

cPa DIXON, WALLER & CO., INC.

ALAMOSA SCHOOL

DISTRICT RE-11J

ALAMOSA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017



**RECEIVED**

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

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FINANCIAL STATEMENTS  
JUNE 30, 2017

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ALAMOSA SCHOOL DISTRICT RE-11J  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2017

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BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Rob Alejo	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alamosa School District RE-11J, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alamosa School District RE-11J, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through ix and 40 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alamosa School District RE-11J's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of Alamosa School District RE-11J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Alamosa School District RE-11J's internal control over financial reporting and compliance.

*Ditov, Waller & Co., Inc.*

December 21, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

Alamosa School District RE11J encompasses approximately 315 square miles in Alamosa and Conejos Counties, located in the south central region of Colorado. The District serves the municipality of Alamosa as well as the entire Southern half of the Alamosa County and a small portion of Northern Conejos County. The District serves an enrollment of 2,364 K-12 students.

The discussion and analysis of the Alamosa School District RE11J's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and note to enhance the reader's understanding of the District's overall financial performance.

### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2017 are as follows:

The District's overall net position at the end of fiscal year 16-17 was -\$5,033,907. The change in net position of -\$11,714,890 along with prior year adjustments of \$359,074 represent the total net change of -\$11,355,816 over June 30, 2016 net position of \$6,321,910. Net pension liabilities of \$69,498,143, along with associated deferred flow, are not recorded at the fund level.

Total District revenue was \$23,040,625. General Revenues of \$18,845,127 include taxes, grants, equalization, general interest and other revenues not restricted to specific programs accounted. Program specific revenues in the form of charges for services and sales and program specific grants and contributions total \$4,195,498.

Total District expenditures were \$34,755,515 for the year ended June 30, 2017.

The District's net capital assets were \$46,051,383 at June 30, 2017.

### **Using the Basic Financial Statements**

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

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

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

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

This is the eleventh year the School District has prepared financial statements following GASB Statement 34. In this year's financial statements, comparisons to the fiscal year 2016 information are presented alongside the fiscal year 2017 information to enable the reader to draw further conclusions about the District's financial status. The following schedules present condensed financial information for 2017 compared to 2016.

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

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

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

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

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

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

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

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

**STATEMENT OF NET POSITION**

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal year 2017. The change in net position of -\$11,714,890 along with prior year adjustments of \$359,074 represent the total net change of \$12,073,964 over June 30, 2016 net position of \$6,321,910.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
<b>ASSETS:</b>						
Current and Other Assets	\$7,276	\$7,917	\$-	\$-	\$7,276	\$7,917
Capital Assets, Net	\$47,628	\$46,031	\$-	\$-	\$47,628	\$46,031
	<u>\$54,903</u>	<u>\$53,968</u>	<u>\$-</u>	<u>\$-</u>	<u>\$54,903</u>	<u>\$53,968</u>
<b>DEFERRED OUTFLOWS:</b>	<u>\$5,155</u>	<u>\$27,863</u>	<u>\$-</u>	<u>\$-</u>	<u>\$5,155</u>	<u>\$27,863</u>
<b>LIABILITIES:</b>						
Current & Other Liabilities	\$2,202	\$2,227	\$-	\$-	\$2,202	\$2,227
Long-term Liabilities	\$15,557	\$14,358	\$-	\$-	\$15,557	\$14,358
Net Pension Liability	\$34,829	\$69,498			\$34,829	\$69,498
Unamortized Bond Premium	\$525	\$415			\$525	\$415
	<u>\$53,113</u>	<u>\$86,497</u>	<u>\$-</u>	<u>\$-</u>	<u>\$53,113</u>	<u>\$86,497</u>
<b>DEFERRED INFLOWS:</b>	<u>\$623</u>	<u>\$367</u>	<u>\$-</u>	<u>\$-</u>	<u>\$623</u>	<u>\$367</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	\$32,603	\$32,151	\$-	\$-	\$ 32,603	\$32,151
Restricted	\$2,657	\$2,820	\$-	\$-	\$2,657	\$2,820
Unrestricted	<u>\$(28,938)</u>	<u>\$(40,006)</u>	<u>\$-</u>	<u>\$-</u>	<u>\$(28,938)</u>	<u>\$(40,006)</u>
<b>Total Net Position</b>	<u><b>\$6,322</b></u>	<u><b>\$(5,034)</b></u>	<u><b>\$-</b></u>	<u><b>\$-</b></u>	<u><b>\$6,322</b></u>	<u><b>\$(5,034)</b></u>

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

**STATEMENT OF ACTIVITIES**

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

Net position decreased \$11,714,890 in fiscal year 2017, a \$9,983,000 larger decrease than 2016.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
<b>REVENUES:</b>						
Property Taxes	\$ 5,224	\$ 5,234	\$ -	\$ -	\$ 5,224	\$ 5,234
Specific Ownership Taxes	\$ 605	\$ 636	\$ -	\$ -	\$ 605	\$ 636
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	\$ 13	\$ 22	\$ -	\$ -	\$ 13	\$ 22
Other Local Services	\$ 294	\$ 633	\$ -	\$ -	\$ 294	\$ 633
State Aid	\$ 12,067	\$ 12,798	\$ -	\$ -	\$ 12,067	\$ 12,798
Federal Aid	\$ 4,111	\$ 3,719	\$ -	\$ -	\$ 4,098	\$ 3,719
<b>Total Revenues</b>	<b><u>\$22,312</u></b>	<b><u>\$23,041</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$22,312</u></b>	<b><u>\$23,041</u></b>
						\$ -
<b>EXPENDITURES:</b>						\$ -
Instructional Services	\$ 13,374	\$ 14,040	\$ -	\$ -	\$ 13,374	\$ 14,040
Supporting Services:						\$ -
Students	\$ 871	\$ 876	\$ -	\$ -	\$ 871	\$ 876
Instructional Staff	\$ 593	\$ 552	\$ -	\$ -	\$ 593	\$ 552
District Administration	\$ 548	\$ 559	\$ -	\$ -	\$ 548	\$ 559
School Administration	\$ 1,081	\$ 1,100	\$ -	\$ -	\$ 1,081	\$ 1,100
Business	\$ 264	\$ 276	\$ -	\$ -	\$ 264	\$ 276
Facilities	\$ 1,774	\$ 1,855	\$ -	\$ -	\$ 1,774	\$ 1,855
Transportation	\$ 615	\$ 608	\$ -	\$ -	\$ 615	\$ 608
Community	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central	\$ 821	\$ 1,065	\$ -	\$ -	\$ 821	\$ 1,065
Food Service	\$ 1,360	\$ 1,313	\$ -	\$ -	\$ 1,360	\$ 1,313
Interest	\$ 529	\$ 489	\$ -	\$ -	\$ 529	\$ 489
Pension Cost	\$ 1,773	\$ 11,699	\$ -	\$ -	\$ 1,773	\$ 11,699
Capital Outlay	\$ 442	\$ 322	\$ -	\$ -	\$ 442	\$ 322
<b>Total Expenditures</b>	<b><u>\$ 24,044</u></b>	<b><u>\$ 34,756</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 24,044</u></b>	<b><u>\$ 34,756</u></b>
						\$ -
<b>CHANGE IN NET POSITION</b>	<b><u>\$ (1,732)</u></b>	<b><u>\$ (11,715)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (1,732)</u></b>	<b><u>\$ (11,715)</u></b>

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

**GOVERNMENTAL FUNDS STATEMENT**

	General	Capital Reserve	Grants	Building Projects	Debt Service	Food Service	Student Athletics	Total Gov't Funds
<b>Revenues:</b>								
Property taxes	3,443,621	-	-	-	1,703,453	-	-	5,147,074
Specific taxes	636,115	-	-	-	-	-	-	636,115
Investment	13,219	781	-	61	7,159	242	4	21,266
Other sources	364,202	-	211,054	-	15,466	6,652	35,557	632,911
State aid	12,952,463	387,584	462,621	234,763	-	10,309	-	14,047,740
Federal aid	-	-	<u>1,157,719</u>	-	-	<u>1,311,218</u>	-	<u>2,468,937</u>
<b>Total Revenues</b>	<u><b>17,409,620</b></u>	<u><b>388,365</b></u>	<u><b>1,831,394</b></u>	<u><b>234,824</b></u>	<u><b>1,726,058</b></u>	<u><b>1,328,421</b></u>	<u><b>35,561</b></u>	<u><b>22,954,243</b></u>
<b>Expenditures:</b>								
Instructional Students	10,248,116	-	1,228,100	-	-	-	606,605	12,082,821
Staff Instruction	665,312	-	151,742	-	-	-	44,386	861,440
District admin	432,499	-	119,136	-	-	-	-	551,635
School admin	457,593	-	101,831	-	-	-	-	559,424
Business	1,100,109	-	-	-	-	-	-	1,100,109
Facilities	276,412	-	-	-	-	-	-	276,412
Transp	1,842,567	-	-	-	-	-	-	1,842,567
Food Service	505,936	-	-	-	-	-	-	505,936
Central	-	-	-	-	-	1,250,633	-	1,250,633
Debt Service	834,483	-	230,585	-	-	-	-	1,065,068
Principal Interest	-	-	-	-	1,125,000	-	-	1,125,000
Interest	-	-	-	-	595,994	-	-	595,994
Capital outlay	-	736,017	-	234,947	-	-	-	970,964
<b>Total Expenditures</b>	<u><b>16,363,027</b></u>	<u><b>736,017</b></u>	<u><b>1,831,394</b></u>	<u><b>234,947</b></u>	<u><b>1,720,994</b></u>	<u><b>1,250,633</b></u>	<u><b>650,991</b></u>	<u><b>22,788,0030</b></u>
Variance	1,046,593	(347,652)	-	(123)	5,064	77,788	(615,430)	166,240

ALAMOSA SCHOOL DISTRICT REVENUE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

	General	Capital Reserve	Grants	Building Projects	Debt Service	Food Service	Student Athletics	Total Gov't Funds
Beginning Fund Balance	2,847,857	502,542	-	123	1,483,089	22,779	12,993	4,869,323
Revenues	17,409,620	388,365	1,831,394	234,824	1,726,058	1,328,421	35,561	22,954,243
Expenditures	16,363,027	736,017	1,831,394	234,947	1,720,994	1,250,633	650,991	22,788,003
Transfers	(608,907)						608,907	-
<b>Ending Balance</b>	<b>3,285,543</b>	<b>513,964</b>	<b>-</b>	<b>-</b>	<b>1,488,153</b>	<b>100,567</b>	<b>6,410</b>	<b>5,394,6374</b>
Net change in fund balances	437,686	(347,652)	-	(123)	5,064	77,788	(6,523)	166,240
Prior Period Adjustment		359,074						359,074

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

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

## GENERAL FUND BUDGETING HIGHLIGHTS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). During the course of fiscal 2017, the District amended its General Fund budget as needed. The District uses a line-item based budget. The budgeting systems are designed to tightly control line-item expenditures, but provide flexibility for overall budgetary management.

General Fund actual revenues of \$17,409,620 were higher than the final budgeted revenues of \$16,885,097.

ALAMOSA SCHOOL DISTRICT RE 11 J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

**SCHEDULE OF FUNCTIONAL EXPENDITURES**

**Governmental Activities by Major Function - Cost of Services**

	<b>Year ended June 30, 2016</b>		<b>Year ended June 30, 2017</b>	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	13,373,544	11,983,807	14,040,323	12,534,882
Supporting Services:				
Students	870,994	666,826	876,075	724,333
Instructional staff	592,856	391,854	551,635	432,499
District administration	547,529	479,802	559,424	457,593
School administration	1,080,566	1,080,566	1,100,109	1,100,109
Business	263,644	263,644	276,412	276,412
Operation and maintenance of facilities	1,774,405	1,774,405	1,855,412	1,830,827
Transportation	641,8835	484,685	607,798	496,146
Central	821,222	775,163	1,065,068	834,483
Food Service	1,359,696	136,774	1,312,694	15,485
Capital outlay	442,272	(570,623)	489,413	132,934
Interest	529,280	529,280	322,156	322,156
Pension Cost	1,773,183	1,773,183	11,698,996	11,698,996
	<hr/>	<hr/>	<hr/>	<hr/>
Total	22,044,084	19,769,366	34,755,515	30,560,017
	<hr/>	<hr/>	<hr/>	<hr/>

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

**STATEMENT OF CAPITAL ASSETS**

At the end of 2016, the District had a total of \$46,051,383 invested in capital assets. The following reflects the balances of fiscal year 2017 compared to fiscal year 2016.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Assets not being depreciated:						
Land	\$ 1,159	\$ 1,159	\$ -	\$ -	\$ 1,159	\$ 1,159
Construction in Progress	<u>\$ -</u>	<u>\$ 229,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,324</u>
Total Non-Depreciable Assets	<u>\$ 1,159</u>	<u>\$ 1,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159</u>	<u>\$ 1,388</u>
Depreciable Assets:						
Building & Site Improvements	\$ 62,700	\$ 63,074	\$ -	\$ -	\$ 62,700	\$ 63,074
Vehicles	\$ 2,011	\$ 2,011	\$ -	\$ -	\$ 2,011	\$ 2,011
Equipment	\$ 1,063	\$ 1,108	\$ -	\$ -	\$ 1,063	\$ 1,108
Food Service	<u>\$ 1,108</u>	<u>\$ 1,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108</u>	<u>\$ 1,108</u>
Total Depreciable Assets	<u>\$ 66,881</u>	<u>\$ 67,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,881</u>	<u>\$ 67,300</u>
		\$ -				
Less Accumulated Depreciation:		\$ -				
Buildings & Site Improvements	\$ 17,315	\$ 19,340	\$ -	\$ -	\$ 17,315	\$ 19,340
Equipment & Vehicles	\$ 2,221	\$ 2,360	\$ -	\$ -	\$ 2,221	\$ 2,360
Food Service	<u>\$ 819</u>	<u>\$ 858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819</u>	<u>\$ 858</u>
Total Accumulated Depreciation	<u>\$ 20,412</u>	<u>\$ 22,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,412</u>	<u>\$ 22,637</u>
<b>Total Capital Assets, Net</b>	<u><b>\$ 47,628</b></u>	<u><b>\$ 46,051</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 47,628</b></u>	<u><b>\$ 46,051</b></u>

ALAMOSA SCHOOL DISTRICT RE11J  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2017

**STATEMENT OF LONG TERM DEBT**

The District's long term debt was \$ 14,309,954. This total includes outstanding general obligations bonds for the capital construction projects as well as long term liabilities for compensated absences and early retirement incentives.

**Outstanding General Obligation Bonds:**

\$8.965 million of the outstanding bond obligation is the Series 2009 and 2009B for the two elementary schools BEST capital construction project. The final payment is expected in fiscal year 2029. As part of the requirements for the BEST Capitol Construction, the District will reserve \$120,000 per year for 10 years to fully fund the maintenance requirement.

\$4.935 million of the outstanding bond obligation is the Series 2013A and 2013 B for the high school sports complex and AgEd building. The final payment expected in fiscal year 2024.

The District long-term liability for the following:

Compensated absences	\$97,658
Early Retirement Incentive	\$312,296

**CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK**

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

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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

BASIC FINANCIAL STATEMENTS

ALAMOSA SCHOOL DISTRICT RE 11J  
STATEMENT OF NET POSITION  
June 30, 2017

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Equivalents	4,201,446	4,201,446
Investments	2,298,268	2,298,268
Accounts Receivable	502,034	502,034
Accrued Revenue	352,284	352,284
Property Taxes Receivable	510,000	510,000
Inventories	53,067	53,067
Capital Assets	68,688,373	68,688,373
Accumulated Depreciation	<u>(22,636,990)</u>	<u>(22,636,990)</u>
<u>Total Assets</u>	<u>53,968,482</u>	<u>53,968,482</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Pension Cost – Entity	1,104,355	1,104,355
Deferred Pension Cost – Plan	25,743,404	25,743,404
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	<u>1,015,211</u>	<u>1,015,211</u>
<u>Total Deferred Outflows of Resources</u>	<u>27,862,970</u>	<u>27,862,970</u>
<u>LIABILITIES</u>		
Accounts Payable	168,264	168,264
Accrued Salaries and Benefits	1,838,325	1,838,325
Grant Amounts Received in Advance	171,831	171,831
Accrued Interest Payable	48,445	48,445
NonCurrent Liabilities:		
Compensated Absences	97,658	97,658
Retirement Incentive Payable Due Within One Year	48,430	48,430
Retirement Incentive Payable Due in More Than One Year	312,296	312,296
Bond Payments Due Within One Year	1,155,000	1,155,000
Bond Payments Due in More Than One Year	12,745,000	12,745,000
Net Pension Liability	69,498,143	69,498,143
Unamortized Bond Premium	<u>414,545</u>	<u>414,545</u>
<u>Total Liabilities</u>	<u>86,497,937</u>	<u>86,497,937</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	314,013	314,013
Deferred Pension Cost - Entity	<u>53,409</u>	<u>53,409</u>
<u>Total Deferred Inflows</u>	<u>367,422</u>	<u>367,422</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	32,151,383	32,151,383
Restricted for:		
TABOR Reserve	563,000	563,000
Maintenance Reserve – BEST Grant	720,000	720,000
Preschool	1,768	1,768
Food Service	47,500	47,500
Debt Service	1,488,153	1,488,153
Unrestricted	<u>(40,005,711)</u>	<u>(40,005,711)</u>
<u>TOTAL NET POSITION</u>	<u>(5,033,907)</u>	<u>(5,033,907)</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

	Net (Expenses) Revenue and Changes in Net Position			
	Primary Government			
	Expenses	Program Revenues		Total
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS</b>				
Instructional Services	14,040,323	1,271,408	-	(12,534,882)
Supporting Services:				
Students	876,075	151,742	-	(724,333)
Instructional Staff	551,635	119,136	-	(432,499)
District Administration	559,424	101,831	-	(457,593)
School Administration	1,100,109	-	-	(1,100,109)
Business	276,412	-	-	(276,412)
Operation & Maintenance of Facilities	1,855,412	24,585	-	(1,830,827)
Transportation	607,798	111,652	-	(496,146)
Central Support	1,065,068	230,585	-	(834,483)
Food Service	1,312,694	1,321,527	-	15,485
Capital Outlay	489,413	-	622,347	132,934
Interest on Long-Term Debt	322,156	-	-	(322,156)
Pension Cost	11,698,996	-	-	(11,698,996)
<b>Total Governmental Activities</b>	<u>34,755,515</u>	<u>3,307,881</u>	<u>622,347</u>	<u>(30,560,017)</u>
<b>Total School District</b>	<u>34,755,515</u>	<u>3,307,881</u>	<u>622,347</u>	<u>(30,560,017)</u>
				5,233,456
				636,115
				12,797,503
				21,466
				<u>156,587</u>
				<u>18,845,127</u>
				(11,714,890)
				6,321,909
				<u>359,074</u>
				<u>(5,033,907)</u>
				5,233,456
				636,115
				12,797,503
				21,466
				<u>156,587</u>
				<u>18,845,127</u>
				(11,714,890)
				6,321,909
				<u>359,074</u>
				<u>(5,033,907)</u>
				5,233,456
				636,115
				12,797,503
				21,466
				<u>156,587</u>
				<u>18,845,127</u>
				(11,714,890)
				6,321,909
				<u>359,074</u>
				<u>(5,033,907)</u>

**General Revenues**  
Property Taxes Levied for General Purposes  
Specific Ownership Taxes  
Equalization  
Earnings on Investments  
Other Revenues  
**Total General Revenues**  
Change in Net Position  
Net Position, Beginning  
Prior Period Adjustments  
Net Position, Ending

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

ALAMOSA SCHOOL DISTRICT RE-11J  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Designated Purpose Grants</u>
<b><u>ASSETS</u></b>			
Cash and Equivalents	3,455,655	349,488	21,039
Investments	897,293	-	-
Accounts Receivable	153,664	289,319	-
Accrued Revenue	-	-	352,284
Due from Other Funds	276,371	16,650	-
Property Taxes Receivable	343,000	-	-
Inventories	-	-	-
<u>Total Assets</u>	<u>5,125,983</u>	<u>655,457</u>	<u>373,323</u>
<b><u>LIABILITIES:</u></b>			
Accounts Payable	17,111	141,493	8,811
Accrued Salaries and Benefits	1,575,891	-	186,938
Due to Other Funds	-	-	5,743
Other Liabilities	48,430	-	-
Grant Amounts Received in Advance	-	-	<u>171,831</u>
<u>Total Liabilities</u>	<u>1,641,432</u>	<u>141,493</u>	<u>373,323</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>			
Property Tax	<u>199,008</u>	-	-
<b><u>FUND BALANCES:</u></b>			
Nonspendable:			
Inventories	-	-	-
Restricted:			
Emergencies	563,000	-	-
Debt Service	-	-	-
Preschool	1,768	-	-
Maintenance Reserve – BEST Grant	220,000	500,000	-
Food Service	-	-	-
Committed:			
Insurance	-	-	-
Capital Outlay	-	13,964	-
Assigned:			
Student Activities	-	-	-
Unassigned:			
<u>Total Fund Balances</u>	<u>2,500,775</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>3,285,543</u>	<u>513,964</u>	<u>-</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>			
	<u>5,125,983</u>	<u>655,457</u>	<u>373,323</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
16,650	16,782	341,832	4,201,446
-	1,400,975	-	2,298,268
-	-	59,051	502,034
-	-	-	352,284
-	-	-	293,021
-	167,000	-	510,000
-	-	<u>53,067</u>	<u>53,067</u>
<u>16,650</u>	<u>1,584,757</u>	<u>453,950</u>	<u>8,210,120</u>
-	-	849	168,264
-	-	75,496	1,838,325
16,650	-	270,628	293,021
-	-	-	48,430
-	-	-	<u>171,831</u>
<u>16,650</u>	<u>-</u>	<u>346,973</u>	<u>2,519,871</u>
<u>-</u>	<u>96,604</u>	<u>-</u>	<u>295,612</u>
-	-	53,067	53,067
-	-	-	563,000
-	1,488,153	-	1,488,153
-	-	-	1,768
-	-	-	720,000
-	-	47,500	47,500
-	-	-	-
-	-	-	13,964
-	-	6,410	6,410
-	-	-	<u>2,500,775</u>
<u>-</u>	<u>1,488,153</u>	<u>106,977</u>	<u>5,394,637</u>
<u>16,650</u>	<u>1,584,757</u>	<u>453,950</u>	<u>8,210,120</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	5,394,637
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$68,688,373 and the accumulated depreciation is \$22,636,990.	46,051,383
Property tax revenue is recognized when earned (claim to resources established) rather than when “available” in the entity wide financial statements.	295,612
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(48,445)
Premiums received on bonds issued are recorded as revenues in the governmental funds. They are capitalized and amortized in the entity wide financial statements. This is an amortized premium.	(414,545)
For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This is the unamortized deferred refunding amount.	-
Long-term liabilities, including certificates of participation, general obligation bonds and capital leases are not due and payable in the current period and therefore are not reported in the funds.	(13,900,000)
The long-term portion of retirement incentive is not recorded in the funds	(312,296)
Compensated absences are not reported as a liability in the funds.	(97,658)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(69,498,143)
Deferred Pension Cost – Outflows	27,862,970
Deferred Pension Cost – Inflows	<u>(367,422)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(5,033,907)</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2017

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Designated Purpose Grants</u>
<u>REVENUES</u>			
Property Taxes	3,443,621	-	-
Specific Ownership Taxes	636,115	-	-
Earnings on Investments	13,219	781	-
Other Local Sources	364,202	-	211,054
State Aid	12,952,463	387,584	462,621
Federal Aid	-	-	<u>1,157,719</u>
<u>Total Revenues</u>	<u>17,409,620</u>	<u>388,365</u>	<u>1,831,394</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	10,248,116	-	1,228,100
Supporting Services:			
Students	665,312	-	151,742
Instructional Staff	432,499	-	119,136
District Administration	457,593	-	101,831
School Administration	1,100,109	-	-
Business	276,412	-	-
Operation & Maintenance of Facilities	1,842,567	-	-
Transportation	505,936	-	-
Food Service	-	-	-
Central	834,483	-	230,585
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	-	<u>736,017</u>	-
<u>Total Expenditures</u>	<u>16,363,027</u>	<u>736,017</u>	<u>1,831,394</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>1,046,593</u>	<u>(347,652)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>(608,907)</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(608,907)</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	437,686	(347,652)	-
<u>FUND BALANCES – BEGINNING</u>	2,847,857	502,542	-
<u>PRIOR PERIOD ADJUSTMENT</u>	-	359,074	-
<u>FUND BALANCES – ENDING</u>	<u>3,285,543</u>	<u>513,964</u>	<u>-</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	1,703,453	-	5,147,074
-	-	-	636,115
61	7,159	246	21,466
-	15,446	42,209	632,911
234,763	-	10,309	14,047,740
-	-	<u>1,311,218</u>	<u>2,468,937</u>
<u>234,824</u>	<u>1,726,058</u>	<u>1,363,982</u>	<u>22,954,243</u>
-	-	606,605	12,082,821
-	-	44,386	861,440
-	-	-	551,635
-	-	-	559,424
-	-	-	1,100,109
-	-	-	276,412
-	-	-	1,842,567
-	-	-	505,936
-	-	1,250,633	1,250,633
-	-	-	1,065,068
-	1,125,000	-	1,125,000
-	595,994	-	595,994
<u>234,947</u>	-	-	<u>970,964</u>
<u>234,947</u>	<u>1,720,994</u>	<u>1,901,624</u>	<u>22,788,003</u>
<u>(123)</u>	<u>5,064</u>	<u>(537,642)</u>	<u>166,240</u>
-	-	<u>608,907</u>	-
-	-	<u>608,907</u>	-
(123)	5,064	71,265	166,240
123	1,483,089	35,712	4,869,323
-	-	-	<u>359,074</u>
-	<u>1,488,153</u>	<u>106,977</u>	<u>5,394,637</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2017

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

Net Change in Fund Balances – Total Governmental Funds 166,240

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

Capital Outlays more than \$5,000	648,808	
Depreciation Expense	<u>(2,225,082)</u>	(1,576,274)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. 86,382

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

Repayment of Debt Principal	1,125,000	
Interest Expense	2,443	
Amortization – Deferred Refunding	(6,583)	
Amortization - Premium	<u>110,721</u>	1,231,581

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. 2,438

Early retirement incentives are accrued in their entirety in the entity wide financial statements. The current amount is accrued in the fund financial statements. This represents the change in the long term portion. 73,739

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

Pension Cost		<u>(11,698,996)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (11,714,890)

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

ALAMOSA SCHOOL DISTRICT RE-11J  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
June 30, 2017

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	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	258,755
Investments	-
Deposits Held for Others	-
<u>Total Assets</u>	<u>258,755</u>
<u>LIABILITIES</u>	
Due to Student Groups	258,755
Accounts Payable	-
<u>Total Liabilities</u>	<u>258,755</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Alamosa School District RE-11J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Alamosa School District RE-11J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.      Reporting Entity

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.      Fund Accounting

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

- Major Governmental Funds
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
  3. Capital Reserve Capital Projects Fund – used to account for General Fund transfers and other revenue sources assigned for capital expenditures.
  4. Building–Capital Projects Fund – used to account for the proceeds of general obligation debt and capital construction grants to be used for the construction of District facilities.
  5. Designated Purpose Grants – Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, No Child Left Behind programs which must be expanded as designated by the grantor agency.

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

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

E.      Cash and Investments

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.    Receivables

Property taxes levied in 2016 but uncollected in 2017 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2017 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.    Inventories

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

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

H.    Capital Assets

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

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

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

I.    Deferred Outflows / Inflows of Resources

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Deferred Outflows / Inflows of Resources (continued)

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

J.      Long-Term Obligations

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

K.      Constitutional Amendment

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

In November of 1998 the registered voters approved a ballot resolution authorizing Alamosa School District RE-11J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2017 the District reserved \$563,000 for this purpose.

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.    Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2016 property tax calendar for Alamosa and Conejos Counties was as follows:

Levy Date	December 22, 2016
Lien Date	January 1, 2017
Tax Bills Mailed	January 1, 2017
First Installment Due	February 28, 2017
Second Installment Due	June 15, 2017
If Paid in Full, Due	April 30, 2017
Tax Sale – 2015 Delinquent Property Taxes	October 25, 2016

M.    Accumulated Staff Leave

District policy allows for the accumulation of staff leave. Staff eligible for retirement under the Public Employees Retirement Association (PERA) statutes are paid an amount of money equal to their number of unused leave days times the substitute rate of pay per day when there is a separation from service. Maximum reimbursable days may not exceed 70.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2017, the District has recorded an estimated liability of \$97,658 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Accumulated Sick Leave	<u>100,096</u>	<u>—</u>	<u>2,438</u>	<u>97,658</u>

N.    Use of Estimates

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

O.    Interest Expense

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1**    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**P.**    GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Bond Redemption Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Nonspendable:</u></b>							
Inventories	-	-	-	-	-	53,067	53,067
<b><u>Restricted:</u></b>							
Emergencies	563,000	-	-	-	-	-	563,000
Debt Service	-	-	-	1,488,153	-	-	1,488,153
Preschool	1,768	-	-	-	-	-	1,768
Maintenance Reserve							
– BEST Grant	220,000	-	500,000	-	-	-	720,000
Food Service	-	-	-	-	-	47,500	47,500
<b><u>Committed:</u></b>							
Insurance	-	-	-	-	-	-	-
Capital Outlay	-	-	13,964	-	-	-	13,964
<b><u>Assigned:</u></b>							
Pupil Activities	-	-	-	-	6,410	-	6,410
<b><u>Unassigned</u></b>	<u>2,500,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500,775</u>
<b><u>Total Fund Balances</u></b>	<u>3,285,543</u>	<u>-</u>	<u>513,964</u>	<u>1,488,153</u>	<u>6,410</u>	<u>100,567</u>	<u>5,394,637</u>

**Q.**    Accrued Salaries and Benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2017, are estimated to be \$1,838,325. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

	Items Eliminated	
	Due from Other Funds	Due to Other Funds
General Fund	276,371	-
Designated Purpose Grant Fund	-	5,743
Student Athletics Fund	-	295
Food Service	-	270,333
Capital Reserve-Capital Project	16,650	-
Building Fund	-	16,650
	<u>293,021</u>	<u>293,021</u>
	Transfers In	Transfers Out
General Fund	-	608,907
School Athletics – Special Revenue Fund	608,907	-
	<u>608,907</u>	<u>608,907</u>

NOTE 3      BUDGETARY INFORMATION

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 3      BUDGETARY INFORMATION (Continued)

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 4      CASH AND INVESTMENTS (Continued)

At June 30, 2017, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	500,000	500,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	3,864,207	4,788,500
Cash with County Treasurer	<u>95,994</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>4,460,201</u>	<u>5,288,500</u>

As presented above, deposits with a bank balance of \$4,788,500 and a carrying balance of \$3,864,207 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2017, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	State Pool	Under 60 Day Average	2,298,268

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

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

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

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

The District has the following recurring fair value measurements as of June 30, 2017:

- COLOTRUST – State Pool of \$2,298,268 is valued using quoted market prices (Level 1 inputs)

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 5

CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Non-Depreciable Assets:</u>				
Land	1,159,044	-	-	1,159,044
Construction in Progress	<u>-</u>	<u>229,324</u>	<u>-</u>	<u>229,324</u>
<u>Total Non-Depreciable Assets</u>	<u>1,159,044</u>	<u>229,324</u>	<u>-</u>	<u>1,388,368</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	62,699,704	374,489	-	63,074,193
Vehicles	2,010,629	-	-	2,010,629
Equipment	1,062,624	44,995	-	1,107,619
Food Service	<u>1,107,564</u>	<u>-</u>	<u>-</u>	<u>1,107,564</u>
<u>Total Depreciable Assets</u>	<u>66,880,521</u>	<u>419,484</u>	<u>-</u>	<u>67,300,005</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	17,314,888	2,024,629	-	19,339,517
Vehicles	1,402,052	99,893	-	1,501,945
Equipment	819,018	38,499	-	857,517
Food Service	<u>875,950</u>	<u>62,061</u>	<u>-</u>	<u>938,011</u>
<u>Total Accumulated</u> <u>Depreciation</u>	<u>20,411,908</u>	<u>2,225,082</u>	<u>-</u>	<u>22,636,990</u>
<u>Total Capital Assets Being</u> <u>Depreciated, Net</u>	<u>46,468,613</u>	<u>(1,805,598)</u>	<u>-</u>	<u>44,663,015</u>
<u>Governmental Activities</u> <u>Capital Assets, Net</u>	<u>47,627,657</u>	<u>(1,576,274)</u>	<u>-</u>	<u>46,051,383</u>

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

Governmental Activities:

Instruction	2,033,679
Student Support	14,635
Operations and Maintenance	12,845
Transportation	101,862
Food Service	<u>62,061</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>2,225,082</u>

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

NOTE 6      INTERFUND ACTIVITY

Fund	Due From Other Funds	Due To Other Funds
General	276,371	-
Designated Purpose Grant Fund	-	5,743
Student Athletics Fund	-	295
Food Service	-	270,333
Capital Reserve-Capital Project Building Fund	16,650	-
	293,021	16,650
	293,021	293,021
	Transfers From Other Funds	Transfers To Other Funds
General	-	608,907
Student Athletics - Special Revenue Fund	608,907	-
	608,907	608,907

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

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

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

	Balance at 7-1-2016	Additions	Retirements	Balance at 6-30-2017	Current Portion
G.O. Bond Series 2009 B	1,200,000	-	60,000	1,140,000	65,000
G.O. Matching Bonds 2009	8,275,000	-	450,000	7,825,000	465,000
G.O. Bonds 2013 A	4,990,000	-	55,000	4,935,000	625,000
G.O. Bonds 2013 B	560,000	-	560,000	-	-
Deferred Refunding	(6,583)	-	(6,583)	-	-
<u>Total</u>	15,018,417	-	1,118,417	13,900,000	-

Long-Term Debt as of June 30, 2017, is comprised of the following:

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

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

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

	<u>Series 2009</u>		<u>Series 2009 B</u>	
	<u>Matching Money Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	465,000	313,965	65,000	58,800
2019	485,000	294,323	65,000	55,680
2020	505,000	273,854	70,000	52,440
2021	530,000	252,454	75,000	48,735
2022	550,000	230,124	80,000	44,550
2023	570,000	206,967	80,000	40,230
2024	595,000	182,879	85,000	35,775
2025	620,000	157,758	90,000	31,050
2026	645,000	131,603	95,000	26,055
2027	670,000	104,414	100,000	20,790
2028	700,000	76,088	105,000	15,255
2029	730,000	46,521	110,000	9,450
2030	<u>760,000</u>	<u>15,714</u>	<u>120,000</u>	<u>3,240</u>
<b>Total</b>	<u><b>7,825,000</b></u>	<u><b>2,286,664</b></u>	<u><b>1,140,000</b></u>	<u><b>442,050</b></u>

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

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

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

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

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

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

Below is a schedule of debt service requirements to maturity:

2013 G.O. Issue

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	625,000	184,900
2019	655,000	159,300
2020	680,000	132,600
2021	695,000	105,100
2022	725,000	76,700
2023	765,000	46,900
2024	<u>790,000</u>	<u>15,800</u>
	<u>4,935,000</u>	<u>721,300</u>

Early Retirement Bonuses Payable

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

The changes in the bonuses payable follow:

<u>Balance at 7-1-2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 6-30-2017</u>
<u>432,062</u>	<u>2,402</u>	<u>73,738</u>	<u>360,726</u>

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 8      PENSION PLAN

**Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

Pensions. Alamosa School District RE-11J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Alamosa School District RE-11J are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

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

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 8      PENSION PLAN (Continued)

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

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

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

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

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

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

*Contributions.* Eligible employees and Alamosa School District RE-11J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

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

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.50%	5.00%
Total Employer Contribution Rate to the SCHDTF	18.13%	18.63%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Alamosa School District RE-11J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Alamosa School District RE-11J were \$1,967,677 for the year ended June 30, 2017.

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

At June 30, 2017, the Alamosa School District RE-11J reported a liability of \$69,498,143 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Alamosa School District RE-11J proportion of the net pension liability was based on Alamosa School District RE-11J contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the Alamosa School District RE-11J proportion was 0.2334 percent, which was 0.0057 greater than its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Alamosa School District RE-11J recognized pension expense of \$11,698,996. At June 30, 2017, the Alamosa School District RE-11J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	868,833	(612)
Changes of assumptions or other inputs	22,550,698	(313,401)
Net difference between projected and actual earnings on pension plan investments	2,323,873	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,104,355	(53,409)
Contributions subsequent to the measurement date	1,015,211	N/A
Total	27,862,970	(367,422)

\$1,015,211 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017	
2018	10,670,325
2019	10,622,563
2020	5,164,271
2021	23,178
2022	-
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

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NOTE 8      PENSION PLAN (Continued)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
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 used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 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.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 8      PENSION PLAN (Continued)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected rate of return on pension plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant 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.

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

As of the November 18, 2016 adoption of the current long-term expected 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

\*In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount rate.* The discount rate used to measure the total pension liability was 5.26 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:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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.

ALAMOSA SCHOOL DISTRICT RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 8      PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute. AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated, 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 plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate. The discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

*Sensitivity of the Alamosa School District RE-11J proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	87,391,682	69,498,143	54,924,504

*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).

**Defined Contribution Pension Plan**

Voluntary Investment Program

*Plan Description* – Employees of the Alamosa School District RE-11J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2017, program members contributed \$139,221.

**Other Post-Employment Benefits**

Health Care Trust Fund

*Plan Description* – The Alamosa School District RE-11J contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 8      PENSION PLAN (Continued)

*Funding Policy* – The Alamosa School District RE-11J is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Alamosa School District RE-11J are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016 and 2015, the Alamosa School District RE-11J contributions to the HCTF were \$109,169, \$103,489 and \$98,451, respectively equal to their required contributions for each year.

NOTE 9      JOINT VENTURE

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2017. The joint venture summary audited financial information as of June 30, 2016, is as follows:

Assets and Deferred Outflows	3,696,387
Liabilities and Deferred Inflows	<u>(11,113,116)</u>
Net Position	<u>(7,416,729)</u>
Revenues	5,773,180
Expenses	<u>(5,799,252)</u>
Change in Net Position	<u>(26,072)</u>
Prior Period Adjustment	<u>(524,543)</u>

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

NOTE 10      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDSIP)

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2017

NOTE 10     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (continued)

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2017.

An audited summary of the Colorado School District's Pool financial information at December 31, 2016 (latest information available) follows:

Total Assets	<u>48,036,383</u>
Total Liabilities	<u>21,232,630</u>
Total Equity	<u>26,803,753</u>
Revenue	14,232,299
Underwriting Expenses	<u>12,497,566</u>
Underwriting Gain (Loss)	1,734,733
Net Investment Income	690,250
Other Income	-
Net Income (Loss) Before Dividend	<u>2,424,983</u>
Dividend	-
Net Income	<u>2,424,983</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>53,761</u>
Capital Contributions from Members	-
Unassigned Surplus	<u><u>26,803,753</u></u>

NOTE 11     RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

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

ALAMOSA SCHOOL DISTRICT RE RE-11J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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NOTE 12    SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 13    PRIOR PERIOD ADJUSTMENT

In November of 2016, the District was made aware that expenditures incurred in late fiscal year 2016 prior to June 30, 2016 would be eligible for reimbursement under a BEST grant awarded to them. The grant was for remaining grantee match funds unspent on a previous BEST capital project. The amount of grant received in the fiscal year ended June 30, 2017 for expenditures made prior to the fiscal year was \$359,074. That amount should have been recorded as revenue in the year ended June 30, 2016. Beginning entity-wide net position and beginning fund balance in the Capital Reserve Capital Fund have been increased by that amount.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

## MAJOR FUNDS

### General Fund

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

### Designated Purpose Grant Funds

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

ALAMOSÁ SCHOOL DISTRICT RE-11J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	3,557,617	3,544,999	3,443,621	(101,378)
Specific Ownership Taxes	400,770	404,538	636,115	231,577
Earnings on Investments	6,000	4,000	13,219	9,219
Delinquent Taxes & Interest	-	-	57,392	57,392
Other	80,700	89,942	306,810	216,868
<u>State Sources</u>				
Equalization	12,409,838	12,701,961	12,797,503	95,542
Transportation	105,000	90,645	111,652	21,007
Vocational Education	30,000	18,650	43,308	24,658
Other	-	30,362	-	(30,362)
<u>Federal Sources</u>				
Designated Purpose Grants	-	-	-	-
Other	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>16,589,925</u></b>	<b><u>16,885,097</u></b>	<b><u>17,409,620</u></b>	<b><u>524,523</u></b>
 <u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
Salaries	6,432,576	6,814,169	6,424,966	389,203
Employee Benefits	1,888,369	1,990,956	1,922,659	68,297
Purchased Services - Professional	1,074,947	1,074,947	1,037,116	37,831
Purchased Services - Property	500	500	38	462
Purchased Services - Other	186,104	186,104	337,721	(151,617)
Supplies and Materials	362,034	362,034	284,845	77,189
Property	93,903	93,903	125,703	(31,800)
Other Objects	104,887	104,887	115,068	(10,181)
<u>Total Instruction</u>	<u>10,143,320</u>	<u>10,627,500</u>	<u>10,248,116</u>	<u>379,384</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	526,677	526,677	494,509	32,168
Employee Benefits	168,577	168,577	163,898	4,679
Purchased Services - Professional	5,000	5,000	-	5,000
Purchased Services - Property	-	-	-	-
Purchased Services - Other	1,700	1,700	1,521	179
Supplies and Materials	5,845	5,845	5,384	461
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>707,799</u>	<u>707,799</u>	<u>665,312</u>	<u>42,487</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	221,254	221,254	222,859	(1,605)
Benefits	66,559	66,559	70,000	(3,441)
Purchased Services – Professional	44,500	44,500	19,926	24,574
Purchased Services – Property	200	200	216	(16)
Purchased Services – Other	65,000	65,000	65,854	(854)
Supplies and Materials	33,363	33,363	50,483	(17,120)
Property	2,762	2,762	3,161	(399)
<u>Total Instructional Staff</u>	<u>433,638</u>	<u>433,638</u>	<u>432,499</u>	<u>1,139</u>
<u>General Administration</u>				
Salaries	287,791	287,791	264,912	22,879
Employee Benefits	60,866	60,866	53,057	7,809
Purchased Services – Professional	85,600	85,600	79,849	5,751
Purchased Services – Other	28,100	28,100	23,930	4,170
Supplies and Materials	18,000	18,000	18,629	(629)
Property	1,500	1,500	939	561
Other Objects	13,000	13,000	16,277	(3,277)
<u>Total General Administration</u>	<u>494,857</u>	<u>494,857</u>	<u>457,593</u>	<u>37,264</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	776,677	776,677	771,037	5,640
Employee Benefits	244,187	244,187	239,117	5,070
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	55,300	55,300	57,973	(2,673)
Supplies and Materials	16,150	16,150	18,896	(2,746)
Property	6,400	6,400	13,086	(6,686)
<u>Total School Administration</u>	<u>1,098,714</u>	<u>1,098,714</u>	<u>1,100,109</u>	<u>(1,395)</u>
<u>Business Services</u>				
Salaries	143,170	143,170	145,548	(2,378)
Employee Benefits	46,110	46,110	45,678	432
Purchased Services – Professional	7,500	7,500	1,984	5,516
Purchased Services – Property	300	300	-	300
Purchased Services – Other	50,200	50,200	65,358	(15,158)
Supplies and Materials	11,000	11,000	15,983	(4,983)
Property	-	-	-	-
Other Objects	1,200	1,200	1,861	(661)
<u>Total Business Services</u>	<u>259,480</u>	<u>259,480</u>	<u>276,412</u>	<u>(16,932)</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	797,159	797,159	767,688	29,471
Employee Benefits	272,280	272,280	243,877	28,403
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	158,500	158,500	195,039	(36,539)
Purchased Services – Other	103,250	103,250	84,788	18,462
Supplies and Materials	556,200	556,200	551,175	5,025
Property	3,000	3,000	-	3,000
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>1,890,389</u>	<u>1,899,389</u>	<u>1,842,567</u>	<u>47,822</u>
<u>Student Transportation</u>				
Salaries	363,276	363,276	320,378	42,898
Employee Benefits	93,600	93,600	62,409	31,191
Purchased Services – Property	5,250	5,250	26,095	(20,845)
Purchased Services – Other	11,850	11,850	12,025	(175)
Supplies and Materials	154,700	154,700	73,994	80,706
Property	13,500	13,500	11,035	2,465
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>642,176</u>	<u>642,176</u>	<u>505,936</u>	<u>136,240</u>
<u>Central Support</u>				
Salaries	114,310	114,310	114,806	(496)
Employee Benefits	32,367	32,367	39,540	(7,173)
Purchased Services – Professional	340,089	340,089	243,986	96,103
Purchased Services – Property	215,000	215,000	225,100	(10,100)
Purchased Services – Other	142,000	142,000	158,027	(16,027)
Supplies and Materials	2,000	2,000	2,362	(362)
Property	36,000	36,000	50,662	(14,662)
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>881,766</u>	<u>881,766</u>	<u>834,483</u>	<u>47,283</u>
<u>Facilities Acquisition and Construction</u>				
Purchased Services – Property	-	-	-	-
Property	-	-	-	-
<u>Total Facilities Acquisition and Construction</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>6,408,819</u>	<u>6,408,819</u>	<u>6,114,911</u>	<u>293,908</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Debt Service</u>				
Principal	-	-	-	-
Interest	-	-	-	-
<u>Total Debt Service</u>	-	-	-	-
<u>APPROPRIATED RESERVES</u>	458,000	500,000	-	500,000
<u>TOTAL EXPENDITURES</u>	17,010,139	17,536,319	16,363,027	1,173,292
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(420,214)	(651,222)	1,046,593	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(1,498,300)	(1,696,635)	(608,907)	1,087,728
<u>Total Other Financing Sources (Uses)</u>	(1,498,300)	(1,696,635)	(608,907)	1,087,728
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,918,514)	(2,347,857)	437,686	
<u>FUND BALANCE, July 1</u>	1,918,514	2,347,857	2,847,857	
<u>FUND BALANCE, June 30</u>	-	-	3,285,543	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
DESIGNATED PURPOSE GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>		
<u>Revenues</u>				
Local Sources	24,000	222,000	211,054	(10,946)
State Sources	569,038	569,038	462,621	(106,417)
Federal Sources	1,316,947	1,347,445	1,157,719	(189,726)
<u>Total Revenues</u>	<u>1,909,985</u>	<u>2,138,483</u>	<u>1,831,394</u>	<u>(307,089)</u>
<u>Expenditures</u>				
Instruction:				
Salaries	951,519	982,017	844,261	137,756
Employee Benefits	304,434	304,434	258,106	46,328
Purchased Services – Professional	38,542	38,542	31,552	6,990
Purchased Services – Property	-	-	-	-
Purchased Services – Other	42,473	42,473	25,748	16,725
Supplies and Material	72,362	72,362	55,597	16,765
Property	31,080	31,080	11,124	19,956
Other Objects	-	-	1,712	(1,712)
Pupil Support	149,523	149,523	151,742	(2,219)
Staff Support	145,155	145,155	119,136	26,019
General Administration	121,097	121,097	101,831	19,266
School Administration	-	-	-	-
Central Support	53,800	251,800	230,585	21,215
Appropriated Reserves	-	-	-	-
<u>Total Expenditures</u>	<u>1,909,985</u>	<u>2,138,483</u>	<u>1,831,394</u>	<u>307,089</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>FUND BALANCE, July 1</u>	-	-	-	
<u>FUND BALANCE, June 30</u>	-	-	-	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.2334%	0.2277%	0.2198%	0.2220%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$69,498,143	\$34,828,766	\$29,789,453	\$28,316,956	-	-	-	-	-	-
District's covered-employee payroll	\$10,702,862	\$10,146,019	\$9,652,086	\$8,928,288	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	649%	343%	309%	317%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	62.80%	64.06%	-	-	-	-	-	-

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 For The Last 10 Fiscal Years (As Available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contributions	\$ 1,967,677	\$ 1,800,087	\$ 1,630,886	\$ 1,427,296	\$ 1,358,382	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(1,967,677)</u>	<u>\$(1,800,087)</u>	<u>\$(1,630,886)</u>	<u>\$(1,427,296)</u>	<u>\$(1,358,382)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$10,702,862	\$10,146,019	\$ 9,652,086	\$ 8,928,288	\$ 9,007,251	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.74%	16.90%	15.99%	15.08%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Bond Redemption Debt Service Fund

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

### Building – Capital Projects Fund

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

### Capital Reserve – Capital Projects Fund

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

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

### Fiduciary Funds

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 BOND REDEMPTION - DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Tax	1,749,116	1,703,453	(45,663)
Earnings on Investments	2,850	7,159	4,309
Other Local	<u>11,400</u>	<u>15,446</u>	<u>4,046</u>
<u>Total Revenues</u>	<u>1,763,366</u>	<u>1,726,058</u>	<u>(37,308)</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	1,125,000	1,125,000	-
Interest	597,434	595,994	1,440
Other	-	-	-
Appropriated Reserves	<u>1,524,021</u>	<u>-</u>	<u>1,524,021</u>
<u>Total Expenditures</u>	<u>3,246,455</u>	<u>1,720,994</u>	<u>1,525,461</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (1,483,089)	 5,064	
 <u>FUND BALANCES, July 1</u>	 <u>1,483,089</u>	 <u>1,483,089</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>1,488,153</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 BUILDING FUND – CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	61	61
State Grant	<u>777,187</u>	<u>234,763</u>	<u>(542,424)</u>
<u>Total Revenues</u>	<u>777,187</u>	<u>234,824</u>	<u>(542,363)</u>
 <u>EXPENDITURES</u>			
Capital Outlay	777,310	234,947	542,363
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>777,310</u>	<u>234,947</u>	<u>542,363</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(123)</u>	<u>123</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(123)</u>	<u>(123)</u>	
 <u>FUND BALANCES, July 1</u>	<u>123</u>	<u>123</u>	
 <u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 CAPITAL RESERVE CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
Earnings on Investments	1,000	781	(219)
State Grant	<u>629,032</u>	<u>387,584</u>	<u>(241,448)</u>
<u>Total Revenues</u>	<u>630,032</u>	<u>388,365</u>	<u>(241,667)</u>
<u>EXPENDITURES:</u>			
Land and Sites	-	-	-
Building and Improvements	1,112,442	666,101	446,341
Equipment:			
Transportation Equipment	-	-	-
Other Equipment	100,000	69,916	30,084
Other	-	-	-
Appropriated Reserves	<u>720,000</u>	<u>-</u>	<u>720,000</u>
<u>Total Expenditures</u>	<u>1,932,442</u>	<u>736,017</u>	<u>1,196,425</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(1,302,410)	(347,652)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>799,868</u>	<u>-</u>	<u>(799,868)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(502,542)	(347,652)	
<u>FUND BALANCES, July 1</u>	502,542	502,542	
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>-</u>	<u>359,074</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>513,964</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Athletics</u>	
<u>ASSETS</u>			
Cash	334,497	7,335	341,832
Investments	-	-	-
Accounts Receivable	59,051	-	59,051
Accrued Revenue	-	-	-
Due from Other Funds	-	-	-
Inventories	53,067	-	53,067
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>446,615</u>	<u>7,335</u>	<u>453,950</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	219	630	849
Accrued Salaries	75,496	-	75,496
Due to Other Funds	270,333	295	270,628
Deposits Held	-	-	-
<u>Total Liabilities</u>	<u>346,048</u>	<u>925</u>	<u>346,973</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventories	53,067	-	53,067
Restricted:			
Food Service	47,500	-	47,500
Assigned:			
Student Activities	-	6,410	6,410
Unassigned	-	-	-
<u>Total Fund Balances</u>	<u>100,567</u>	<u>6,410</u>	<u>106,977</u>
 <u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	 <u>446,615</u>	 <u>7,335</u>	 <u>453,950</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Athletics</u>	
<u>REVENUES:</u>			
Local Sources:			
Earnings on Investments	242	4	246
Fees and Charges	6,652	35,557	42,209
State Aid	10,309	-	10,309
Federal Aid	<u>1,311,218</u>	<u>-</u>	<u>1,311,218</u>
<u>Total Revenues</u>	<u>1,328,421</u>	<u>35,561</u>	<u>1,363,982</u>
 <u>EXPENDITURES:</u>			
Current:			
Instructional Services	-	606,605	606,605
Supporting Services:			
Students	-	44,386	44,386
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance of Facilities	-	-	-
Transportation	-	-	-
Food Service	1,250,633	-	1,250,633
Debt Service	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>1,250,633</u>	<u>650,991</u>	<u>1,901,624</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	 77,788	 (615,430)	 (537,642)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>608,907</u>	<u>608,907</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 77,788	 (6,523)	 71,265
 <u>FUND BALANCES, Beginning</u>	 <u>22,779</u>	 <u>12,933</u>	 <u>35,712</u>
 <u>FUND BALANCES, Ending</u>	 <u>100,567</u>	 <u>6,410</u>	 <u>106,977</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
FOOD SERVICES – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	9,500	6,652	(2,848)
Earnings on Investments	200	242	42
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	-	10,309	10,309
<u>Federal Sources</u>			
School Lunches and Breakfast	1,107,511	1,218,309	110,798
Commodities	<u>82,963</u>	<u>92,909</u>	<u>9,946</u>
<u>Total Revenues</u>	<u>1,200,174</u>	<u>1,328,421</u>	<u>128,247</u>
 <u>EXPENDITURES</u>			
Salaries	428,066	363,674	64,392
Employee Benefits	172,081	148,119	23,962
Purchased Services – Professional	-	-	-
Purchased Services – Property	19,000	15,650	3,350
Purchased Services - Other	4,000	933	3,067
Food Purchases	824,163	581,996	242,167
Capital Outlay	15,500	11,447	4,053
Commodities	-	92,909	(92,909)
Non-Food Supplies	-	35,905	(35,905)
Other	-	-	-
Appropriated Reserves	<u>24,144</u>	-	<u>24,144</u>
<u>Total Expenditures</u>	<u>1,486,954</u>	<u>1,250,633</u>	<u>236,321</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(286,780)	77,788	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>264,000</u>	-	<u>(264,000)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(22,780)	77,788	
<u>FUND BALANCE, July 1</u>	<u>22,780</u>	<u>22,779</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>100,567</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 STUDENT ATHLETICS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	4	4
Other Local	<u>19,190</u>	<u>35,557</u>	<u>16,367</u>
<u>Total Revenues</u>	<u>19,190</u>	<u>35,561</u>	<u>16,371</u>
 <u>EXPENDITURES:</u>			
Co-Curricular Instruction	629,013	606,605	22,408
Co-Curricular Support	<u>35,877</u>	<u>44,386</u>	<u>(8,509)</u>
<u>Total Expenditures</u>	<u>664,890</u>	<u>650,991</u>	<u>13,899</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	(645,700)	(615,430)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>632,767</u>	<u>608,907</u>	<u>(23,860)</u>
 <u>NET CHANGE IN FUND BALANCE</u>	(12,933)	(6,523)	
 <u>FUND BALANCE, July 1</u>	<u>12,933</u>	<u>12,933</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>6,410</u>	

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

ALAMOSA SCHOOL DISTRICT RE-11J  
 STUDENT ACTIVITY FUND – AGENCY FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2017

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	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>RECEIPTS</u>			
Other Local	450,000	499,044	49,044
<u>EXPENDITURES</u>			
Pupil Activities	450,000	446,347	<u>3,653</u>
Net Increase (Decrease) in Deposits Held	-	52,697	
Deposits Held – Beginning of Year	-	<u>206,058</u>	
Deposits Held – End of Year	<u>-</u>	<u>258,755</u>	

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

STATE REQUIRED SCHEDULES

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0100 - ALAMOSA RE-11  
 Fiscal Year 2016-17  
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	2,847,856	15,054,362	15,418,444	3,283,774
18 Risk Mgmt Sub-Fund of General Fund	0	237,816	237,816	0
19 Colorado Preschool Program Fund	0	706,535	706,767	1,768
<b>Sub-Total</b>	<b>2,847,856</b>	<b>16,000,713</b>	<b>16,363,027</b>	<b>3,285,542</b>
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const. Tech, Mann. Fund	0	0	0	0
21 Food Service Spec. Revenue Fund	22,779	1,318,421	1,250,633	100,566
22 Govt Designated-Purpose Grants Fund	0	1,831,394	1,831,394	0
23 Pupil Activity Special Revenue Fund	12,933	644,468	650,991	6,410
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,483,089	1,726,058	1,720,994	1,488,153
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	123	234,825	234,947	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	861,816	388,965	736,017	513,964
46 Supplemental Cap Const. Tech, Mann Fund	0	0	0	0
<b>Sub-Total</b>	<b>5,221,997</b>	<b>23,544,193</b>	<b>22,768,003</b>	<b>5,394,036</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
<b>Sub-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
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	206,056	498,044	446,347	258,755
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Sub-Total</b>	<b>206,056</b>	<b>498,044</b>	<b>446,347</b>	<b>258,755</b>
<b>Totals</b>	<b>8,275,909</b>	<b>40,053,000</b>	<b>39,677,377</b>	<b>14,938,083</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District 0100 - ALAMOSA RE-11J  
 Fiscal Year 2016-17  
 Colorado School District/BOCES

	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	4,273,706	0	0	28,374	0	334,497	1,401,005	366,138	0	0	0	0	258,755	0	6,662,475
Cash with Fiscal Agent (8105)	79,243	0	0	0	0	0	16,752	0	0	0	0	0	0	0	95,994
Taxes Receivable (8121,8122)	343,000	0	0	0	0	0	167,000	0	0	0	0	0	0	0	510,000
Interfund Loans Receivable (8131,8132)	276,485	0	24,624	0	0	0	0	16,650	0	0	0	0	0	0	317,759
Intergovernmental Accounts Rec (8141)	153,664	0	0	0	0	0	0	0	0	0	0	0	0	0	153,664
Grants Accounts Receivable (8142)	0	0	0	352,284	0	59,051	0	289,319	0	0	0	0	0	0	700,653
Inventories (8171,8172,8173)	0	0	0	0	0	53,067	0	0	0	0	0	0	0	0	53,067
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>5,126,057</b>	<b>0</b>	<b>24,624</b>	<b>380,658</b>	<b>0</b>	<b>446,515</b>	<b>1,584,757</b>	<b>672,107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>258,755</b>	<b>0</b>	<b>8,493,613</b>

	Governmental							Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>														
<b>LIABILITIES</b>														
Interfund Payables (7401,7402)	24,624	0	113	6,038	0	270,333	0	16,650	0	0	0	0	0	317,759
Other Payables (7421-7423)	16,775	0	0	9,441	0	219	0	9,471	0	0	0	0	0	35,905
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	132,022	0	0	0	0	0	132,022
Accrued Expenses (7461)	1,553,148	0	22,743	186,938	0	75,497	0	0	0	0	0	0	0	1,838,326
Payroll Dec. and Withholdings (7471-7473)	338	0	0	0	0	0	0	0	0	0	0	0	0	338
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	171,831	0	0	0	0	0	0	0	0	0	171,831
Other Current Liabilities (7491,7492,7499)	48,430	0	0	0	0	0	0	0	0	0	0	0	0	48,430
Deferred Inflow (7800)	199,008	0	0	0	0	0	96,604	0	0	0	0	0	0	295,612
<b>Total Liabilities</b>	<b>1,842,373</b>	<b>0</b>	<b>22,856</b>	<b>374,248</b>	<b>0</b>	<b>346,049</b>	<b>96,604</b>	<b>158,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,840,223</b>

**Governmental**

**Proprietary**

**Fiduciary**

FUND EQUITY	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals			
Non-spendable Fund Balance 6710	0	0	0	0	0	53,066	0	0	0	0	0	0	0	0	53,066			
Restricted Fund Balance 6720	0	0	0	0	0	47,500	1,488,153	0	0	0	0	0	0	0	1,535,653			
TABOR 3% Emergency Reserve 6721	563,000	0	0	0	0	0	0	0	0	0	0	0	0	0	563,000			
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Colorado Preschool Program (CPP) Reserve 6724	0	0	1,768	0	0	0	0	0	0	0	0	0	0	0	1,768			
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
BEST Capital Reserve 6727	220,000	0	0	0	0	0	0	500,000	0	0	0	0	0	0	720,000			
Committed Fund Balance 6750	0	0	0	0	0	0	0	-345,110	0	0	0	0	0	0	-345,110			
Assigned Fund Balance 6760	0	0	0	6,410	0	0	0	0	0	0	0	0	0	0	6,410			
Unassigned Fund Balance 6770	2,500,774	0	0	0	0	0	0	0	0	0	0	0	258,755	0	2,759,529			
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Prior Period Adjustment 6880	0	0	0	0	0	0	0	359,074	0	0	0	0	0	0	359,074			
<b>Total Fund Equity</b>	<b>3,283,774</b>	<b>0</b>	<b>1,768</b>	<b>6,410</b>	<b>0</b>	<b>100,566</b>	<b>1,488,153</b>	<b>513,964</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>258,755</b>	<b>0</b>	<b>5,653,390</b>			

FUND EQUITY	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals			
Total Liabilities & Fund Equity	5,126,097	0	24,624	380,658	0	446,615	1,584,757	672,107	0	0	0	0	258,755	0	8,493,613			

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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SINGLE AUDIT SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
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**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Alamosa School District RE-11J as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Alamosa School District RE-11J's basic financial statements, and have issued our report thereon dated December 21, 2017.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Sigou, Waller & Co., Inc.*

December 21, 2017

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

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

**Report on Compliance for Each Major Federal Program**

We have audited Alamosa School District RE-11J's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Alamosa School District RE-11J's major federal programs for the year ended June 30, 2017. Alamosa School District RE-11J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program

In our opinion, Alamosa School District RE-11J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

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

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

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

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

*Biggs, Waller & Co., Inc.*

December 21, 2017

ALAMOSA SCHOOL DISTRICT RE-11J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2017

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SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

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

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

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

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

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

Audit Findings

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

Major Programs

Child Nutrition Cluster:	10.553	School Breakfast Program
	10.555	National School Lunch Program
	10.559	Summer Food Service Program for Children

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as Low-Risk Auditee

The Alamosa School District RE-11J qualified as a low-risk auditee for fiscal year ended June 30, 2017.

ALAMOSA SCHOOL DISTRICT RE-11J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2017

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(continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ALAMOSA SCHOOL DISTRICT RE-11J  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2017

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Code</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
(Passed through Colorado Community College and Occupational Education)			
Vocational Education:			
Carl Perkins	84.048	5048	1,686
(Passed through Colorado Department of Education)			
Title II-A Improving Teacher Quality State Grants	84.367	4367	185,784
Title III	84.365	4365	20,804
Title I - Part A	84.010	4010	896,915
Title I – Delinquent	84.010	7010	8,752
Title VI-B	84.358	7358	<u>43,777</u>
<u>Total Department of Education</u>			<u>1,157,718</u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
(Passed through Colorado Department of Education)			
National School Lunch Program	10.555	4555	638,492
National School Breakfast Program	10.553	4553	475,045
Summer Program for Children	10.559	4559	104,772
(Passed through Colorado Department of Human Services)			
Food Distribution	10.555	4555	<u>92,909</u>
<u>Total Child Nutrition Cluster</u>			<u>1,311,218</u>
<u>Total Department of Agriculture</u>			<u>1,311,218</u>
<u>TOTAL EXPENDITURES</u>			<u>2,468,936</u>

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

ALAMOSA SCHOOL DISTRICT RE-11J  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2017

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NOTE 1    Basis of Presentation

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

NOTE 2    Indirect Cost Rates

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

NOTE 3    Food Distribution

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

NOTE 4    Subrecipients

No payments were made to subrecipients in the fiscal year ended June 30, 2017.