

**MIAMI-YODER SCHOOL DISTRICT JT60
RUSH, COLORADO**

**FINANCIAL STATEMENTS
With
INDEPENDENT AUDITORS' REPORT**

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



RECEIVED

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MIAMI-YODER SCHOOL DISTRICT JT60
RUSH, COLORADO

ROSTER OF SCHOOL OFFICIALS

YEAR ENDED JUNE 30, 2016

BOARD OF EDUCATION

Tami Sisneros – President

David Orcutt – Vice President

Glenda Strousse –Treasurer

Jodi Veros – Secretary

Stacey Brewer – Director

ADMINISTRATIVE STAFF

Dwight Barnes
Superintendent of Schools

Robyn Klunder
Business Manager

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Roster of School Officials

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2016

The discussion and analysis of Miami-Yoder School District JT60's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

Major purchases have been planned for the 2016-2017 school year. Purchases include one bus, equipment and upgrades for facilities, and the construction of a greenhouse for the agriculture program. A draw down of the reserve has allowed for the purchases.

The district continues to manage its finances to maintain a healthy reserve. Overall, the District's financial condition remained stable during the year, with ending net position decreasing due to the restructuring of bonds which included the payoff on one of the bonds.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

As of June 30, 2016, the District's total net position was \$564,140.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation, food service and extracurricular activities.

A condensed summary of the District's net position is as follows:

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2016	2015
Current and Other Assets	\$ 2,975,972	\$ 3,265,904
Capital Assets - Net	4,751,846	4,544,344
Other Assets - Net	-	-
Total Assets	<u>7,727,818</u>	<u>7,810,248</u>
Deferred Outflow of Financial Resources	<u>690,703</u>	<u>278,801</u>
Current Liabilities	289,661	316,571
Noncurrent Liabilities	<u>7,226,704</u>	<u>7,156,322</u>
Total Liabilities	<u>7,516,365</u>	<u>7,472,893</u>
Deferred Inflow of Financial Resources	<u>338,016</u>	<u>335</u>
Net Investment in Capital Assets	3,222,541	2,705,291
Restricted Net Position	825,461	1,302,090
Unrestricted Net Position	<u>(3,483,862)</u>	<u>(3,391,560)</u>
Total Net Position	<u>\$ 564,140</u>	<u>\$ 615,821</u>

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside by management for the repayment of debt, or set aside as required by Colorado statutes for emergencies.

A condensed Statement of Activities and the related change in net position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2016	Restated 2015
Program Revenues:		
Charges for Services	\$ 29,039	\$ 35,977
Operating Grants	<u>462,005</u>	<u>434,675</u>
Total Program Revenues	<u>491,044</u>	<u>470,652</u>
General Revenues:		
Taxes	570,463	718,744
State Equalization	2,423,582	2,372,307
Investment Income	8,641	3,475
Miscellaneous	<u>1,605,371</u>	<u>92,920</u>
Total General Revenues	<u>4,608,057</u>	<u>3,187,446</u>
Total Revenues	<u>5,099,101</u>	<u>3,658,098</u>
Expenses		
Instruction	1,913,924	1,971,372
Supporting Services	1,721,945	1,813,435
Debt Service Interest	<u>1,673,839</u>	<u>88,016</u>
Total Expenses	<u>5,309,708</u>	<u>3,872,823</u>
Change in Net Position	<u>(210,607)</u>	<u>(214,725)</u>
Net Position - Beginning	615,821	5,568,792
Prior Period Restatement	<u>158,926</u>	<u>(4,738,246)</u>
Net Position - Beginning Restated	<u>774,747</u>	<u>830,546</u>
Net Position - Ending	<u>\$ 564,140</u>	<u>\$ 615,821</u>

The District's net position decreased this year.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Designated Grants, and Bond Redemption Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Designated Grants, Food Service, Athletic Activity, Scholarship, Bond Redemption, Building and Capital Reserve Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Designated Grants Fund accounts for a portion of the District non-match grant activity, the Pupil Activity and Scholarship Funds account for extracurricular and post-secondary opportunities, and the Bond Redemption Fund accounts for the repayment of the District's general obligation debt. The Building Fund accounts for the 2007 Bond and the CDE Capital Construction grant improvements and the Capital Reserve Fund accounts for the remainder of District's major capital outlay.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund is the Class Fund. The Class Fund generally accounts for student generated revenues and expenditures related to non-classroom activities.

Fund Financial Statements

As of June 30, 2016, the District's governmental funds reported a combined fund balance of \$2,653,568 which is a decrease of \$335,537. from the June 30, 2015 balance. The following is additional information, by major fund, which contributed to the change.

Information regarding the District's General Fund is shown below. The District also has five other governmental funds, the Food Service Fund, Capital Reserve Fund, Pupil Activity Fund, Scholarship Fund, Bond Redemption Fund and the Building Fund. Activities in the Pupil Activity and Scholarship Funds were relatively stable. The Bond Redemption Fund showed a decrease in ending fund balance of \$453,320. General Fund showed an increase of \$32,664.

Capital Assets

As of June 30, 2016 the District had \$4,751,846 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$182,282. from last year. A summary of the District's Capital Assets is as follows:

TABLE 3 - CAPITAL ASSETS

	Restated Balance July 1 2015	Additions	Deletions	Balance June 30 2016
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 50,858	\$ -	\$ 50,858
Capital Assets Being Depreciated:				
Buildings	5,043,734	-	-	5,043,734
Site Improvements	491,771	-	-	491,771
Equipment	163,353	-	-	163,353
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	864,975	154,553	136,690	882,838
Total Capital Assets Being Depreciate	<u>6,604,500</u>	<u>154,553</u>	<u>136,690</u>	<u>6,622,363</u>
Less: Accumulated Depreciation				
Buildings	(1,043,205)	(102,419)	-	(1,145,624)
Site Improvements	(87,480)	(17,858)	-	(105,338)
Equipment	(71,494)	(15,629)	-	(87,123)
Food Service equipment	(33,560)	(445)	-	(34,005)
Transportation Equipment	(640,044)	(45,931)	(136,690)	(549,285)
Total Accumulated Depreciation	<u>(1,875,783)</u>	<u>(182,282)</u>	<u>(136,690)</u>	<u>(1,921,375)</u>

Debt Administration

As of June 30, 2016 the District had total outstanding long-term debt as follows:

	Balance July 1 7/1/15			Balance June 30 6/30/16			Current Portion	Interest Expense
	Advances	Payments						
2005 Gen Oblig Refunding Bonds	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 1,485	
2007 Gen Oblig Bonds	1,645,000	-	1,580,000	65,000	65,000	65,000	33,891	
2015 Gen Oblig Refunding Bonds	-	1,355,000	60,000	1,295,000	50,000	50,000	29,172	
Bond Premiums	84,061	96,033	84,991	95,103	6,865	-	-	
Equipment Leases	44,053	155,018	29,767	169,304	59,266	4,784	-	
PERA Net Pension Liability	5,200,575	369,861	-	5,570,436	-	-	-	
Accrued Compensated Absences	32,633	771	-	33,404	-	-	-	
Total	\$ 7,156,322	\$ 1,976,683	\$ 1,904,758	\$ 7,228,247	\$ 181,131	\$ 69,332		
Deferred Charge on Refunding	\$ -	\$ 24,994	\$ 1,107	\$ 23,887	\$ (922)			

The capital leases represent extended obligations for the purchases of equipment, the bonds payable were utilized for building improvements, and the accrued compensated absences represent the liability for earned but unused vacation. Additional information related to the District's debt can be found in Note 6 to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received.

The difference in the original budget, which is due July 1st, and the final budget, which is due January 30th is mainly due to the student count. In October, we also have actual amounts for teachers' contracts and any special needs of students that may impact our budget. The October count also gives us a clearer picture of what we will receive for equalization from the state.

Economic Factors and Next Year's Budget

With the continued impact of the state referenced "negative factors" non-appropriations, the District continues to examine revenue projections. The District continues to work on ways to increase salaries to attract and retain highly qualified teachers for our students. The District will continue to pursue State and Local grants in order to achieve the District goals.

Requests for Information

This financial report is designed to provide a general overview of the Miami-Yoder School District JT60's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 420 S. Rush Road, Rush, Colorado 80833-9408.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Miami-Yoder School District JT60
Rush, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Miami-Yoder School District JT60, Colorado, as of and for the year ended June 30, 2016, which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Miami-Yoder School District JT60, Colorado, as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Miami-Yoder School District JT60's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M6 and pension schedules on pages 33 - 34 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 35 - 38 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. In addition, the combining and individual fund schedules on pages 39 - 46 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 47 - 50 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry + Company, LLC

Englewood, CO
November 10, 2016

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2016.

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,747,418
Cash with Fiscal Agent	9,384
Taxes Receivable	22,903
Grants Receivable	189,714
Other Accounts Receivable	2,623
Inventory	<u>3,930</u>
Total Current Assets	<u>2,975,972</u>
Noncurrent Assets	
Deferred Charge on Refunding	23,887
Capital Assets, not being depreciated	50,858
Capital Assets, being depreciated	<u>4,700,988</u>
Total Noncurrent Assets	<u>4,775,733</u>
TOTAL ASSETS	<u>7,751,705</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Contributions Subsequent to Measurement Date	143,502
Difference Between Actual and Expected Experience - net	73,558
Difference Between Projected and Actual Returns on Pension Plan Investments - net	<u>473,643</u>
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>690,703</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 8,442,408</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 17,441
Accrued Interest	55,351
Accrued Salaries & Benefits	<u>219,683</u>
Total Current Liabilities	<u>292,475</u>
Non-Current Liabilities	
Due Within One Year	181,131
Due In More Than One Year	<u>7,047,116</u>
Total Noncurrent Liabilities	<u>7,228,247</u>
TOTAL LIABILITIES	<u>7,520,722</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Revenue	1,107
Deferred Grant Revenue	84,173
Difference Between Projected and Actual Pension Plan Experience - net	232
Changes of Assumptions - net	78,720
Change in District's Proportionate Share of Net Pension Liability - net	<u>173,784</u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>338,016</u>
NET POSITION	
Net Investment in Capital Assets	3,222,542
Restricted Net Position	825,461
Unrestricted Net Position (Deficit)	<u>(3,464,333)</u>
TOTAL NET POSITION	<u>583,670</u>
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 8,442,408</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
Balance Sheet
Governmental Funds
June 30, 2016
(With Comparative Totals for June 30, 2015)

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>
		<u>Designated Grants Fund</u>	<u>Bond Redemption Fund</u>
ASSETS			
Cash and Investments	\$ 2,012,032	\$ -	\$ 337,590
Cash with Fiscal Agent	8,343	-	1,041
Taxes Receivable	17,968	-	4,935
Interfund Accounts Receivable	99,935	-	-
Grants Receivable	74,835	105,419	-
Other Accounts Receivable	585	-	-
Inventory	-	-	-
Restricted Cash and Investments	-	-	-
TOTAL ASSETS	<u>\$ 2,213,698</u>	<u>\$ 105,419</u>	<u>\$ 343,566</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE			
Liabilities			
Interfund Accounts Payable	\$ 2,528	\$ 99,935	\$ -
Accounts Payable	15,041	-	-
Accrued Salaries & Benefits	209,764	-	-
Total Liabilities	<u>227,333</u>	<u>99,935</u>	<u>-</u>
Deferred Inflows of Resources			
Deferred Revenue	-	-	-
Deferred Grant Revenue	78,689	5,484	-
Total Deferred Inflows of Resources	<u>78,689</u>	<u>5,484</u>	<u>-</u>
Fund Balance			
Nonspendable Fund Balance	-	-	-
Restricted Fund Balance			
Restricted for Debt Service	-	-	343,566
Restricted for TABOR Emergencies	102,000	-	-
Restricted for Colorado Preschool Program	111,830	-	-
Restricted for BEST Capital Renewal Reserve	-	-	-
Restricted for Capital Outlay	-	-	-
Committed Fund Balance			
Committed for Subsequent Expenditures	-	-	-
Assigned Fund Balance			
Assigned for Fund Purpose	-	-	-
Unassigned Fund Balance	1,693,846	-	-
Total Fund Balance	<u>1,907,676</u>	<u>-</u>	<u>343,566</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 2,213,698</u>	<u>\$ 105,419</u>	<u>\$ 343,566</u>

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

<u>Capital Projects</u>		<u>Totals</u>	
<u>Capital Reserve</u>	<u>Other</u>		
<u>Project Fund</u>	<u>Governmental</u>	<u>2016</u>	<u>2015</u>
	<u>Funds</u>		
\$ 370,866	\$ 26,930	\$ 2,747,418	\$ 2,393,990
-	-	9,384	9,488
-	-	22,903	41,348
-	2,528	102,463	152,013
-	9,460	189,714	42,972
-	2,038	2,623	802
-	3,930	3,930	4,345
-	-	-	772,959
<u>\$ 370,866</u>	<u>\$ 44,886</u>	<u>\$ 3,078,435</u>	<u>\$ 3,417,917</u>
\$ -	\$ -	\$ 102,463	\$ 152,013
-	2,400	17,441	34,900
-	9,919	219,683	235,060
-	12,319	339,587	421,973
-	1,107	1,107	1,329
-	-	84,173	5,510
-	1,107	85,280	6,839
-	3,930	3,930	4,345
-	13,165	356,731	796,886
-	-	102,000	93,000
-	-	111,830	112,065
254,900	-	254,900	225,800
-	-	-	74,338
115,966	7,873	123,839	10,667
-	6,492	6,492	-
-	-	1,693,846	1,672,004
<u>370,866</u>	<u>31,460</u>	<u>2,653,568</u>	<u>2,989,105</u>
<u>\$ 370,866</u>	<u>\$ 44,886</u>	<u>\$ 3,078,435</u>	<u>\$ 3,417,917</u>

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MIAMI-YODER SCHOOL DISTRICT JT60
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2016

Fund Balance - Governmental Funds		\$ 2,653,568
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	50,858	
Capital assets, being depreciated	6,622,363	
Accumulated depreciation	<u>(1,921,375)</u>	4,751,846
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Charge on refunding - net of amortization	23,887	
Bond premiums - net of amortization	<u>(95,103)</u>	(71,216)
Certain long-term pension related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date	143,502	
Difference between actual and expected experience	101,421	
Amortization of experience difference	(27,863)	
Difference between projected and actual investment returns on the pension plan	627,529	
Amortization of investment return difference	(153,886)	
Net pension liability	(5,570,436)	
Difference between projected and actual pension plan experience	(505)	
Amortization of experience difference	273	
Changes of assumptions	(108,538)	
Amortization of change in assumptions	29,818	
Change in District's proportionate share of net pension liability	(228,879)	
Amortization of change in proportion	<u>55,095</u>	(5,132,469)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,360,000)	
Capital leases payable	(169,304)	
Accrued interest payable	(55,351)	
Accrued compensated absences	<u>(33,404)</u>	(1,618,059)
Total Net Position - Governmental Activities		<u>\$ 583,670</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>General Fund</u>	<u>Special Revenue Designated Grants Fund</u>	<u>Debt Service Bond Redemption Fund</u>
REVENUES			
Local Sources	\$ 511,196	\$ -	\$ 100,424
State Sources	2,584,043	-	-
Federal Sources	48,599	144,537	-
TOTAL REVENUES	<u>3,143,838</u>	<u>144,537</u>	<u>100,424</u>
EXPENDITURES			
Instruction	1,511,133	144,537	-
Pupil Support	70,657	-	-
Staff Support	102,657	-	-
General Administration	200,164	-	54,116
School Administration	208,377	-	-
Business Services	70,365	-	-
Operations and Maintenance	414,206	-	-
Transportation	373,113	-	-
Risk Management	40,013	-	-
Food Service	12,027	-	-
Facilities	-	-	-
Debt Service	31,736	-	1,950,661
TOTAL EXPENDITURES	<u>3,034,448</u>	<u>144,537</u>	<u>2,004,777</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>109,390</u>	<u>-</u>	<u>(1,904,353)</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	155,018	-	1,451,033
Transfer In (Out) - net	(206,297)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(51,279)</u>	<u>-</u>	<u>1,451,033</u>
CHANGE IN FUND BALANCE	<u>58,111</u>	<u>-</u>	<u>(453,320)</u>
BEGINNING FUND BALANCE	1,875,012	-	796,886
Prior Period Adjustment	(25,447)	-	-
BEGINNING FUND BALANCE (As Restated)	<u>1,849,565</u>	<u>-</u>	<u>796,886</u>
ENDING FUND BALANCE	<u>\$ 1,907,676</u>	<u>\$ -</u>	<u>\$ 343,566</u>

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

<u>Capital Projects</u>		<u>Totals</u>	
<u>Capital Reserve Project Fund</u>	<u>Other Governmental Funds</u>	<u>2016</u>	<u>2015</u>
\$ 365	\$ 23,661	\$ 635,646	\$ 831,141
-	2,472	2,586,515	2,501,154
-	100,369	293,505	325,803
<u>365</u>	<u>126,502</u>	<u>3,515,666</u>	<u>3,658,098</u>
-	41,968	1,697,638	1,791,689
-	-	70,657	70,102
-	-	102,657	85,457
-	10,438	264,718	419,714
-	-	208,377	233,211
-	-	70,365	70,410
-	-	414,206	345,397
-	-	373,113	223,923
-	-	40,013	45,514
-	139,482	151,509	143,434
5,299	50,858	56,157	5,299
-	-	1,982,397	268,376
<u>5,299</u>	<u>242,746</u>	<u>5,431,807</u>	<u>3,702,526</u>
<u>(4,934)</u>	<u>(116,244)</u>	<u>(1,916,141)</u>	<u>(44,428)</u>
-	-	1,606,051	22,616
<u>150,000</u>	<u>56,297</u>	-	-
<u>150,000</u>	<u>56,297</u>	<u>1,606,051</u>	<u>22,616</u>
<u>145,066</u>	<u>(59,947)</u>	<u>(310,090)</u>	<u>(21,812)</u>
225,800	91,407	2,989,105	3,010,917
-	-	(25,447)	-
<u>225,800</u>	<u>91,407</u>	<u>2,963,658</u>	<u>3,010,917</u>
<u>\$ 370,866</u>	<u>\$ 31,460</u>	<u>\$ 2,653,568</u>	<u>\$ 2,989,105</u>

MIAMI-YODER SCHOOL DISTRICT JT60
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2016

Change in Fund Balance - Governmental Funds		\$ (310,090)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	205,411	
Depreciation Expense	<u>(182,282)</u>	23,129
Pension expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to measurement date	(2,313)	
Change in the difference between actual and expected experience	101,421	
Change in the amortization of experience difference	(27,863)	
Current year projected to actual investment return difference	507,864	
Current year amortization of overall investment return differences	(141,919)	
Change in net pension liability	(369,861)	
Current year projected to actual pension plan experience difference	(117)	
Current year amortization of overall pension plan experience differences	220	
Change in the changes of assumptions	(108,538)	
Change in the amortization of change in assumptions	29,818	
Current year change in proportionate share of cost-sharing plan liability	(258,160)	
Current year amortization of overall proportionate share differences	<u>59,088</u>	(210,360)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Proceeds from debt issuances	(1,606,051)	
Principal payments on bonds payable	1,790,000	
Principal payments on capital leases	29,767	
Change in accrued interest payable	(15,579)	
Deferred charge on refunding	24,994	
Amortization of premiums and discounts	83,884	
Change in accrued compensated absences	<u>(771)</u>	<u>306,244</u>
Changes in Net Position - Governmental Activities		<u>\$ (191,077)</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Fiduciary Net Position
Fiduciary Funds
Class Agency Fund
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Totals	
	2016	2015
ASSETS		
Cash and Investments	\$ 30,848	\$ 26,174
NET POSITION		
Restricted Net Position	\$ 30,848	\$ 26,174

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Miami-Yoder School District JT60 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity".

Based upon the application of these criteria, no additional governmental organizations are includable within the District's reporting entity.

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, and fiduciary – are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Designated Grants Fund (Special Revenue Fund) – Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes. This fund accounts for the portion of the District’s grant activity not required to be accounted for elsewhere.

Bond Redemption Fund (Debt Service Fund) - This fund is used to account for the collection of dedicated property taxes and the related repayment of the District’s general obligation debt.

Capital Reserve Project Funds (Capital Projects Fund) –The Capital Reserve Project Fund accounts for the majority of the District’s non-bond funded capital outlay activity.

The District reports the following non-major governmental funds:

Special Revenue Funds (Food Service and Athletic Activity Funds) - These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes. The Food Service Fund accounts for the District’s food service program and the Athletic Activity Fund specifically accounts for the District’s extracurricular athletic programs.

Building Fund (Capital Project Fund) - The Building Fund was established to account for the District’s bond related major construction projects.

The District reports the following fiduciary fund:

Class Activity Fund (Agency Fund) – This fund is used to account for the money held in trust by the District for student organizations. This fund is custodial and does not measure the results of operations.

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

Cash and Investments - Cash is kept in interest bearing accounts which are comprised of checking and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Investments are recorded at fair value.

Cash and Cash Equivalents - The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory - Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance
(Continued)

Capital Assets (Continued)

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful lives:

Site Improvements	5-25 years
Buildings and Improvements	15-50 years
Transportation Equipment	10-50 years
Other Equipment	10-30 years

Vacation, Sick Leave, and Other Compensated Absences - District employees earn up to 10 days of annual leave per year. Up to 45 days of annual leave can be accumulated, which will be paid at 50% of current substitute teacher daily rate upon retirement. As all employees are contracted to work a set number of days during a year, no vacation accrual accumulates. The compensated absence liability is shown as long-term debt as payments are not funded with current resources.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension obligations and further described in Note 8.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The District reports deferred inflows for prepaid student balances, grants, and pension related deferrals as further described in Note 8.

Net Position/Fund Balance - In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance
(Continued)

Net Position/Fund Balance (Continued)

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (Continued)

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Due to the funding formula utilized by the Colorado Department of Education, property taxes are recognized as revenue when payable to the County Treasurer. Uncollected property taxes levied in 2015 for collection in 2016 are identified as property taxes receivable at June 30.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

The District's cash and investment balances are allocated as follows:

Governmental Activities - Unrestricted	\$ 2,409,828
Governmental Activities - Restricted	337,590
Total Governmental Activities	2,747,418
Business-type Activities - Unrestricted	-
Fiduciary Funds	30,848
Total Cash & Investments	\$ 2,778,266
Cash and equivalents	\$ 548,515
Investments	2,229,751
Total Cash & Investments	\$ 2,778,266

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits (Continued)

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2016, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2016, the District's deposits had bank and carrying values as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized ¹	328,089	298,515
Total Cash	\$ 578,089	\$ 548,515

¹ - Not Held in the District's Name

Investments

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2016 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Weighted Avg. Mat. in Years</u>
Local Government Investment Pools	\$ -	\$ 1,892,161	\$ -	\$ 1,892,161	-
Local Government Investment Pools - Restricted	-	337,590	-	337,590	-
Total Investments	\$ -	\$ 2,229,751	\$ -	\$ 2,229,751	

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- Investment Pools: Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2016, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended June 30, 2016, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2016, the District did not have any investments requiring safekeeping.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3: CAPITAL ASSETS

Activity for the capital assets of the District is summarized below:

	Restated Balance July 1 2015	Additions	Deletions	Balance June 30 2016
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 50,858	\$ -	\$ 50,858
Capital Assets Being Depreciated:				
Buildings	5,043,734	-	-	5,043,734
Site Improvements	491,771	-	-	491,771
Equipment	163,353	-	-	163,353
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	864,975	154,553	136,690	882,838
Total Capital Assets Being Depreciate	<u>6,604,500</u>	<u>154,553</u>	<u>136,690</u>	<u>6,622,363</u>
Less: Accumulated Depreciation				
Buildings	(1,043,205)	(102,419)	-	(1,145,624)
Site Improvements	(87,480)	(17,858)	-	(105,338)
Equipment	(71,494)	(15,629)	-	(87,123)
Food Service equipment	(33,560)	(445)	-	(34,005)
Transportation Equipment	(640,044)	(45,931)	(136,690)	(549,285)
Total Accumulated Depreciation	<u>(1,875,783)</u>	<u>(182,282)</u>	<u>(136,690)</u>	<u>(1,921,375)</u>
Net Capital Assets	<u>\$ 4,728,717</u>	<u>\$ 23,129</u>	<u>\$ -</u>	<u>\$ 4,751,846</u>

The District's depreciation is allocated to its various programs as follows:

Instruction	\$ 89,711
Supporting Services	<u>92,571</u>
Total Depreciation	<u>\$ 182,282</u>

The District's policy is to capitalize and inventory annually all capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2016, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3: CAPITAL ASSETS (Continued)

It was determined during the fiscal year that certain capital assets had been over-depreciated during fiscal year 2013 and 2014. The net restatement was a decrease in accumulated depreciation and an increase in Governmental Activity net position of \$184,372 as of July 1, 2015.

NOTE 4: INVENTORIES

Food Service Fund inventory as of June 30, 2016 of \$3,930 consisted of purchased and donated commodities amounting to \$1,255 and \$2,675, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 5: 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, as of June 30, 2016, are \$219,683. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Food Service Funds.

NOTE 6: LONG-TERM DEBT

The following is a summary of the District's long-term debt activity for the year ended June 30, 2016:

	Balance July 1 7/1/15	Advances	Payments	Balance June 30 6/30/16	Current Portion	Interest Expense
2005 Gen Oblig Refunding Bonds	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,485
2007 Gen Oblig Bonds	1,645,000	-	1,580,000	65,000	65,000	33,891
2015 Gen Oblig Refunding Bonds	-	1,355,000	60,000	1,295,000	50,000	29,172
Bond Premiums	84,061	96,033	84,991	95,103	6,865	-
Equipment Leases	44,053	155,018	29,767	169,304	59,266	4,784
PERA Net Pension Liability	5,200,575	369,861	-	5,570,436	-	-
Accrued Compensated Absences	32,633	771	-	33,404	-	-
Total	<u>\$ 7,156,322</u>	<u>\$ 1,976,683</u>	<u>\$ 1,904,758</u>	<u>\$ 7,228,247</u>	<u>\$ 181,131</u>	<u>\$ 69,332</u>
Deferred Charge on Refunding	<u>\$ -</u>	<u>\$ 24,994</u>	<u>\$ 1,107</u>	<u>\$ 23,887</u>	<u>\$ (922)</u>	

Payments on the bonds are funded through the Bond Redemption Fund, payments for leases are made through the General Fund, payments towards pension liabilities and leave are funded in accordance with the underlying payroll expense.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds Payable (Continued)

On June 2, 2005, the District issued \$860,000 of general obligation bonds that were used to refund a portion of a 1997 bond issuance. The issuance bears interest at rates ranging from 3.00% to 4.00%. Interest is payable semi-annually on January 15th and July 15th of each year. Principal is paid over a period of twelve years and is payable annually on January 15th of each year. The District recognized a net present value savings of \$40,558 through the refunding.

On January 17, 2008, the District issued \$2,000,000 of general obligation bonds that were used for facility improvements. The issuance bears interest at rates ranging from 4.00% to 5.00%. Principal and interest is payable annually on January 15th of each year and is payable through June, 2033. There was \$123,619 of premium recognized upon issuance that will be amortized over the 25 year life of the bonds. These bonds were partially called upon the issuance of the 2015 bonds described below.

On September 1, 2015, the 2008 bonds were partially refunded upon the issuance of \$1,355,000 of new bonds. The new issuance bears interest at rates ranging from 2.00% to 4.00%. Interest is payable semi-annually on January 15th and July 15th of each year. Principal is paid over a period of eleven years and is payable annually on January 15th of each year. The District has recorded bond premiums of \$96,033 and a deferred charge on refunding of \$24,994, both of which will be amortized over the life of the bonds. The District recognized a net present value savings of \$306,862 through the refunding.

Principal and interest is payable on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 115,000	\$ 118,300	\$ 233,300
2018	125,000	38,900	163,900
2019	130,000	35,150	165,150
2020	130,000	31,250	161,250
2021	130,000	27,350	157,350
2022-2026	730,000	74,800	804,800
Total	<u>\$1,360,000</u>	<u>\$ 325,750</u>	<u>\$1,685,750</u>

Capital Lease

In January 2013, the District entered into a capital lease arrangement for the purchase of five copiers. The lease was for \$52,672 and requires monthly payments through December, 2017 of \$1,068 including 8% interest. The District has capitalized assets of \$52,672 related to this lease.

In December 2014, the District entered into a capital lease arrangement for the purchase of technology equipment. The lease was for \$22,616 and requires annual payments in advance through December, 2016 of \$7,586. The District has capitalized assets of \$22,616 related to this lease.

In November 2015, the District entered into a capital lease arrangement for the purchase of thirty computers. The lease was for \$33,025 and requires annual payments in advance through December, 2017 of \$11,334. The District has capitalized assets of \$33,025 related to this lease.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

In November 2015, the District entered into a capital lease arrangement for the purchase of two buses. The lease was for \$121,993 with a down payment of \$13,554 and requires annual payments of \$32,709 through November, 2019. The District has capitalized assets of \$135,547 related to this lease.

Future minimum lease payments are scheduled as follows:

	Copier	iPad	MacBook Air	Bus	Total
	Lease	Lease	Lease	Lease	
For the year ending June 30:					
2017	\$ 12,816	\$ 7,585	\$ 11,334	\$ 32,709	\$ 64,444
2018	6,408	-	11,334	32,709	50,451
2019	6,408	-	-	32,709	39,117
2020	-	-	-	32,709	32,709
Total future minimum payments	25,632	7,585	22,668	130,836	186,721
Less: interest portion	(7,573)	(23)	(977)	(8,843)	(17,416)
Present value of obligation under capital lease	<u>\$ 18,058</u>	<u>\$ 7,562</u>	<u>\$ 21,691</u>	<u>\$ 121,993</u>	<u>\$ 169,305</u>

NOTE 7: JOINTLY GOVERNED ORGANIZATION

BOCES

The District in conjunction with other surrounding districts created the Pikes Peak 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 BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2016, the District paid total assessments of \$118,988 to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 4825 Lorna Place, Colorado Springs, CO 80915.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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
- \$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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

January 1st through December 31st	2014¹	2015¹
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	3.80%	4.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%
Total employer contribution rate to the SCHDTF	16.43%	17.33%

¹ 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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$280,004 for the plan year ended December 31, 2015 and \$271,261 for the fiscal year ended June 30, 2016.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2016, the District reported a liability of \$5,570,436 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District's proportion was .03642%, which was an increase of .0017% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016 the District recognized pension expense of \$553,665. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 73,558	\$ (233)
Changes of assumptions or other inputs	\$ -	\$ (78,720)
Net difference between projected and actual earnings on pension plan	\$ 473,643	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (173,784)
Contributions subsequent to the measurement date	\$ 143,502	\$ -
Total	\$ 690,703	\$ (252,737)

\$143,502 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Year Ended June 30:	Fiscal Year Total
2017	\$ (60,406)
2018	(58,071)
2019	(78,862)
2020	(97,125)
Total	\$ (294,464)

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

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increase, including wage inflation	3.90-10.10%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension asset (liability)	\$ (7,220,913)	\$ (5,570,436)	\$ (4,197,547)

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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.

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2016 program members contributed \$8,647.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

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

Funding Policy – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014 each of the two preceding, the District contributions to the HCTF were \$16,913, \$15,640 and \$16,125, respectively, equal to their required contributions for each year.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES, RESTRICTIONS AND COMMITMENTS

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

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment. Fiscal year 2001 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate votes to retain the revenue. In November of 1997, the voters of the District approved a ballot measure which allows the District to retain, appropriate, and utilize the full revenues received from every source whatever, without limitation, in 1997 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the District feels it is in substantial compliance with the Amendment.

Pursuant to the Amendment the District is required to set aside 3% of "fiscal year spending" as an emergency reserve. The District has reserved \$102,000 of fund balance in the General Fund to meet this requirement.

The District has restricted all of the available carryover in the Bond Redemption and Building Funds for debt service and capital projects, respectively. Amounts held by the Class Activity Fund are for student organization use only. A summary of the District's restricted governmental fund balance and governmental activity net position is as follows:

Restricted for Debt Service	\$	343,566
Restricted Bond Proceeds for Building		13,165
Restricted for Capital Replacement through BEST Grant		254,900
Restricted for TABOR Emergencies		102,000
Restricted through Colorado Preschool Program Act		111,830
Total Governmental Restricted Fund Balance/Net Position	\$	825,461

In addition, the District has committed the following amounts through the adoption of the fiscal year 2016 budget:

Food Service Fund	\$7,873
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MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2016.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District’s financial statements.

Workers Compensation

The District carries commercial insurance for worker’s compensation coverage. Risk of loss transfers to the carrier.

NOTE 13: INTERFUND ACTIVITY

The District has the following internal balances as of the year ended June 30, 2016:

	Balance
General Fund:	
Due to Other Funds	\$ (2,528)
Due from Other Funds	99,935
Grants Fund:	
Due to Other Funds	(99,935)
Food Service Fund:	
Due from Other Funds	2,528
Net Interfund	\$ -

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13: INTERFUND ACTIVITY (Continued)

The District has recorded the following routine transfers during the year ended June 30, 2016:

	Transfer In (Out)
General Fund:	
to Athletic Activity Fund	\$ (44,297)
to Capital Reserve Fund	(150,000)
to Food Service Fund	(12,000)
Athletic Activity Fund:	
from General Fund	44,297
Capital Projects Fund	
from General Fund	150,000
Food Service Fund:	
from General Fund	12,000
Net Transfers	\$ -

NOTE 14: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST Grant through the Colorado Department of Education for facility improvements that commenced during the fiscal year 2010 school year. The State funded this program through Certificate of Participation issuances. The State coordinated the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting grant revenue. The improvements completed by the BEST grant totaled \$16,595,467 and have a depreciated value of \$14,935,920 as of June 30, 2016. As part of the BEST Grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$66,000 annually. This amount was changed beginning with the 2015 fiscal year to \$100 per funded pupil. The total amount of equity restricted for future capital replacement as of June 30, 2016 was \$254,900.

NOTE 15: NET POSITION DEFICIT

The Governmental Activities has an unrestricted net position deficit of \$3,464,333 primarily due to the PERA net pension liability of \$5,570,436, as further described in Note 8. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16: PRIOR PERIOD RESTATEMENT

For the fiscal year, there was a restatement of accumulated depreciation as further discussed in Note 3. In addition, it was determined that the District recorded a June 30 2015 receivable and revenue for an amount that was actually collected on that date. The restatement is as follows:

	Governmental Activities	General Fund
Net Position/Fund Balance - 6/30/15	\$ 615,821	\$ 1,875,012
Accumulated Depreciation	184,373	-
Receivable/Revenue	(25,447)	(25,447)
Net Position - 6/30/16 (Restated)	\$ 774,747	\$ 1,849,565

NOTE 17: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Class Agency Fund by \$7,149. This may be a violation of state statutes.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules – Unaudited)

MIAMI-YODER SCHOOL DISTRICT JT60

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension asset (liability)	0.036422%	0.038371%	0.038142%
District's proportionate share of the net pension asset (liability)	\$ (5,570,436)	\$ (5,200,575)	\$ (4,864,944)
District's covered-employee payroll	\$ 1,587,248	\$ 1,607,475	\$ 1,537,607
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	59.16%	62.84%	64.07%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	6/30/16	6/30/15	6/30/14
Contractually required contributions	\$ 275,070	\$ 264,108	\$ 238,790
Actual contributions	<u>(275,070)</u>	<u>(264,108)</u>	<u>(238,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,587,248	\$ 1,607,475	\$ 1,537,607
Contributions as a percentage of covered-employee payroll	17.33%	16.43%	15.53%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION
(Budgetary Comparison Schedules)

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			Variance with Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Local Sources					
Property Taxes	\$ 323,461	\$ 323,461	\$ 405,920	\$ 82,459	\$ 360,660
Specific Ownership Taxes	36,739	69,385	63,380	(6,005)	69,522
Delinquent Taxes	2,640	2,640	1,672	(968)	1,575
Other Taxes	-	-	-	-	167
Tuition From Individuals	4,400	10,066	5,673	(4,393)	4,635
Investment Earnings	2,450	2,800	7,189	4,389	2,765
Donations	65,183	-	5,566	5,566	-
Other Local	19,800	20,100	21,795	1,695	72,881
Total Local Sources	<u>454,673</u>	<u>428,452</u>	<u>511,195</u>	<u>82,743</u>	<u>512,205</u>
State Sources					
State Equalization	2,413,603	2,613,602	2,423,582	(190,020)	2,372,307
Transportation	61,934	61,934	58,997	(2,937)	60,994
State Grants from CDE					
State ELPA	4,525	1,843	-	(1,843)	808
BOCES Grant Writing	-	2,449	-	(2,449)	-
Additional At Risk	-	-	2,449	2,449	-
Library Act Grant	-	3,500	3,500	-	3,000
READ Act Grant	16,800	15,400	15,400	-	16,776
Small Rural Schools	-	70,469	-	(70,469)	-
State Vocational Education	60,000	88,100	64,628	(23,472)	45,157
State Grants Provided through BOCES	-	4,525	15,488	10,963	-
Total State Sources	<u>2,556,862</u>	<u>2,861,822</u>	<u>2,584,044</u>	<u>(277,778)</u>	<u>2,499,042</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	20,000	-	25,133	25,133	20,265
NCLB Title I, Part A - Competitive	-	38,303	-	(38,303)	-
Race to the Top	199	199	179	(20)	199
Carl Perkins Vocational Education	20,803	20,803	9,845	(10,958)	25,447
NCLB Title VI, Part B - REAP/Rural Education	15,739	17,326	13,442	(3,884)	17,380
Total Federal Sources	<u>56,741</u>	<u>76,631</u>	<u>48,599</u>	<u>(28,032)</u>	<u>63,291</u>
TOTAL REVENUES	<u>3,068,276</u>	<u>3,366,905</u>	<u>3,143,838</u>	<u>(223,067)</u>	<u>3,074,538</u>

(Continued)

See the accompanying Independent Auditors' Report

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			Variance with Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,036,135	1,115,750	996,680	119,070	1,060,143
Benefits	394,843	394,843	310,770	84,073	328,446
PS - Professional	32,350	32,350	17,022	15,328	19,108
PS - Other	212,403	212,403	171,507	40,896	226,021
Supplies	142,480	142,480	87,495	54,985	78,017
Property	24,326	24,326	50,940	(26,614)	18,324
Other Expenses	<u>(151,366)</u>	<u>(151,366)</u>	<u>(123,280)</u>	<u>(28,086)</u>	<u>(146,467)</u>
Total Instruction	<u>1,691,171</u>	<u>1,770,786</u>	<u>1,511,134</u>	<u>259,652</u>	<u>1,583,592</u>
Supporting Services					
Pupil Support					
Salaries	43,100	43,100	43,100	-	41,600
Benefits	14,606	14,606	14,546	60	14,059
Supplies	<u>14,216</u>	<u>20,200</u>	<u>13,011</u>	<u>7,189</u>	<u>14,443</u>
Total Pupil Support	<u>71,922</u>	<u>77,906</u>	<u>70,657</u>	<u>7,249</u>	<u>70,102</u>
Staff Support					
Salaries	21,516	21,516	21,788	(272)	20,326
Benefits	10,238	10,238	7,569	2,669	8,811
PS - Professional	(58,018)	39,000	35,507	3,493	13,762
PS - Other	21,200	21,200	532	20,668	4,082
Supplies	41,600	41,600	37,261	4,339	38,476
Property	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>
Total Staff Support	<u>37,036</u>	<u>134,054</u>	<u>102,657</u>	<u>31,397</u>	<u>85,457</u>
General Administration					
Salaries	22,778	119,430	117,212	2,218	307,035
Benefits	51,294	51,294	41,139	10,155	49,101
PS - Professional	24,660	24,660	20,489	4,171	24,311
PS - Other	9,300	9,300	9,450	(150)	5,688
Supplies	5,000	5,000	3,113	1,887	4,586
Property	51,000	51,000	350	50,650	22,876
Other Expenses	<u>8,700</u>	<u>8,700</u>	<u>8,411</u>	<u>289</u>	<u>5,316</u>
Total General Administration	<u>172,732</u>	<u>269,384</u>	<u>200,164</u>	<u>69,220</u>	<u>418,913</u>
School Administration					
Salaries	154,283	159,345	161,413	(2,068)	180,355
Benefits	53,899	53,899	41,996	11,903	49,113
PS - Other	2,550	2,550	1,917	633	1,502
Supplies	3,300	3,300	1,941	1,359	2,242
Other Expenses	<u>1,460</u>	<u>1,460</u>	<u>1,110</u>	<u>350</u>	<u>-</u>
Total School Administration	<u>215,492</u>	<u>220,554</u>	<u>208,377</u>	<u>12,177</u>	<u>233,212</u>

(Continued)

See the accompanying Independent Auditors' Report

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			Variance with Final Budget	2015 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
PS - Professional	2,650	2,650	(394)	3,044	3,245
PS - Property	17,000	17,000	753	16,247	4,010
PS - Other	119,569	68,077	70,006	(1,929)	63,154
Total Business Services	139,219	87,727	70,365	17,362	70,409
Operations and Maintenance					
Salaries	12,262	137,036	127,888	9,148	120,845
Benefits	44,672	44,672	40,814	3,858	37,967
PS - Professional	65,000	65,000	73,996	(8,996)	32,567
PS - Property	20,500	20,500	15,313	5,187	11,780
PS - Other	100	100	-	100	-
Supplies	147,500	147,500	150,656	(3,156)	140,463
Property	9,000	9,000	4,481	4,519	525
Other Expenses	1,800	1,800	1,058	742	1,251
Total Operations and Maintenance	300,834	425,608	414,206	11,402	345,398
Transportation					
Salaries	143,103	142,433	120,974	21,459	115,781
Benefits	36,528	36,528	29,199	7,329	29,449
PS - Professional	2,500	2,500	2,303	197	1,502
PS - Property	40,000	40,000	34,276	5,724	36,068
PS - Other	500	500	150	350	190
Supplies	56,593	56,593	33,558	23,035	40,933
Property	21,900	21,900	152,653	(130,753)	-
Total Transportation	301,124	300,454	373,113	(72,659)	223,923
Risk Management					
PS - Other	84,000	42,000	40,013	1,987	45,514
Food Service					
Salaries	-	-	8,440	(8,440)	8,210
Benefits	-	-	3,587	(3,587)	4,432
Total Food Service	-	-	12,027	(12,027)	12,642
Debt Service					
Principal	-	-	29,766	(29,766)	17,574
Interest	-	-	1,969	(1,969)	2,827
Total Debt Service	-	-	31,735	(31,735)	20,401
Contingency	2,027,795	1,831,408	-	1,831,408	-
TOTAL EXPENDITURES	5,041,325	5,159,881	3,034,448	2,125,433	3,109,563
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,973,049)	(1,792,976)	109,390	1,902,366	(35,025)
OTHER FINANCING SOURCES (USES)					
Transfers	(52,500)	(66,897)	(206,297)	(139,400)	(93,111)
Capital Lease Proceeds	-	-	155,018	155,018	22,616
TOTAL OTHER FINANCING SOURCES (USES)	(52,500)	(66,897)	(51,279)	15,618	(70,495)
CHANGE IN FUND BALANCE	(2,025,549)	(1,859,873)	58,111	1,917,984	(105,520)
BEGINNING FUND BALANCE	2,025,549	1,859,873	1,875,012	15,139	1,980,533
PRIOR PERIOD RESTATEMENT	-	-	(25,447)	(25,447)	-
BEGINNING FUND BALANCE (As Restated)	2,025,549	1,859,873	1,849,565	(10,308)	1,980,533
ENDING FUND BALANCE	\$ -	\$ -	\$ 1,907,676	\$ 1,907,676	\$ 1,875,013

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Designated Grants Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Federal Sources				
NCLB Title I, Part A - Improving Basic Programs	\$ 145,765	\$ 139,187	\$ (6,578)	\$ 154,308
NCLB Title II, Part A - Teacher & Principal Training	12,601	5,350	(7,251)	12,609
TOTAL REVENUES	<u>158,366</u>	<u>144,537</u>	<u>(13,829)</u>	<u>166,917</u>
EXPENDITURES				
Instruction				
Supplies	50	17,000	(16,950)	12,000
Other Expenses	158,316	127,537	30,779	154,917
TOTAL EXPENDITURES	<u>158,366</u>	<u>144,537</u>	<u>13,829</u>	<u>166,917</u>
CHANGE IN FUND BALANCE	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

MIAMI-YODER SCHOOL DISTRICT JT60
Balance Sheet
Governmental Funds
Nonmajor Governmental Funds
June 30, 2016
(With Comparative Totals for June 30, 2015)

	Special Revenue		Capital Projects	Totals	
	Food Service	Athletic Activity	Building Fund	2016	2015
	Fund	Fund			
ASSETS					
Cash and Investments	\$ 4,873	\$ 8,892	\$ 13,165	\$ 26,930	\$ 103,663
Interfund Accounts Receivable	2,528	-	-	2,528	-
Grants Receivable	9,460	-	-	9,460	-
Other Accounts Receivable	2,038	-	-	2,038	802
Inventory	3,930	-	-	3,930	4,345
TOTAL ASSETS	<u>\$ 22,829</u>	<u>\$ 8,892</u>	<u>\$ 13,165</u>	<u>\$ 44,886</u>	<u>\$ 108,810</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 6,719
Accounts Payable	-	2,400	-	2,400	-
Accrued Salaries & Benefits	9,919	-	-	9,919	9,355
Total Liabilities	<u>9,919</u>	<u>2,400</u>	<u>-</u>	<u>12,319</u>	<u>16,074</u>
Deferred Inflows of Resources					
Deferred Revenue	1,107	-	-	1,107	1,329
Fund Balance					
Nonspendable Fund Balance	3,930	-	-	3,930	4,345
Restricted Fund Balance					
Restricted for Debt Service/Replacement	-	-	13,165	13,165	74,338
Committed for Subsequent Year's Expenditures	7,873	-	-	7,873	10,667
Assigned Fund Balance					
Assigned for Fund Purpose	-	6,492	-	6,492	2,057
Total Fund Balance	<u>11,803</u>	<u>6,492</u>	<u>13,165</u>	<u>31,460</u>	<u>91,407</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 22,829</u>	<u>\$ 8,892</u>	<u>\$ 13,165</u>	<u>\$ 44,886</u>	<u>\$ 108,810</u>

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Totals</u>	
	<u>Food Service</u>	<u>Athletic Activity</u>	<u>Building Fund</u>	<u>2016</u>	<u>2015</u>
	<u>Fund</u>	<u>Fund</u>			
REVENUES					
Local Sources	\$ 20,490	\$ 3,048	\$ 123	\$ 23,661	\$ 31,590
State Sources	2,472	-	-	2,472	2,112
Federal Sources	100,369	-	-	100,369	95,595
TOTAL REVENUES	<u>123,331</u>	<u>3,048</u>	<u>123</u>	<u>126,502</u>	<u>129,297</u>
EXPENDITURES					
Instruction	-	41,968	-	41,968	41,180
General Administration	-	-	10,438	10,438	-
Food Service	139,482	-	-	139,482	130,791
Facilities	-	-	50,858	50,858	-
TOTAL EXPENDITURES	<u>139,482</u>	<u>41,968</u>	<u>61,296</u>	<u>242,746</u>	<u>171,971</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(16,151)	(38,920)	(61,173)	(116,244)	(42,674)
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	12,000	44,297	-	56,297	62,500
CHANGE IN FUND BALANCE	(4,151)	5,377	(61,173)	(59,947)	19,826
BEGINNING FUND BALANCE	15,954	1,115	74,338	91,407	71,581
ENDING FUND BALANCE	<u>\$ 11,803</u>	<u>\$ 6,492</u>	<u>\$ 13,165</u>	<u>\$ 31,460</u>	<u>\$ 91,407</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUNDS

Food Service Fund

This fund accounts for all financial activities associated with the District school food program.

Athletic Activity Fund

This fund accounts for the activities associated with the District's extracurricular athletic programs.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016		Variance with Final Budget	2015 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 31	\$ 31	\$ 30
Food Service Revenue	18,000	20,318	2,318	19,713
Other Local	100	141	41	68
Total Local Sources	<u>18,100</u>	<u>20,490</u>	<u>2,390</u>	<u>19,811</u>
State Sources				
State Match - Child Nutrition	1,200	1,113	(87)	1,115
Smart Start Nutrition	350	637	287	459
State K-2 Reduced Lunch	-	722	722	538
Total State Sources	<u>1,550</u>	<u>2,472</u>	<u>922</u>	<u>2,112</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	20,000	23,637	3,637	25,545
National School Lunch Program	67,931	67,572	(359)	64,113
Federal Grants from Other State Agencies				
Commodities	7,931	9,160	1,229	5,937
Total Federal Sources	<u>95,862</u>	<u>100,369</u>	<u>4,507</u>	<u>95,595</u>
TOTAL REVENUES	<u>115,512</u>	<u>123,331</u>	<u>7,819</u>	<u>117,518</u>
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	48,898	48,892	6	40,832
Benefits	22,969	17,485	5,484	17,707
PS - Professional	-	1,626	(1,626)	1,797
PS - Property	2,500	-	2,500	918
PS - Other	600	41	559	96
Supplies	1,500	3,994	(2,494)	1,658
Food	74,883	58,284	16,599	61,083
Commodities	7,931	9,160	(1,229)	6,473
Property	-	-	-	218
Other Expenses	-	-	-	10
TOTAL EXPENDITURES	<u>159,281</u>	<u>139,482</u>	<u>19,799</u>	<u>130,792</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(43,769)	(16,151)	27,618	(13,274)
OTHER FINANCING SOURCES (USES)				
Transfers	40,000	12,000	(28,000)	40,000
CHANGE IN FUND BALANCE	(3,769)	(4,151)	(382)	26,726
BEGINNING FUND BALANCE	3,769	15,954	12,185	(10,772)
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 11,803</u>	<u>\$ 11,803</u>	<u>\$ 15,954</u>

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Athletic Activity Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>	
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ 8,500	\$ 3,048	\$ (5,452)	\$ 11,627
Other Local	2,000	-	(2,000)	-
TOTAL REVENUES	<u>10,500</u>	<u>3,048</u>	<u>(7,452)</u>	<u>11,627</u>
EXPENDITURES				
Instruction				
PS - Professional	11,500	11,855	(355)	12,012
PS - Other	1,500	1,219	281	1,646
Supplies	16,997	17,356	(359)	17,132
Property	900	1,160	(260)	553
Other Expenses	6,000	10,378	(4,378)	9,837
Contingency	<u>8,770</u>	<u>-</u>	<u>8,770</u>	<u>-</u>
TOTAL EXPENDITURES	<u>45,667</u>	<u>41,968</u>	<u>3,699</u>	<u>41,180</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(35,167)	(38,920)	(3,753)	(29,553)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>35,167</u>	<u>44,297</u>	<u>9,130</u>	<u>22,500</u>
CHANGE IN FUND BALANCE	-	5,377	5,377	(7,053)
BEGINNING FUND BALANCE	<u>-</u>	<u>1,115</u>	<u>1,115</u>	<u>8,168</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 6,492</u>	<u>\$ 6,492</u>	<u>\$ 1,115</u>

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

Debt Service Funds are used to service the general obligation debt of the District.

The District has the following debt service fund:

Bond Redemption Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest and other costs associated with the District's general obligation debt.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 234,650	\$ 98,359	\$ (136,291)	\$ 285,426
Specific Ownership Taxes	-	115	115	-
Delinquent Taxes	2,250	1,016	(1,234)	1,394
Investment Earnings	1,550	934	(616)	436
TOTAL REVENUES	<u>238,450</u>	<u>100,424</u>	<u>(138,026)</u>	<u>287,256</u>
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	800	54,116	(53,316)	800
Debt Service				
Principal	145,000	270,000	(125,000)	155,000
Interest	99,000	57,994	41,006	92,975
Total Debt Service	244,000	327,994	(83,994)	247,975
Contingency	761,093	-	761,093	-
TOTAL EXPENDITURES	<u>1,005,893</u>	<u>382,110</u>	<u>623,783</u>	<u>248,775</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(767,443)</u>	<u>(281,686)</u>	<u>485,757</u>	<u>38,481</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	1,355,000	1,355,000	-
Premium/(Discount)	-	96,033	96,033	-
Escrow Payment	-	(1,622,667)	(1,622,667)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(171,634)</u>	<u>(171,634)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>(767,443)</u>	<u>(453,320)</u>	<u>314,123</u>	<u>38,481</u>
BEGINNING FUND BALANCE	<u>767,443</u>	<u>796,886</u>	<u>29,443</u>	<u>758,405</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 343,566</u>	<u>\$ 343,566</u>	<u>\$ 796,886</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for major construction projects being completed by the District.

The District has the following capital projects fund:

Building Fund

This fund is being used to account for the bond proceeds and related grant receipts that will be used to complete significant expansions and renovation of the District's facilities.

Capital Reserve Project Fund

This fund is used to account for the District's major capital outlay activity.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Building Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>2016</u>			<u>2015</u> Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 100	\$ 123	\$ 23	\$ 153
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	-	10,438	(10,438)	-
Facilities/Capital Outlay				
Land and Improvements	74,255	50,858	23,397	-
TOTAL EXPENDITURES	<u>74,255</u>	<u>61,296</u>	<u>12,959</u>	<u>-</u>
CHANGE IN FUND BALANCE	(74,155)	(61,173)	12,982	153
BEGINNING FUND BALANCE	<u>74,155</u>	<u>74,338</u>	<u>183</u>	<u>74,185</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 13,165</u>	<u>\$ 13,165</u>	<u>\$ 74,338</u>

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2016

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 125	\$ 365	\$ 240	\$ 90
EXPENDITURES				
Facilities/Capital Outlay				
PS - Professional	-	5,299	(5,299)	5,299
Contingency	64,666	-	64,666	-
TOTAL EXPENDITURES	<u>64,666</u>	<u>5,299</u>	<u>59,367</u>	<u>5,299</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(64,541)	(4,934)	59,607	(5,209)
OTHER FINANCING SOURCES (USES)				
Transfers	-	150,000	150,000	30,611
CHANGE IN FUND BALANCE	(64,541)	145,066	209,607	25,402
BEGINNING FUND BALANCE	64,541	225,800	161,259	200,398
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 370,866</u>	<u>\$ 370,866</u>	<u>\$ 225,800</u>

See accompanying Independent Auditors' Report.

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FIDUCIARY (AGENCY) FUND

Fiduciary (Agency) Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established an agency fund to account for various student activity groups and contributions from private organizations. The agency fund is custodial in nature and do not involve measurement of results of operations.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Class Agency Fund
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	
	<u>Budget</u>	<u>Actual</u>	<u>with Final</u>	<u>Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
ADDITIONS				
Local Sources	\$ 50,000	\$ 62,490	\$ 12,490	\$ 56,613
DEDUCTIONS				
Instruction	50,667	57,816	(7,149)	56,815
CHANGE IN NET POSITION	(667)	4,674	5,341	(202)
BEGINNING NET POSITION	667	26,174	25,507	26,376
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 30,848</u>	<u>\$ 30,848</u>	<u>\$ 26,174</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1130 - MIAMI/YODER 60 JT
 Fiscal Year 2015-16
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,737,499	3,018,684	2,960,337	1,795,846
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	112,065	73,875	74,111	111,830
Sub- Total	1,849,565	3,092,559	3,034,448	1,907,676
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Food Service Spec Revenue Fund	15,954	135,331	139,482	11,803
22 Govt Designated-Purpose Grants Fund	0	144,537	144,537	0
23 Pupil Activity Special Revenue Fund	1,115	47,345	41,968	6,492
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	796,886	1,551,457	2,004,777	343,566
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	74,338	123	61,296	13,165
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	225,800	150,365	5,299	370,866
Totals	2,963,659	5,121,718	5,431,807	2,653,570
Proprietary				
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
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	26,174	62,490	57,816	30,848
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	26,174	62,490	57,816	30,848

FINAL

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



Colorado Department of Education

Bolded Balance Sheet Report

District: 1130 - MIAMI/YODER 60 JT

Fiscal Year 2015-16

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 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)	2,012,032	0	0	4,873	8,892	337,590	384,032	0	0	0	30,848	0	2,778,267	
Cash with Fiscal Agent (8105)	8,343	0	0	0	0	1,041	0	0	0	0	0	0	9,385	
Taxes Receivable (8121,8122)	17,968	0	0	0	0	4,934	0	0	0	0	0	0	22,902	
Interfund Loans Receivable (8131,8132)	99,935	0	0	2,528	0	0	0	0	0	0	0	0	102,463	
Grants Accounts Receivable (8142)	74,835	0	0	9,460	105,419	0	0	0	0	0	0	0	189,714	
Other Receivables (8151-8154,8161)	585	0	0	2,039	0	0	0	0	0	0	0	0	2,624	
Inventories (8171,8172,8173)	0	0	0	3,930	0	0	0	0	0	0	0	0	3,930	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	2,213,698	0	0	22,829	114,311	343,566	384,032	0	0	30,848	0	0	3,109,284	

Fiduciary

Proprietary

Governmental

	Governmental							Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	114,358	0	-111,830	0	99,935	0	0	0	0	0	0	0	102,463
Other Payables (7421-7423)	15,040	0	0	0	2,400	0	0	0	0	0	0	0	17,440
Accrued Expenses (7461)	209,764	0	0	9,919	0	0	0	0	0	0	0	0	219,683
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	1,107	0	0	0	0	0	0	0	0	1,107
Deferred Inflow Grants (7801)	78,689	0	0	0	5,484	0	0	0	0	0	0	0	84,173
Total Liabilities	417,851	0	-111,830	11,026	107,819	0	0	0	0	0	0	0	424,866

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	3,930	0	0	0	0	0	0	0	0	3,930
Restricted Fund Balance 6720	0	0	0	0	0	343,566	13,165	0	0	0	0	0	356,731
TABOR 3% Emergency Reserve 6721	102,000	0	0	0	0	0	0	0	0	0	0	0	102,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	111,830	0	0	0	0	0	0	0	0	0	111,830
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	254,900	0	0	0	0	0	254,900
Committed Fund Balance 6750	0	0	0	7,874	0	0	115,966	0	0	0	0	0	123,840
Assigned Fund Balance 6760	0	0	0	0	6,492	0	0	0	0	0	0	0	6,492
Unassigned Fund Balance 6770	1,719,294	0	0	0	0	0	0	0	0	0	30,848	0	1,750,142
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	-25,447	0	0	0	0	0	0	0	0	0	0	0	-25,447
Total Fund Equity	1,795,846	0	111,830	11,803	6,492	343,566	384,032	0	0	0	30,848	0	2,684,417

Total Liabilities & Fund Equity	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	2,213,698	0	0	22,829	114,311	343,566	384,032	0	0	0	30,848	0	3,109,284

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