lot drainage, weight room windows, landscaping around the school and football field, air conditioning for administrative offices, and crushed concrete for the overflow parking lot
  - Food Service items including a new garbage disposal, salad bar, and additional food trays
  - Sprinkler systems at the football, baseball, softball, and t-ball fields were upgraded by replacing new valves, wiring, sprinkler heads, and timing system

- o The track surface was repaired, sealed, and repainted
- o The District also received one-time Small Rural Funds in the amount of \$88,735. With these funds, the District installed storage units on two busses. The remaining funds will be expensed in FY17.

**Capital Assets and Debt Administration**

**Capital Assets**

The School Districts investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$21,935,410 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, construction in progress, and capital leases all with an original cost greater than \$5,000.

The School District’s total capital assets at June 30, 2016 net of accumulated depreciation were as follows:

Additional information on the School District’s capital assets can be found in note E to the basic financial statements.

	Governmental Activities
Building & Improvements	\$ 21,660,951
Other Equipment	162,939
Licensed vehicles	111,520
Total Capital Assets	\$ 21,935,410

**Long-Term Debt**

At year-end, the School District’s long-term debt of \$12,616,689 represented its compensated absences of \$25,258, capital lease obligations of \$47,794, general obligation bonds of \$5,795,371 and net pension liability of \$6,748,266.

**Economic Factors**

The budget is based upon the goals and objectives of the accountability committee and the Board of Education. The five goals are: 1) improving student achievement, 2) maintaining a high graduation rate, 3) maintaining a high attendance rate, 4) ensuring a quality learning environment, and 5) retaining and hiring highly qualified staff. Many factors were considered by the District’s administration during the process of developing the fiscal year 15-16 budget. Among them:

- The enrollment remained steady in FY16, and the enrollment outlook for FY17 is uncertain due to our community size and location.
- Health and Property insurance premiums continue to rise at a rate that is higher than the percentage of funding increase.
- Goals continue to be in place to build up reserves in the Capital Reserve Fund and the Food Services Fund.
- The Bond Redemption Fund is used to collect property taxes. Two semi-annual bond debt payments are also made from this fund. The bond fund is in its fourth year. The specific ownership taxes collected from the bond are deposited into the General Fund.

- The budget included the following considerations:
  - Salary – Staff received advancements in salary through years of experience and education steps. The District continues to make every effort to raise salaries when possible.
  - Fringe benefits – The District will remain with the BEST health insurance program sponsored by CASB. The health insurance premiums increased slightly.
  - PERA – The employer contribution increased in January 2016 by another 0.9% for a total of 19.15%, and is expected to increase yearly.
  - Operation & Maintenance – The warranty on the building is now expired; however, reserves will begin to build as plans are made for various capital replacement needs.
  - Pupil Transportation – The District will pursue purchasing a small bus/suburban in FY17 with the one-time Small Rural Funds.
  - Transfers – The district will continue to transfer funds to the Capital Reserve Fund and the Colorado Preschool Program Fund.
  - Food Services – Lunch prices increased slightly. A transfer was not required in FY16; however, money was budgeted for FY17. The purchase of a new steamer table may also be necessary in FY17.

The District maintains the budget, quarterly reports, monthly accounts payable and current salary schedules on its website: [www.akronrams.net](http://www.akronrams.net).

#### **Contacting the Districts Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Akron School District RE-1, 600 Elm Avenue, Akron, CO 80720.

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## **Basic Financial Statements**

The basic financial statements of the District include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**AKRON SCHOOL DISTRICT R-1**  
**Statement of Net Position**  
**June 30, 2016**

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,600,176
Cash with fiscal agent	489,507
Investments	326,840
Receivables	175,710
Inventories	854
Capital assets, net of depreciation	<u>21,935,410</u>
Total assets	24,528,497
Deferred outflows of resources	
Pension deferrals	<u>851,165</u>
Total assets and deferred outflows of resources	<u><u>\$ 25,379,662</u></u>
Liabilities	
Accounts payable	\$ 94,357
Accrued salaries and benefits	325,235
Unearned revenues	4,867
Accrued interest payable	19,763
Noncurrent liabilities	
Due within one year	325,807
Due in more than one year	<u>12,290,882</u>
Total liabilities	13,060,911
Deferred inflows of resources	
Pension deferrals	259,818
Net position	
Net investment in capital assets	16,092,245
Restricted for:	
Emergencies	119,000
Colorado preschool program	31,025
Debt service	485,658
Food service operations	24,436
BEST capital renewal reserve	95,230
Unrestricted (deficit)	<u>(4,788,661)</u>
Total net position	<u>12,058,933</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 25,379,662</u></u>

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

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**AKRON SCHOOL DISTRICT R-1**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 2,488,227	\$ 12,620	\$ 346,347	
Supporting services				
Students	61,111			
Instructional staff	301,790			
General administration	211,440			
School administration	227,200			
Business services	48,766			
Operations and maintenance	399,977			\$ 278,392
Student transportation	217,294		46,826	
Central support services	113,965			
Food service operations	155,172	42,078	95,102	
Interest on long-term debt	243,166			
Unallocated depreciation *	586,357			
Total governmental activities	<u>\$ 5,054,465</u>	<u>\$ 54,698</u>	<u>\$ 488,275</u>	<u>\$ 278,392</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt services

Specific ownership taxes

Delinquent taxes and interest

State categorical aid

Earnings on investments

Other

Total general revenues

Change in net position

\* This amount excludes depreciation that is included in the direct expenses of the various programs.

Net position at beginning of year, as originally reported

Prior period adjustment

Net position at beginning of year, as restated

Net position at end of year

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

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Net (Expenses)  
Revenues and  
Changes in  
Net Position

Governmental  
Activities

\$ (2,129,260)

(61,111)  
(301,790)  
(211,440)  
(227,200)  
(48,766)  
(121,585)  
(170,468)  
(113,965)  
(17,992)  
(243,166)  
(586,357)

(4,233,100)

1,034,198  
554,195  
195,818  
3,834  
1,962,809  
6,654  
340,446

4,097,954

(135,146)

13,032,040

(837,961)

12,194,079

\$ 12,058,933

**AKRON SCHOOL DISTRICT R-1**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 1,246,914		\$ 353,262	\$ 1,600,176
Cash with fiscal agent	16,357	\$ 473,150		489,507
Investments	275,284		51,556	326,840
Property taxes receivable	56,455	28,817		85,272
Grants receivable	7,368			7,368
Other receivables	83,070			83,070
Inventories			854	854
<b>Total assets</b>	<b>\$ 1,685,448</b>	<b>\$ 501,967</b>	<b>\$ 405,672</b>	<b>\$ 2,593,087</b>
<b>Liabilities</b>				
Accounts payable	\$ 90,674		\$ 3,683	\$ 94,357
Accrued salaries and benefits	325,235			325,235
Unearned revenues			4,867	4,867
<b>Total liabilities</b>	<b>415,909</b>	<b>\$ -</b>	<b>8,550</b>	<b>424,459</b>
<b>Deferred inflows of resources</b>				
Deferred property tax revenues	31,954	16,309		48,263
<b>Total deferred inflows of resources</b>	<b>31,954</b>	<b>16,309</b>	<b>-</b>	<b>48,263</b>
<b>Fund balance</b>				
Nonspendable inventory			854	854
Restricted for:				
Emergencies	119,000			119,000
Colorado preschool program	31,025			31,025
Debt service		485,658		485,658
Food service operations			24,436	24,436
BEST capital renewal reserve			95,230	95,230
Committed to:				
Capital projects			130,164	130,164
Pupil activities			146,438	146,438
Unassigned	1,087,560			1,087,560
<b>Total fund balance</b>	<b>1,237,585</b>	<b>485,658</b>	<b>397,122</b>	<b>2,120,365</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,685,448</b>	<b>\$ 501,967</b>	<b>\$ 405,672</b>	<b>\$ 2,593,087</b>

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

**AKRON SCHOOL DISTRICT R-1**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2016**

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

Total fund balance - governmental funds	\$ 2,120,365
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	21,935,410
Property taxes receivable will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenues in the funds.	48,263
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(19,763)
Long-term liabilities and related deferred outflows and inflows of resources, including bonds payable, capital lease obligations, accrued compensated absences and net pension liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds.	<u>(12,025,342)</u>
Net position of the governmental activities	<u><u>\$ 12,058,933</u></u>

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

**AKRON SCHOOL DISTRICT R-1**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	General Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local sources	\$ 1,338,895	\$ 539,650	\$ 313,112	\$ 2,191,657
Intermediate sources	376			376
State sources	2,553,095		2,783	2,555,878
Federal sources	81,279		92,319	173,598
<b>Total revenues</b>	<b>3,973,645</b>	<b>539,650</b>	<b>408,214</b>	<b>4,921,509</b>
<b>Expenditures</b>				
Instruction	2,085,750		277,591	2,363,341
Supporting services	1,608,749		128,567	1,737,316
Capital outlay			8,882	8,882
Debt service				
Principal		276,386	37,209	313,595
Interest and fiscal charges		242,458	1,687	244,145
<b>Total expenditures</b>	<b>3,694,499</b>	<b>518,844</b>	<b>453,936</b>	<b>4,667,279</b>
Excess of revenues over (under) expenditures	279,146	20,806	(45,722)	254,230
<b>Other financing sources (uses)</b>				
Transfers in			111,667	111,667
Transfers out	(111,667)			(111,667)
<b>Total other financing sources (uses)</b>	<b>(111,667)</b>	<b>-</b>	<b>111,667</b>	<b>-</b>
Net change in fund balances	167,479	20,806	65,945	254,230
Fund balance at beginning of year	1,070,106	464,852	331,177	1,866,135
Fund balance at end of year	<u>\$ 1,237,585</u>	<u>\$ 485,658</u>	<u>\$ 397,122</u>	<u>\$ 2,120,365</u>

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

**AKRON SCHOOL DISTRICT R-1**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2016**

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

Net change in fund balances - governmental funds	\$ 254,230
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(520,360)
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as unearned tax revenues. They are, however, recorded as revenues in the statement of activities.	(2,190)
Repayment of principal on bonds and capital lease obligations are expenditures in the governmental funds, but the repayment reduces the long-term liability in the statement of net position.	313,595
In the statement of activities, certain expenses related to the pension liabilities and related deferred outflows and inflows, compensated absences and accrued interest payable, are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(180,421)
Change in net position of governmental activities	<u>\$ (135,146)</u>

**AKRON SCHOOL DISTRICT R-1**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

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	<u>Private Purpose Trust Fund</u>
Assets	
Investments	\$ 46,641
Total assets	<u>\$ 46,641</u>
Liabilities and net position	
Liabilities	\$ -
Net position	
Held in trust for scholarships	<u>46,641</u>
Total liabilities and net position	<u>\$ 46,641</u>

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

**AKRON SCHOOL DISTRICT R-1**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2016**

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	<u>Private Purpose Trust Fund</u>
Additions	
Contributions and earnings	\$ 598
Total additions	598
Deductions	
Scholarship awards	3,957
Total deductions	3,957
Net change in net position	(3,359)
Net position at beginning of year	50,000
Net position at end of year	<u>\$ 46,641</u>

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

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of the Akron School District R-1's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

**A.1 – Reporting entity**

The Akron School District R-1 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

**A.2 – Fund accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, debt service, food service operations and pupil activities.

Bond Redemption – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest, and other fiscal charges.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

Pupil Activity Agency Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District has the following fiduciary fund:

Scholarship Trust Fund – This fund is a private-purpose trust fund used to account for resources held by the District in a fiduciary capacity for scholarships to be distributed to area students for post-secondary education.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**Note A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

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

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

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**A.5 – Encumbrances**

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

**A.6 – Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note A – Summary of significant accounting policies (Continued)**

**A.7 – Inventories**

Food Service Fund – purchased inventories are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture’s assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

**A.8 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Buildings and improvements	5-50 years
Other equipment	5-20 years
Licensed vehicles	8 years

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.9 – Compensated absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Compensated absences benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated sick leave benefits are paid to employees upon termination of employment.

The District's policy permits employees to accumulate a limited amount of earned but unused sick leave benefits, which vest upon reaching ten or more years of continuous service and are payable up to fifty days of unused leave at the following rates: teachers – one-half of the current substitute pay; bus drivers – one half of the current trip pay; and hourly employees – one half of the current step one hourly rate.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

**A.10 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.11 – Fund balance**

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

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

*Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

*Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.12 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**A.13 – Interfund transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

**A.14 – Extraordinary and special items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

**Note B – Cash and investments**

**Cash and deposits**

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note B – Cash and investments (Continued)**

institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$2,090,937, of which \$741,297 was insured and \$1,349,640 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

**Investments**

Authorized Investments – Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

- Obligations of the U.S. Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the District had only investments in certificates of deposit.

The following table provides a reconciliation of cash and investments on the statement of net position:

Cash in bank	\$ 1,600,176
Cash with fiscal agent	489,507
Investments	<u>373,481</u>
Total	<u>\$ 2,463,164</u>

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note B – Cash and investments (Continued)**

<u>Statement of net position</u>	
Cash	\$ 1,600,176
Cash with fiscal agent	489,507
Investments in certificates of deposit	<u>326,840</u>
Subtotal	2,416,523
 <u>Statement of fiduciary net position</u>	
Investments in certificates of deposit	<u>46,641</u>
Total	<u>\$ 2,463,164</u>

**Note C – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 85,272
Grants receivables	7,368
Other receivables	<u>83,070</u>
Total	<u>\$ 175,710</u>

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. Washington County bills and collects property taxes for all taxing entities within the counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

**Note D – Interfund transactions**

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ -	\$ 111,667
Other governmental funds	<u>111,667</u>	<u>-</u>
Total	<u>\$ 111,667</u>	<u>\$ 111,667</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of \$111,667 from the General Fund to the Other Governmental Funds to set moneys aside for future capital outlays acquisition or construction of major capital facilities and other capital assets.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note E – Capital assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 24,000,002	\$ 91,896	\$ -	\$ 24,091,898
Other equipment	272,835	8,066	-	280,901
Licensed vehicles	<u>704,489</u>	<u>12,120</u>	<u>-</u>	<u>716,609</u>
 Total capital assets, being depreciated	 <u>24,977,326</u>	 <u>112,082</u>	 <u>-</u>	 <u>25,089,408</u>
 Total capital assets	 24,977,326	 112,082	 -	 25,089,408
Less accumulated depreciation for:				
Buildings and improvements	(1,844,658)	(586,289)	-	(2,430,947)
Other equipment	(96,799)	(21,163)	-	(117,962)
Licensed vehicles	<u>(580,099)</u>	<u>(24,990)</u>	<u>-</u>	<u>(605,089)</u>
 Total accumulated depreciation	 <u>(2,521,556)</u>	 <u>(632,442)</u>	 <u>-</u>	 <u>(3,153,998)</u>
 Governmental activities capital assets, net	 <u>\$ 22,455,770</u>	 <u>\$ (520,360)</u>	 <u>\$ -</u>	 <u>\$ 21,935,410</u>

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Instruction	\$ 4,898
Operations and maintenance	4,643
Student transportation	23,989
Food service operations	12,555
Unallocated	<u>586,357</u>
 Total	 <u>\$ 632,442</u>

**Note F – Accrued salaries and benefits**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$325,235. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note G -- Long-term debt**

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
<b>Governmental Activities</b>					
Compensated absences	\$ 22,190	\$ 3,068	\$ -	\$ 25,258	\$ -
Capital lease obligations	85,003	-	(37,209)	47,794	38,139
Bonds payable	6,071,757	-	(276,386)	5,795,371	287,668
Net pension liability	<u>6,004,630</u>	<u>743,636</u>	<u>-</u>	<u>6,748,266</u>	<u>-</u>
Totals	<u>\$ 12,183,580</u>	<u>\$ 746,704</u>	<u>\$ (313,595)</u>	<u>\$ 12,616,689</u>	<u>\$ 325,807</u>

Payments on the capital lease obligations are made in the Capital Projects Fund while payments on the bonds payable are made in the Bond Redemption Fund. The net pension liability and payments on the compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

**Capital lease obligations**

Transportation vehicle lease obligation - In September 2012, the District entered into an agreement with The Farmers State Bank, Akron to purchase two 2013 Thomas school buses. The agreement called for a lease term of five years with annual renewal options. Monthly payments of \$3,241 are due on the 15<sup>th</sup> of each month, with a final payment due in September 2017. The average interest rate over the lease term is 2.49%. The District has capitalized \$182,650 of assets under this capital lease.

The following is a schedule by years of future minimum lease payments under the capital lease above, together with the present value of the net minimum lease payments at year-end:

<u>Year ended June 30,</u>	<u>Debt service requirement</u>
2017	\$ 38,897
2018	<u>9,723</u>
Total minimum lease payments	48,620
Less amount representing interest	<u>826</u>
Present value of future minimum lease payments	<u>\$ 47,794</u>

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note G – Long-term debt (Continued)**

**Bonds Payable**

\$7,084,651 general obligation bonds, dated December 16, 2010, due in annual installments beginning in fiscal year 2012 ranging from \$245,126 to \$503,675; fixed annual interest rate of 4.08% payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>.

Total general obligation bonds \$ 5,795,371

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 287,668	\$ 230,696	\$ 518,364
2018	299,411	218,713	518,124
2019	311,633	206,242	517,875
2020	324,354	193,262	517,616
2021	337,594	179,751	517,345
2022-2026	1,906,277	675,991	2,582,268
2027-2031	<u>2,328,434</u>	<u>245,217</u>	<u>2,573,651</u>
Totals	<u>\$ 5,795,371</u>	<u>\$ 1,949,872</u>	<u>\$ 7,745,243</u>

**Note H – Defined benefit pension plan**

Summary of significant accounting policies

*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.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan**

General information about the 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](http://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. Section 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.

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.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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

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

*Contributions.* Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 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:

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note H – Defined benefit pension plan (Continued)**

	For the Year Ended December 31, <u>2015</u>	For the Year Ended December 31, <u>2016</u>
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the health care trust fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>4.00%</u>	<u>4.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>17.33%</u></u>	<u><u>18.13%</u></u>

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 \$362,617 for the year ended.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At year-end, the District reported a liability of \$6,748,266 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's proportion of the net pension liability was based on the District's 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's proportion was 0.0441 percent, which was a decrease of 0.0002 percent from its proportion measured as of December 31, 2014.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note H -- Defined benefit pension plan (Continued)**

For the year, the District recognized pension expense of \$540,949. At year-end, 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	\$ 89,112	\$ 281
Changes of assumptions or other inputs	-	95,365
Net difference between projected and actual earnings on pension plan investments	573,792	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	164,172
Contributions subsequent to the measurement date	<u>188,261</u>	<u>-</u>
Total	<u>\$ 851,165</u>	<u>\$ 259,818</u>

\$188,261 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2017	\$ 56,575
2018	82,530
2019	146,318
2020	<u>117,663</u>
Totals	<u>\$ 403,086</u>

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note H – Defined benefit pension plan (Continued)**

The following methodology changes were made:

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

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

As of the November 15, 2013 adoption of the long-term expected real rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
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 government credit	0.53%	1.57%
Emerging market bonds	0.43%	3.04%
Real estate	7.00%	5.09%
Private equity	<u>7.00%</u>	7.15%
Total	<u>100.00%</u>	

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%.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

**Note H – Defined benefit pension plan (Continued)**

- 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 <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Proportionate share of the net pension liability	\$ <u>8,747,725</u>	\$ <u>6,748,266</u>	\$ <u>5,085,089</u>

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

**Note I – Defined contribution pension plan (Continued)**

Voluntary Investment Program

*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 of the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note I – Defined contribution pension plan (Continued)**

*Funding policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed \$21,038 for the Voluntary Investment Program.

**Note J – Other postemployment benefits**

Health Care Trust Fund

*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 financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding policy.* The 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 fiscal years ended June 30, 2016, 2015 and 2014, the District's contributions to the HCTF were \$19,725, \$19,379 and \$18,951, respectively, equal to their required contributions for each year.

**Note K – Risk management**

BEST Health Plan

The District joined the Colorado Boards of Education Self-Funded Trust (BEST) in 2008. This partially self-funded trust was established in 2004 to offer a stable, long-term, statewide medical program designed to meet the business objective and challenges of school districts. Medical coverage for the District employees is purchased through the trust.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note K – Risk management (Continued)**

The District pays a monthly premium to BEST to provide health insurance coverage and services for its plan members. Employees are responsible for paying a deductible amount before the plan begins to pay. The individual deductible amount for fiscal year 2016 was \$2,000 or \$3,500 depending on the type of plan. There is no lifetime maximum benefit for our plan members.

Because there is the potential to incur high cost medical claims, BEST purchases stop-loss coverage to cover claims that exceed its deductible limit, which is currently \$50,000. Each year, the deductible limit is reviewed based on actuarial analysis to determine if paying an additional premium would increase or reduce the ultimate cost of risk to the District. As members of the BEST Health Plan, the District also purchases prescription coverage through the pool.

**Colorado School Districts Self-Insurance Pool**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was \$73,621. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note L – Commitments and contingencies**

**Federal and state funding**

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the 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.

**Budget law**

Expenditures in the Scholarship Trust Fund exceeded appropriations by \$2,957 and may be in violation of Colorado Local Government Budget Laws.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note L – Commitments and contingencies (Continued)**

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 5, 1996, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$119,000 for the emergency reserve.

**Note M – Joint venture**

The District participates in the Northeast Colorado Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES:

- is financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District,
- has a separate management which is responsible for the day to day operations and is accountable to the separate board,
- governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients or services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to Financial Statements**

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**Note M – Joint venture (Continued)**

The District has one member on the board. The board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the Northeast Colorado Board of Cooperative Educational Services are available by contacting their administrative office in Haxtun, Colorado.

For the year, the District's contribution was \$124,406.

**Note N – Prior period restatement**

In prior years, the District disposed of certain buildings and other fixed assets that were not removed from the capital asset records or accounts. The net book value of these assets should have been removed from the financial statements in the year they were disposed. Accordingly, the beginning net position of the governmental activities has been reduced by \$837,961.

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### **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability
- Schedule of District Contributions

**AKRON SCHOOL DISTRICT R-1**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 1,350,568	\$ 1,348,768	\$ 1,338,895	\$ (9,873)
Intermediate sources	500	500	376	(124)
State sources	2,073,891	2,519,651	2,553,095	33,444
Federal sources	100,000	90,000	81,279	(8,721)
Total revenues	3,524,959	3,958,919	3,973,645	14,726
Expenditures				
Instruction	2,166,527	2,243,502	2,085,750	157,752
Supporting services	1,413,432	1,898,523	1,608,749	289,774
Appropriated reserves	317,000	317,000		317,000
Total expenditures	3,896,959	4,459,025	3,694,499	764,526
Excess of revenues over (under) expenditures	(372,000)	(500,106)	279,146	779,252
Other financing sources (uses)				
Transfers out	(90,000)	(110,000)	(111,667)	(1,667)
Net change in fund balance	\$ (462,000)	\$ (610,106)	167,479	\$ 777,585
Fund balance at beginning of year			1,070,106	
Fund balance at end of year			\$ 1,237,585	

**AKRON SCHOOL DISTRICT R-1**  
**Schedule of the District's Proportionate Share of the Net Pension Liability <sup>1</sup>**  
**June 30, 2016**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.0441227695%	0.0443036280%
District's proportionate share of the net pension liability	\$ 6,748,266	\$ 6,004,630
District's covered-employee payroll	\$ 1,933,843	\$ 1,899,897
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	348.96%	316.05%
Plan fiduciary net position as a percentage of the total pension liability	59.20%	62.84%

<sup>1</sup> Information is not available prior to June 30, 2015. In future reports, additional years will be added until 10 years of historical data are presented.

**AKRON SCHOOL DISTRICT R-1**  
**Schedule of District Contributions <sup>1</sup>**  
**June 30, 2016**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 362,617	\$ 341,241
Contributions in relation to the contractually required contribution	<u>(362,617)</u>	<u>(341,241)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,933,843	\$ 1,899,897
Contributions as a percentage of covered-employee payroll	18.75%	17.96%

<sup>1</sup> Information is not available prior to June 30, 2015. In future reports, additional years will be added until 10 years of historical data are presented.

**AKRON SCHOOL DISTRICT R-1**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. Supplemental appropriations were made during the year.
8. Appropriations lapse at year-end.

**Note B – Factors affecting trends in amounts reported in the pension schedules**

Information about factors that significantly affect trends in the amounts reported in the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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## **Budgetary Comparison Schedules - General Fund**

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

**AKRON SCHOOL DISTRICT R-1**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Local sources</b>				
Property taxes	\$ 1,037,968	\$ 1,037,968	\$ 1,052,697	\$ 14,729
Specific ownership taxes	215,000	215,000	195,818	(19,182)
Delinquent taxes and interest	2,500	2,500	2,515	15
Tuition	12,600	10,800	12,620	1,820
Earnings on investments	3,000	3,000	5,829	2,829
Other local revenue	79,500	79,500	69,416	(10,084)
<b>Total local sources</b>	<b>1,350,568</b>	<b>1,348,768</b>	<b>1,338,895</b>	<b>(9,873)</b>
Intermediate sources	500	500	376	(124)
<b>State sources</b>				
Equalization	1,932,651	1,932,651	1,962,809	30,158
Vocational education	18,000	26,000	29,121	3,121
ELPA professional development			2,425	2,425
English language proficiency	2,000	2,000	1,620	(380)
Transportation	60,000	50,000	46,826	(3,174)
BEST capital construction grant		345,019	278,392	(66,627)
READ Act		11,000	10,871	(129)
State grants to libraries	3,000	3,500	3,500	-
Small rural schools funding		88,735	88,735	-
Additional at-risk funding			2,001	2,001
Services within the BOCES	58,240	60,746	126,795	66,049
<b>Total state sources</b>	<b>2,073,891</b>	<b>2,519,651</b>	<b>2,553,095</b>	<b>33,444</b>
<b>Federal sources</b>				
Title II-A		10,845	17,950	7,105
REAP	20,000		10,845	10,845
Services within the BOCES	80,000	79,155	52,484	(26,671)
<b>Total federal sources</b>	<b>100,000</b>	<b>90,000</b>	<b>81,279</b>	<b>(8,721)</b>
<b>Total revenues</b>	<b>\$ 3,524,959</b>	<b>\$ 3,958,919</b>	<b>\$ 3,973,645</b>	<b>\$ 14,726</b>

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**AKRON SCHOOL DISTRICT R-1**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	\$ 1,383,000	\$ 1,394,000	\$ 1,340,063	\$ 53,937
Employee benefits	476,500	499,000	473,288	25,712
Purchased services	215,029	215,300	184,542	30,758
Supplies and materials	80,936	99,000	70,028	28,972
Property	8,982	34,122	17,829	16,293
Other	2,080	2,080		2,080
<b>Total instruction</b>	<b>2,166,527</b>	<b>2,243,502</b>	<b>2,085,750</b>	<b>157,752</b>
<b>Supporting services</b>				
<b>Students</b>				
Salaries	86,000	86,000	38,833	47,167
Employee benefits	31,000	33,000	14,184	18,816
Purchased services	2,500	2,500	618	1,882
Supplies and materials	2,000	2,000	4,088	(2,088)
<b>Total students</b>	<b>121,500</b>	<b>123,500</b>	<b>57,723</b>	<b>65,777</b>
<b>Instructional staff</b>				
Salaries	30,000	30,000	95,410	(65,410)
Employee benefits	14,000	16,000	31,719	(15,719)
Purchased services	18,000	24,500	16,202	8,298
Supplies and materials	13,000	15,000	12,424	2,576
Property		200,000	145,777	54,223
<b>Total instructional staff</b>	<b>75,000</b>	<b>285,500</b>	<b>301,532</b>	<b>(16,032)</b>
<b>General administration</b>				
Salaries	110,000	110,000	108,194	1,806
Employee benefits	30,000	32,000	27,323	4,677
Purchased services	65,000	69,500	59,262	10,238
Supplies and materials	7,000	7,000	7,221	(221)
<b>Total general administration</b>	<b>212,000</b>	<b>218,500</b>	<b>202,000</b>	<b>16,500</b>

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	150,000	155,000	150,571	4,429
Employee benefits	45,000	48,000	42,727	5,273
Purchased services	14,000	18,000	15,530	2,470
Supplies and materials	5,000	6,000	5,234	766
Total school administration	214,000	227,000	214,062	12,938
Business services				
Salaries	32,000	32,000	31,302	698
Employee benefits	6,500	6,600	6,269	331
Purchased services	29,750	34,750	4,454	30,296
Supplies and materials	2,000	3,000	1,914	1,086
Other			2,096	(2,096)
Total business services	70,250	76,350	46,035	30,315
Operations and maintenance				
Salaries	133,000	138,000	143,758	(5,758)
Employee benefits	49,500	52,000	47,590	4,410
Purchased services	153,250	170,150	98,490	71,660
Supplies and materials	142,000	277,823	184,848	92,975
Total operations and maintenance	477,750	637,973	474,686	163,287
Student transportation				
Salaries	105,000	105,000	93,311	11,689
Employee benefits	43,232	44,000	37,551	6,449
Purchased services	24,700	24,700	9,971	14,729
Supplies and materials	70,000	70,000	44,330	25,670
Property		86,000	12,120	73,880
Total student transportation	242,932	329,700	197,283	132,417

(continued)

**AKRON SCHOOL DISTRICT R-1**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2016**

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Purchased services			113,965	(113,965)
Total central support services	-	-	113,965	(113,965)
Food services operations				
Salaries			2,087	(2,087)
Employee benefits			(624)	624
Total food services operations	-	-	1,463	(1,463)
Total supporting services	1,413,432	1,898,523	1,608,749	289,774
Appropriated reserves	317,000	317,000		317,000
Total expenditures	<u>\$ 3,896,959</u>	<u>\$ 4,459,025</u>	<u>\$ 3,694,499</u>	<u>\$ 764,526</u>

**Combining Statements and Budgetary Comparison Schedules –  
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Food Service Fund – This fund is used to record financial transactions related to the District’s food service operations.
- Pupil Activity Agency Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

**AKRON SCHOOL DISTRICT R-1**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2016**

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Totals
<b>Assets</b>				
Cash	\$ 32,986	\$ 144,882	\$ 175,394	\$ 353,262
Certificates of deposit		1,556	50,000	51,556
Inventories	854			854
<b>Total assets</b>	<b>\$ 33,840</b>	<b>\$ 146,438</b>	<b>\$ 225,394</b>	<b>\$ 405,672</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,683			\$ 3,683
Unearned revenues	4,867			4,867
<b>Total liabilities</b>	<b>8,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8,550</b>
<b>Fund balance</b>				
Nonspendable inventories	854			854
Restricted for:				
Food service operations	24,436			24,436
BEST capital renewal reserve			95,230	95,230
Committed to pupil activities		146,438		146,438
Committed to capital projects			130,164	130,164
<b>Total fund balance</b>	<b>25,290</b>	<b>146,438</b>	<b>225,394</b>	<b>397,122</b>
<b>Total liabilities and fund balance</b>	<b>\$ 33,840</b>	<b>\$ 146,438</b>	<b>\$ 225,394</b>	<b>\$ 405,672</b>

**AKRON SCHOOL DISTRICT R-1**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2016**

	Food Service Fund	Pupil Activity Fund	Capital Reserve Capital Projects Fund	Totals
Revenues				
Local sources	\$ 42,078	\$ 270,690	\$ 344	\$ 313,112
State sources	2,783			2,783
Federal sources	92,319			92,319
<b>Total revenues</b>	<b>137,180</b>	<b>270,690</b>	<b>344</b>	<b>408,214</b>
Expenditures				
Instruction		277,591		277,591
Supporting services	128,567			128,567
Capital outlay			8,882	8,882
Debt Service				
Principal			37,209	37,209
Interest and fiscal charges			1,687	1,687
<b>Total expenditures</b>	<b>128,567</b>	<b>277,591</b>	<b>47,778</b>	<b>453,936</b>
Excess of revenues over (under) expenditures	8,613	(6,901)	(47,434)	(45,722)
Other financing sources				
Transfers in			111,667	111,667
<b>Net change in fund balances</b>	<b>8,613</b>	<b>(6,901)</b>	<b>64,233</b>	<b>65,945</b>
Fund balance at beginning of year	16,677	153,339	161,161	331,177
Fund balance at end of year	<u>\$ 25,290</u>	<u>\$ 146,438</u>	<u>\$ 225,394</u>	<u>\$ 397,122</u>

**AKRON SCHOOL DISTRICT R-1**  
**Food Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 60,534	\$ 55,000	\$ 42,078	\$ (12,922)
State sources		2,500	2,783	283
Federal sources	85,000	80,000	92,319	12,319
Total revenues	145,534	137,500	137,180	(320)
Expenditures				
Salaries and benefits	75,928	60,000	55,685	4,315
Purchased services	750	750	251	499
Supplies and materials	85,000	87,893	72,631	15,262
Appropriated reserves	534	15,534		15,534
Total expenditures	162,212	164,177	128,567	35,610
Excess of revenues over (under) expenditures	(16,678)	(26,677)	8,613	(35,930)
Other financing sources				
Transfers in	10,000	10,000		(10,000)
Net change in fund balance	\$ (6,678)	\$ (16,677)	8,613	\$ 25,290
Fund balance at beginning of year			16,677	
Fund balance at end of year			\$ 25,290	

**AKRON SCHOOL DISTRICT R-1**  
**Pupil Activity Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments			\$ 36	\$ 36
Pupil activities	\$ 217,000	\$ 217,000	270,654	53,654
Total revenues	217,000	217,000	270,690	53,690
Expenditures				
Pupil activities	224,319	230,000	277,591	(47,591)
Appropriated reserves	62,047	49,705		49,705
Total expenditures	286,366	279,705	277,591	2,114
Excess of revenues over (under) expenditures	\$ (69,366)	\$ (62,705)	(6,901)	\$ 55,804
Fund balance at beginning of year			153,339	
Fund balance at end of year			\$ 146,438	

**AKRON SCHOOL DISTRICT R-1**  
**Capital Reserve Capital Projects Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 250	\$ 250	\$ 344	\$ 94
Other local revenues	345,000			-
Total revenues	345,250	250	344	94
Expenditures				
Capital outlay				
Property	335,000		8,882	(8,882)
Debt service				
Principal	37,000	37,000	37,209	(209)
Interest and fiscal charges	2,000	2,000	1,687	313
Appropriated reserves	95,050	222,411		222,411
Total expenditures	469,050	261,411	47,778	213,633
Excess of revenues over (under) expenditures	(123,800)	(261,161)	(47,434)	213,727
Other financing sources				
Transfers in	80,000	100,000	111,667	11,667
Net change in fund balance	\$ (43,800)	\$ (161,161)	64,233	\$ 225,394
Fund balance at beginning of year			161,161	
Fund balance at end of year			\$ 225,394	

## **Budgetary Comparison Schedule - Debt Service Fund**

The District reports the following major debt service fund:

Debt Service Fund – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

**AKRON SCHOOL DISTRICT R-1**  
**Bond Redemption Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 539,962	\$ 539,962	\$ 537,886	\$ (2,076)
Delinquent taxes and interest	1,350	1,200	1,319	119
Earnings on investments	375	375	445	70
Total revenues	541,687	541,537	539,650	(1,887)
Expenditures				
Debt service				
Principal	258,896	255,250	276,386	(21,136)
Interest and fiscal charges	276,386	276,386	242,458	33,928
Appropriated reserves	466,068	474,753		474,753
Total expenditures	1,001,350	1,006,389	518,844	487,545
Excess of revenues over (under) expenditures	\$ (459,663)	\$ (464,852)	20,806	\$ 485,658
Fund balance at beginning of year			464,852	
Fund balance at end of year			\$ 485,658	

## **Budgetary Comparison Schedule - Fiduciary Fund**

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Private-purpose trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

- Scholarship Trust Fund – This fund is used to record the financial transactions related to the administration of a scholarship trust that is used to award scholarships to area students.

**AKRON SCHOOL DISTRICT R-1**  
**Scholarship Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Contributions and earnings	\$ 1,000	\$ 1,000	\$ 598	\$ (402)
Total revenues	1,000	1,000	598	(402)
Expenditures				
Scholarship awards	1,000	1,000	3,957	(2,957)
Total expenditures	1,000	1,000	3,957	(2,957)
Excess of revenues over (under) expenditures	\$ -	\$ -	(3,359)	\$ (3,359)
Net position at beginning of year			50,000	
Net position at end of year			\$ 46,641	

**Colorado Department of Education  
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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**Independent Auditors' Report on Auditors' Integrity Report**

Board of Education  
Akron School District R-1  
Akron, Colorado

We have audited the financial statements of the Akron School District R-1 (the District) as of and for the year ended June 30, 2016, and our report thereon dated November 29, 2016, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 29, 2016



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 3030 - AKRON R-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
<b>Governmental</b>				
10 General Fund	1,038,137	3,310,005	3,657,635	1,016,361
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Federal/Practical Program Fund	37,995	47,315	42,882	31,026
<b>Sub-Total</b>	<b>1,076,132</b>	<b>3,357,320</b>	<b>3,700,517</b>	<b>1,047,387</b>
11 Charter School Fund	0	0	0	0
20.15-25 Special Revenue Fund	0	0	0	0
21 Food Service/Spent Revenue Fund	16,027	137,180	134,508	73,190
22 Govt Designated Purpose Grants Fund	0	0	0	0
23 Public Activity Special Revenue Fund	331,339	270,000	272,001	146,418
24 Full Day Kindergarten MA Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	454,232	339,651	310,304	485,655
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	161,167	112,011	47,779	225,364
<b>Total</b>	<b>1,866,134</b>	<b>4,057,511</b>	<b>4,057,320</b>	<b>2,176,342</b>
<b>Proprietary</b>				
10 Other Enterprise Funds	0	0	0	0
62-625 Milk-Related Activity Fund	0	0	0	0
80.65-69 Other Internal Service Funds	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
74 Private Purpose Trust Fund	90,000	398	3,957	46,641
75 Agency Fund	0	0	0	0
79 Public Activity Agency Fund	0	0	0	0
19 GASB 46 Permitted Fund	0	0	0	0
85 Fund Balances	0	0	0	0
<b>Total</b>	<b>90,000</b>	<b>398</b>	<b>3,957</b>	<b>46,641</b>
<b>FINAL</b>				

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