

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

**FINANCIAL STATEMENTS
With
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
June 30, 2017**

REVISED

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RECEIVED

Office of the State Auditor

March 8, 2018

MIAMI-YODER SCHOOL DISTRICT JT60
RUSH, COLORADO

ROSTER OF SCHOOL OFFICIALS

YEAR ENDED JUNE 30, 2017

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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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2017

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, 2017. 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 projects have been planned for the 2017-2018 school year. Projects include the completion of construction of a greenhouse and shadehouse and equipment upgrades for the network. Existing money in the budget was used for these projects. In addition, money will be placed back into the reserve this year from a CTE purchase from the previous year.

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 major purchases.

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. Proprietary fund statements offer short and long-term financial information about the activities that the District operates as a business. For our District this activity is the Food Service Fund. 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, 2017, the District's total net position was (1,446,748).

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 and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service operation is reported as a business activity.

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

	Governmental Activities	
	2017	2016
Current and Other Assets	\$ 2,540,988	\$ 2,975,972
Capital Assets - Net	4,792,110	4,775,733
Total Assets	<u>7,333,098</u>	<u>7,751,705</u>
Deferred Outflow of Financial Resources	<u>4,100,746</u>	<u>690,703</u>
Current Liabilities	348,554	292,475
Noncurrent Liabilities	<u>12,186,823</u>	<u>7,228,247</u>
Total Liabilities	<u>12,535,377</u>	<u>7,520,722</u>
Deferred Inflow of Financial Resources	<u>345,215</u>	<u>338,016</u>
Net Investment in Capital Assets	3,327,284	3,222,542
Restricted Net Position	790,896	825,461
Unrestricted Net Position	<u>(5,564,928)</u>	<u>(3,464,333)</u>
Total Net Position	<u>\$ (1,446,748)</u>	<u>\$ 583,670</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:

	Governmental Activities	
	2017	Restated 2016
Program Revenues:		
Charges for Services	\$ 17,057	\$ 29,039
Operating Grants	439,524	462,005
Total Program Revenues	<u>456,581</u>	<u>491,044</u>
General Revenues:		
Taxes	604,127	570,463
State Equalization	2,377,253	2,423,582
Investment Income	15,587	8,641
Miscellaneous	19,163	21,936
Total General Revenues	<u>3,016,130</u>	<u>3,024,622</u>
Total Revenues	<u>3,472,711</u>	<u>3,515,666</u>
Expenses		
Instruction	3,067,782	1,915,467
Supporting Services	2,429,842	1,721,945
Debt Service Interest	5,505	69,331
Total Expenses	<u>5,503,129</u>	<u>3,706,743</u>
Change in Net Position	<u>(2,030,418)</u>	<u>(191,077)</u>
Net Position - Beginning	583,670	615,821
Prior Period Restatement	-	158,926
Net Position - Beginning Restated	<u>583,670</u>	<u>774,747</u>
Net Position - Ending	<u>\$ (1,446,748)</u>	<u>\$ 583,670</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, 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.

Proprietary Funds. The proprietary fund (the food service operation) has historically operated as an enterprise fund using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the business-type activity section of the government-wide statements.

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, 2017, the District's governmental funds reported a combined fund balance of \$2,097,729 which is a decrease of \$555,839. from the June 30, 2016 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 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 slight decrease in ending fund balance of \$291,634. General Fund showed a decrease of \$489,662.

Capital Assets

As of June 30, 2017 the District had \$4,769,145 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 \$17,299. from last year. A summary of the District's Capital Assets is as follows:

	Balance July 1 2016	Additions	Deletions	Balance June 30 2017
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 50,858	\$ -	\$ 50,858	\$ -
Capital Assets Being Depreciated:				
Buildings	5,043,734	-	54,368	4,989,366
Site Improvements	491,771	107,104	-	598,875
Equipment	163,353	9,515	-	172,868
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	882,838	147,510	1,500	1,028,848
Total Capital Assets Being Depreciated	<u>6,622,363</u>	<u>264,129</u>	<u>55,868</u>	<u>6,830,624</u>
Less: Accumulated Depreciation				
Buildings	(1,145,624)	(102,420)	(54,368)	(1,193,676)
Site Improvements	(105,338)	(21,088)	-	(126,426)
Equipment	(87,123)	(15,789)	-	(102,912)
Food Service equipment	(34,005)	(444)	-	(34,449)
Transportation Equipment	(549,285)	(56,231)	(1,500)	(604,016)
Total Accumulated Depreciation	<u>(1,921,375)</u>	<u>(195,972)</u>	<u>(55,868)</u>	<u>(2,061,479)</u>
Net Capital Assets	<u>\$ 4,751,846</u>	<u>\$ 68,157</u>	<u>\$ 50,858</u>	<u>\$ 4,769,145</u>

Debt Administration

As of June 30, 2017 the District had total outstanding long-term debt as follows:

	Balance July 1			Balance June 30		
	06/30/16	Advances	Payments	06/30/17	Current Portion	Interest Expense
2007 Gen Oblig Bonds	\$ 65,000	\$ -	\$ 65,000	\$ -	\$ -	\$ (36,426)
2015 Gen Oblig Refunding Bonds	1,295,000	-	50,000	1,245,000	125,000	37,154
Bond Premiums	95,103	-	6,866	88,237	8,859	-
Equipment Leases	169,304	86,822	59,265	196,861	47,322	7,018
PERA Net Pension Liability	5,570,436	5,055,201	-	10,625,637	-	-
Accrued Compensated Absences	33,404	(2,316)	-	31,088	-	-
Total	\$ 7,228,247	\$ 5,139,707	\$ 181,131	\$12,186,823	\$ 181,181	\$ 7,746
Deferred Charge on Refunding	\$ 23,887	\$ -	\$ 922	\$ 22,965	\$ (2,306)	

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, 2017, 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 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, Maybury + Company, LLC

Englewood, CO
December 6, 2017

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, 2017.

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,428,744
Cash with Fiscal Agent	6,889
Taxes Receivable	44,850
Grants Receivable	53,376
Other Accounts Receivable	2,286
Inventory	4,842
Total Current Assets	<u>2,540,988</u>
Noncurrent Assets	
Deferred Charge on Refunding	22,965
Capital Assets, being depreciated	4,769,145
Total Noncurrent Assets	<u>4,792,110</u>
TOTAL ASSETS	<u>7,333,098</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Contributions Subsequent to Measurement Date	164,813
Difference Between Actual and Expected Experience - net	132,836
Changes of Assumptions - net	3,447,798
Difference Between Projected and Actual Returns on Pension Plan Investments - net	355,299
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>4,100,746</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 11,433,844</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 73,689
Accrued Interest	18,620
Accrued Salaries & Benefits	256,245
Total Current Liabilities	<u>348,554</u>
Non-Current Liabilities	
Due Within One Year	181,181
Due In More Than One Year	12,005,642
Total Noncurrent Liabilities	<u>12,186,823</u>
TOTAL LIABILITIES	<u>12,535,377</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Revenue	23,441
Deferred Grant Revenue	89,884
Difference Between Projected and Actual Pension Plan Experience - net	94
Changes of Assumptions - net	47,916
Change in District's Proportionate Share of Net Pension Liability - net	183,880
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>345,215</u>
NET POSITION	
Net Investment in Capital Assets	3,327,284
Restricted Net Position	790,896
Unrestricted Net Position (Deficit)	(5,564,928)
TOTAL NET POSITION	<u>(1,446,748)</u>
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 11,433,844</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
 Balance Sheet
 Governmental Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

	General Fund	Special Revenue	Debt Service
		Designated Grants Fund	Bond Redemption Fund
ASSETS			
Cash and Investments	\$ 2,023,271	\$ (146,009)	\$ 287,089
Cash with Fiscal Agent	6,603	-	286
Taxes Receivable	36,330	-	8,520
Interfund Accounts Receivable	-	146,009	-
Grants Receivable	43,608	-	-
Other Accounts Receivable	891	-	-
Inventory	-	-	-
TOTAL ASSETS	<u>\$ 2,110,703</u>	<u>\$ -</u>	<u>\$ 295,895</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE			
Liabilities			
Interfund Accounts Payable	\$ 270,830	\$ -	\$ -
Accounts Payable	73,690	-	-
Accrued Salaries & Benefits	243,148	-	-
Total Liabilities	<u>587,668</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Deferred Revenue	18,166	-	4,261
Deferred Grant Revenue	86,855	-	-
Total Deferred Inflows of Resources	<u>105,021</u>	<u>-</u>	<u>4,261</u>
Fund Balance			
Nonspendable Fund Balance	-	-	-
Restricted Fund Balance			
Restricted for Debt Service	-	-	291,634
Restricted for TABOR Emergencies	95,000	-	-
Restricted for Colorado Preschool Program	81,587	-	-
Restricted for BEST Capital Renewal Reserve	-	-	-
Committed Fund Balance			
Committed for Fund Purpose	-	-	-
Committed for Subsequent Expenditures	-	-	-
Assigned Fund Balance			
Assigned for Fund Purpose	-	-	-
Unassigned Fund Balance	1,241,427	-	-
Total Fund Balance	<u>1,418,014</u>	<u>-</u>	<u>291,634</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 2,110,703</u>	<u>\$ -</u>	<u>\$ 295,895</u>

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

Capital Projects		Totals	
Capital Reserve	Other		
Project Fund	Governmental	2017	2016
	Funds		
\$ 271,600	\$ (7,207)	\$ 2,428,744	\$ 2,747,418
-	-	6,889	9,384
-	-	44,850	22,902
100,000	24,822	270,831	102,463
-	9,768	53,376	189,714
-	1,395	2,286	2,623
-	4,842	4,842	3,930
<u>\$ 371,600</u>	<u>\$ 33,620</u>	<u>\$ 2,811,818</u>	<u>\$ 3,078,434</u>
\$ -	\$ -	\$ 270,830	\$ 102,463
-	-	73,690	17,440
-	13,096	256,244	219,683
<u>-</u>	<u>13,096</u>	<u>600,764</u>	<u>339,586</u>
-	1,014	23,441	1,107
-	3,029	89,884	84,173
<u>-</u>	<u>4,043</u>	<u>113,325</u>	<u>85,280</u>
-	1,813	1,813	3,930
-	13,175	304,809	356,731
-	-	95,000	102,000
-	-	81,587	111,830
309,500	-	309,500	254,900
-	3,507	3,507	7,873
-	-	-	123,839
62,100	-	62,100	6,492
-	(2,014)	1,239,413	1,685,973
<u>371,600</u>	<u>16,481</u>	<u>2,097,729</u>	<u>2,653,568</u>
<u>\$ 371,600</u>	<u>\$ 33,620</u>	<u>\$ 2,811,818</u>	<u>\$ 3,078,434</u>

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MIAMI-YODER SCHOOL DISTRICT JT60
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2017

Fund Balance - Governmental Funds		\$ 2,097,729
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, being depreciated	6,830,624	
Accumulated depreciation	<u>(2,061,479)</u>	4,769,145
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	22,965	
Bond premiums - net of amortization	<u>(88,237)</u>	(65,272)
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	164,813	
Difference between actual and expected experience	223,092	
Amortization of experience difference	(90,256)	
Difference between projected and actual investment returns on the pension plan	632,605	
Amortization of investment return difference	(277,306)	
Changes of assumptions for deferred outflows	4,843,667	
Amortization of change in assumptions for deferred outflows	(1,395,869)	
Net pension liability	(10,625,637)	
Difference between projected and actual pension plan experience	(495)	
Amortization of experience difference	401	
Changes of assumptions for deferred inflows	(106,351)	
Amortization of change in assumptions for deferred inflows	58,435	
Change in District's proportionate share of net pension liability	(331,581)	
Amortization of change in proportion	<u>147,701</u>	(6,756,781)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,245,000)	
Capital leases payable	(196,861)	
Accrued interest payable	(18,620)	
Accrued compensated absences	<u>(31,088)</u>	(1,491,569)
Total Net Position - Governmental Activities		<u>\$ (1,446,748)</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

		<u>Special Revenue</u>	<u>Debt Service</u>
	<u>General Fund</u>	<u>Designated Grants Fund</u>	<u>Bond Redemption Fund</u>
REVENUES			
Local Sources	\$ 533,258	\$ -	\$ 107,012
State Sources	2,492,564	-	-
Federal Sources	55,852	147,752	-
TOTAL REVENUES	<u>3,081,674</u>	<u>147,752</u>	<u>107,012</u>
EXPENDITURES			
Instruction	1,757,446	147,752	-
Pupil Support	82,005	-	-
Staff Support	148,727	-	-
General Administration	297,179	-	944
School Administration	220,709	-	-
Business Services	86,589	-	-
Operations and Maintenance	473,374	-	-
Transportation	422,704	-	-
Risk Management	35,032	-	-
Food Service	-	-	-
Facilities	-	-	-
Debt Service	64,445	-	158,000
TOTAL EXPENDITURES	<u>3,588,210</u>	<u>147,752</u>	<u>158,944</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(506,536)</u>	<u>-</u>	<u>(51,932)</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	86,822	-	-
Transfer In (Out) - net	(69,948)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>16,874</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>(489,662)</u>	<u>-</u>	<u>(51,932)</u>
BEGINNING FUND BALANCE	1,907,676	-	343,566
Prior Period Adjustment	-	-	-
BEGINNING FUND BALANCE (As Restated)	<u>1,907,676</u>	<u>-</u>	<u>343,566</u>
ENDING FUND BALANCE	<u>\$ 1,418,014</u>	<u>\$ -</u>	<u>\$ 291,634</u>

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

<u>Capital Projects</u>		<u>Totals</u>	
<u>Capital Reserve</u> <u>Project Fund</u>	<u>Other Governmental</u> <u>Funds</u>	<u>2017</u>	<u>2016</u>
\$ 734	\$ 14,929	\$ 655,933	\$ 635,646
-	1,134	2,493,698	2,586,515
-	119,476	323,080	293,505
<u>734</u>	<u>135,539</u>	<u>3,472,711</u>	<u>3,515,666</u>
-	51,278	1,956,476	1,697,638
-	-	82,005	70,657
-	-	148,727	102,657
-	-	298,123	264,718
-	-	220,709	208,377
-	31	86,620	70,365
-	-	473,374	414,206
-	-	422,704	373,113
-	-	35,032	40,013
-	169,157	169,157	151,509
-	-	-	56,157
-	-	222,445	1,982,397
-	220,466	4,115,372	5,431,807
<u>734</u>	<u>(84,927)</u>	<u>(642,661)</u>	<u>(1,916,141)</u>
-	-	86,822	1,606,051
-	69,948	-	-
-	69,948	86,822	1,606,051
<u>734</u>	<u>(14,979)</u>	<u>(555,839)</u>	<u>(310,090)</u>
370,866	31,460	2,653,568	2,963,658
-	-	-	-
<u>370,866</u>	<u>31,460</u>	<u>2,653,568</u>	<u>2,963,658</u>
<u>\$ 371,600</u>	<u>\$ 16,481</u>	<u>\$ 2,097,729</u>	<u>\$ 2,653,568</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, 2017

Change in Fund Balance - Governmental Funds		\$	(555,839)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	213,271		
Depreciation Expense	<u>(195,972)</u>		17,299
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	21,311		
Change in the difference between actual and expected experience	121,671		
Change in the amortization of experience difference	(62,393)		
Current year projected to actual investment return difference	5,076		
Current year amortization of overall investment return differences	(123,420)		
Change in the changes of assumptions for deferred outflows	4,843,667		
Change in the amortization of change in assumptions for deferred outflows	(1,395,869)		
Change in net pension liability	(5,055,201)		
Current year projected to actual pension plan experience difference	10		
Current year amortization of overall pension plan experience differences	128		
Change in the changes of assumptions for deferred inflows	2,187		
Change in the amortization of change in assumptions for deferred inflows	28,617		
Current year change in proportionate share of cost-sharing plan liability	(102,702)		
Current year amortization of overall proportionate share differences	<u>92,606</u>		(1,624,312)
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	(86,822)		
Principal payments on bonds payable	115,000		
Principal payments on capital leases	59,265		
Change in accrued interest payable	36,731		
Amortization of premiums, discounts and charges	5,944		
Change in accrued compensated absences	<u>2,316</u>		132,434
Changes in Net Position - Governmental Activities		\$	<u>(2,030,418)</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, 2017
(With Comparative Totals for June 30, 2016)

	Totals	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and Investments	\$ <u>34,122</u>	\$ <u>30,848</u>
NET POSITION		
Restricted Net Position	\$ <u><u>34,122</u></u>	\$ <u><u>30,848</u></u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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" and as subsequently amended.

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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 2016 for collection in 2017 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	\$2,141,655
Governmental Activities - Restricted	<u>287,089</u>
Total Governmental Activities	2,428,744
Fiduciary Funds	<u>34,122</u>
Total Cash & Investments	<u>\$2,462,866</u>
Cash and equivalents	\$ 692,293
Investments	<u>-</u>
Total Cash & Investments	<u>\$ 692,293</u>

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, 2017

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, 2017, 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, 2017, the District's deposits had bank and carrying values as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 363,577	\$ 363,577
PDPA Collateralized ¹	<u>349,921</u>	<u>328,716</u>
Total Cash	<u>\$ 713,498</u>	<u>\$ 692,293</u>

¹ - Not Held in the District's Name

Investments

The District’s investments are allocated as follows:

	<u>Total</u>	<u>Weighted Avg. Mat. in Years</u>
Local Government Investment Pools	\$ 1,483,484	-
Local Government Investment Pools - Restricted	<u>287,089</u>	-
Total Investments	<u>\$ 1,770,573</u>	

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, 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, 2017, the District did not have any investments requiring safekeeping.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3: CAPITAL ASSETS

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

	Balance July 1 2016	Additions	Deletions	Balance June 30 2017
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 50,858	\$ -	\$ 50,858	\$ -
Capital Assets Being Depreciated:				
Buildings	5,043,734	-	54,368	4,989,366
Site Improvements	491,771	107,104	-	598,875
Equipment	163,353	9,515	-	172,868
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	<u>882,838</u>	<u>147,510</u>	<u>1,500</u>	<u>1,028,848</u>
Total Capital Assets Being Depreciated	<u>6,622,363</u>	<u>264,129</u>	<u>55,868</u>	<u>6,830,624</u>
Less: Accumulated Depreciation				
Buildings	(1,145,624)	(102,420)	(54,368)	(1,193,676)
Site Improvements	(105,338)	(21,088)	-	(126,426)
Equipment	(87,123)	(15,789)	-	(102,912)
Food Service equipment	(34,005)	(444)	-	(34,449)
Transportation Equipment	<u>(549,285)</u>	<u>(56,231)</u>	<u>(1,500)</u>	<u>(604,016)</u>
Total Accumulated Depreciation	<u>(1,921,375)</u>	<u>(195,972)</u>	<u>(55,868)</u>	<u>(2,061,479)</u>
Net Capital Assets	<u>\$ 4,751,846</u>	<u>\$ 68,157</u>	<u>\$ 50,858</u>	<u>\$ 4,769,145</u>

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

Instruction	\$ 98,601
Supporting Services	<u>97,379</u>
Total Depreciation	<u>\$ 195,972</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, 2017, 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, 2017

NOTE 4: INVENTORIES

Food Service Fund inventory as of June 30, 2017 of \$4,842 consisted of purchased and donated commodities amounting to \$1,813 and \$3,029, 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, 2017, are \$256,245. 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, 2017:

	Balance July 1 06/30/16			Balance June 30 06/30/17		
	Advances	Payments	Current Portion	Interest Expense		
2007 Gen Oblig Bonds	\$ 65,000	\$ -	\$ 65,000	\$ -	\$ -	\$ (36,426)
2015 Gen Oblig Refunding Bonds	1,295,000	-	50,000	1,245,000	125,000	37,154
Bond Premiums	95,103	-	6,866	88,237	8,859	-
Equipment Leases	169,304	86,822	59,265	196,861	47,322	7,018
PERA Net Pension Liability	5,570,436	5,055,201	-	10,625,637	-	-
Accrued Compensated Absences	33,404	(2,316)	-	31,088	-	-
Total	\$ 7,228,247	\$ 5,139,707	\$ 181,131	\$ 12,186,823	\$ 181,181	\$ 7,746
Deferred Charge on Refunding	\$ 23,887	\$ -	\$ 922	\$ 22,965	\$ (2,306)	

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, 2017

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds Payable (Continued)

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. The final payment for the bonds was made during fiscal year 2017.

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>
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	135,000	23,450	158,450
2023-2026	<u>595,000</u>	<u>51,350</u>	<u>636,650</u>
Total	<u>\$ 1,245,000</u>	<u>\$ 207,450</u>	<u>\$ 1,442,750</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. The final payment for this lease was made during fiscal year 2017.

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.

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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

Future minimum lease payments are scheduled as follows:

For the year ending June 30:	Copier	MacBook Air	Bus	<u>Total</u>
	<u>Lease</u>	<u>Lease</u>	<u>Lease</u>	
2018	\$ 6,408	\$ 11,334	\$ 55,657	\$ 73,399
2019	-	-	55,657	55,657
2020	-	-	55,657	55,657
2021	-	-	<u>22,948</u>	<u>22,948</u>
Total future minimum payments	6,408	11,334	189,919	207,661
Less: interest portion	<u>(146)</u>	<u>(329)</u>	<u>(10,325)</u>	<u>(10,800)</u>
Present value of obligation under capital lease	\$ 6,261	\$ 11,005	\$ 179,594	\$ 196,861

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, 2017, the District paid total assessments of \$121,439 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, 2017

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, 2017

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	2016¹
Employer contribution rate	10.15%	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%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%

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 \$271,261 for the plan year ended December 31, 2016 and \$311,936 for the fiscal year ended June 30, 2017.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, the District reported a liability of \$10,625,637 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the District's proportion was .03569%, which was an decrease of .0007% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017 the District recognized pension expense of \$2,028,380. At June 30, 2017, 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	\$ 132,836	\$ (94)
Changes of assumptions or other inputs	\$ 3,447,798	\$ (47,916)
Net difference between projected and actual earnings on pension plan investments	\$ 355,299	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (183,880)
Contributions subsequent to the measurement date	\$ 164,813	\$ -
Total	\$ 4,100,746	\$ (231,890)

\$164,813 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 Totals
2018	\$ (1,461,053)
2019	(1,481,827)
2020	(757,619)
2021	(3,544)
Total	\$ (3,704,043)

Actuarial assumptions. The total pension liability as of December 31, 2016 was determined based on the December 31, 2015 actuarial valuation was determined using the following rollforward assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increase, including wage inflation	3.90-9.7%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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)

As of the most recent analysis of the long-term expected rate of return, adopted by the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 16, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.5 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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)

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

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer Federal Obligation 20-year Municipal bond Index published weekly by the board of Governors of the Federal Reserve System was applied to periods on or after 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the GASB Statement No. 67 projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments of 7.50 percent 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 and the discount rate was 7.50 percent.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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)

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 5.26%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension asset (liability)	\$ (13,361,397)	\$ (10,625,637)	\$ (8,397,673)

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, 2017 program members contributed \$18,239.

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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Health Care Trust Fund (Continued)

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, 2017, 2016 and 2015 each of the two preceding, the District contributions to the HCTF were \$17,247, \$16,913, and \$15,640, respectively, equal to their required contributions for each year.

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, 2017, 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 \$95,000 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	\$	291,634
Restricted Bond Proceeds for Building		13,175
Restricted for Capital Replacement through BEST Grant		309,500
Restricted for TABOR Emergencies		95,000
Restricted through Colorado Preschool Program Act		81,587
Total Governmental Restricted Fund Balance/Net Position	\$	<u>790,896</u>

In addition, the District has committed the balances in its special revenue for the underlying funds purpose

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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, 2017:

	<u>Balance</u>
General Fund:	
Due to Other Funds	\$(354,887)
Due from Other Funds	93,175
Grants Fund:	
Due from Other Funds	146,009
Capital Reserve Fund	
Due from Other Funds	100,000
Food Service Fund:	
Due from Other Funds	2,528
Building Fund	
Due from Other Funds	<u>13,175</u>
Net Interfund	<u>\$ -</u>

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13: INTERFUND ACTIVITY (Continued)

The District has recorded the following routine transfers during the year ended June 30, 2017:

	<u>Transfer In (Out)</u>
General Fund:	
to Athletic Activity Fund	\$ (39,948)
to Food Service Fund	(30,000)
Athletic Activity Fund:	
from General Fund	39,948
Food Service Fund:	
from General Fund	<u>30,000</u>
Net Transfers	<u>\$ -</u>

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 \$14,604,011 as of June 30, 2017. 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, 2017 was \$309,500.

NOTE 15: NET POSITION DEFICIT

The Governmental Activities has an unrestricted net position deficit of \$5,564,928 and an overall net position deficit of \$1,446,748 primarily due to the PERA net pension liability of \$10,625,637, 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. In addition, the District has a fund balance deficit in the Food Service Fund. This deficit is expected to be resolved through changes in operations or additional General Fund transfers if needed.

NOTE 16: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Athletic Activity Fund by \$14,131, and Bond Redemption Fund by \$2,144. 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>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
District's proportion of the net pension asset (liability)	0.035688%	0.036422%	0.038371%	0.038142%
District's proportionate share of the net pension asset (liability)	\$ (10,625,637)	\$ (5,570,436)	\$ (5,200,575)	\$ (4,864,944)
District's covered-employee payroll	\$ 1,601,732	\$ 1,517,209	\$ 1,523,994	\$ 1,453,381
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	663.38%	367.15%	341.25%	334.73%
Plan fiduciary net position as a percentage of the total pension liability	43.13%	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⁾**

	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
Contractually required contributions	\$ 290,394	\$ 275,070	\$ 264,108	\$ 238,790
Actual contributions	<u>(290,394)</u>	<u>(275,070)</u>	<u>(264,108)</u>	<u>(238,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,601,732	\$ 1,517,209	\$ 1,523,994	\$ 1,453,381
Contributions as a percentage of covered-employee payroll	18.13%	18.13%	17.33%	16.43%

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, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 370,793	\$ 370,793	\$ 434,133	\$ 63,340	\$ 405,920
Specific Ownership Taxes	40,482	40,482	63,474	22,992	63,380
Delinquent Taxes	1,690	1,690	1,542	(148)	1,672
Tuition From Individuals	4,700	4,700	2,279	(2,421)	5,673
Investment Earnings	4,925	4,925	12,767	7,842	7,189
Donations	-	-	-	-	5,566
Other Local	61,400	61,400	19,063	(42,337)	21,795
Total Local Sources	<u>483,990</u>	<u>483,990</u>	<u>533,258</u>	<u>49,268</u>	<u>511,195</u>
State Sources					
State Equalization	2,752,932	2,382,977	2,377,253	(5,724)	2,423,582
Transportation	56,695	56,695	26,901	(29,794)	58,997
State Grants from CDE					
State ECEA	20,000	-	18,404	18,404	-
State ELPA	26,100	-	3,805	3,805	-
Additional At Risk	-	-	1,864	1,864	2,449
Library Act Grant	3,500	3,500	3,500	-	3,500
READ Act Grant	15,400	15,400	13,553	(1,847)	15,400
State Vocational Education	78,900	38,000	47,284	9,284	64,628
State Grants Provided through BOCES	-	-	-	-	15,488
Total State Sources	<u>2,953,527</u>	<u>2,496,572</u>	<u>2,492,564</u>	<u>(4,008)</u>	<u>2,584,044</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	-	131,600	4,791	(126,809)	25,133
NCLB Title II, Part A - Teacher & Principal Training	-	11,457	-	(11,457)	-
Federal Fresh Fruit & Vegetable	-	-	7,312	7,312	-
NCLB Title I, Part A - Competitive	23,892	35,000	-	(35,000)	-
Race to the Top	-	-	27	27	179
Carl Perkins Vocational Education	14,390	14,390	17,306	2,916	9,845
NCLB Title VI, Part B - REAP/Rural Education	-	39,892	26,416	(13,476)	13,442
Total Federal Sources	<u>38,282</u>	<u>232,339</u>	<u>55,852</u>	<u>(176,487)</u>	<u>48,599</u>
TOTAL REVENUES	<u>3,475,799</u>	<u>3,212,901</u>	<u>3,081,674</u>	<u>(131,227)</u>	<u>3,143,838</u>

See the accompanying Independent Auditors' Report

(Continued)

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, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,131,368	1,167,883	1,140,338	27,545	996,680
Benefits	383,297	400,396	392,194	8,202	310,770
PS - Professional	4,465	4,850	2,150	2,700	17,022
PS - Other	85,930	233,407	184,265	49,142	171,507
Supplies	91,179	125,869	97,909	27,960	87,495
Property	7,500	94,052	82,676	11,376	50,940
Other Expenses	7,000	(5,147)	(142,087)	136,940	(123,280)
Total Instruction	<u>1,710,739</u>	<u>2,021,310</u>	<u>1,757,445</u>	<u>263,865</u>	<u>1,511,134</u>
Supporting Services					
Pupil Support					
Salaries	54,450	54,450	50,912	3,538	43,100
Benefits	17,598	17,598	16,794	804	14,546
Supplies	20,000	20,200	14,299	5,901	13,011
Total Pupil Support	<u>92,048</u>	<u>92,248</u>	<u>82,005</u>	<u>10,243</u>	<u>70,657</u>
Staff Support					
Salaries	20,723	23,723	22,352	1,371	21,788
Benefits	10,449	11,949	7,797	4,152	7,569
PS - Professional	55,485	55,485	66,472	(10,987)	35,507
PS - Other	128,727	21,200	21,725	(525)	532
Supplies	77,600	26,100	30,381	(4,281)	37,261
Property	5,700	5,700	-	5,700	-
Total Staff Support	<u>298,684</u>	<u>144,157</u>	<u>148,727</u>	<u>(4,570)</u>	<u>102,657</u>
General Administration					
Salaries	118,106	118,106	120,808	(2,702)	117,212
Benefits	39,157	39,157	46,547	(7,390)	41,139
PS - Professional	25,450	40,010	43,908	(3,898)	20,489
PS - Other	28,000	10,300	9,341	959	9,450
Supplies	5,000	9,500	8,769	731	3,113
Property	118,752	61,000	60,844	156	350
Other Expenses	8,700	8,700	6,961	1,739	8,411
Total General Administration	<u>343,165</u>	<u>286,773</u>	<u>297,178</u>	<u>(10,405)</u>	<u>200,164</u>
School Administration					
Salaries	139,121	171,084	162,299	8,785	161,413
Benefits	40,551	49,343	42,945	6,398	41,996
PS - Professional	-	10,000	3,748	6,252	-
PS - Property	-	3,000	2,774	226	-
PS - Other	69,300	2,550	1,982	568	1,917
Supplies	2,300	8,700	6,961	1,739	1,941
Property	35,000	35,000	-	35,000	-
Other Expenses	1,460	1,460	-	1,460	1,110
Total School Administration	<u>287,732</u>	<u>281,137</u>	<u>220,709</u>	<u>60,428</u>	<u>208,377</u>

See the accompanying Independent Auditors' Report

(Continued)

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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
PS - Professional	-	3,500	3,097	403	(394)
PS - Property	-	20,000	8,745	11,255	753
PS - Other	-	73,200	74,747	(1,547)	70,006
Total Business Services	-	96,700	86,589	10,111	70,365
Operations and Maintenance					
Salaries	132,676	137,176	139,459	(2,283)	127,888
Benefits	46,674	46,584	48,921	(2,337)	40,814
PS - Professional	45,010	137,000	106,266	30,734	73,996
PS - Property	30,600	18,500	15,410	3,090	15,313
PS - Other	10,000	100	-	100	-
Supplies	149,500	150,500	145,873	4,627	150,656
Property	-	35,471	16,095	19,376	4,481
Other Expenses	1,800	1,800	1,350	450	1,058
Total Operations and Maintenance	416,260	527,131	473,374	53,757	414,206
Transportation					
Salaries	157,573	150,573	131,974	18,599	120,974
Benefits	43,068	37,998	35,584	2,414	29,199
PS - Professional	2,500	2,500	2,962	(462)	2,303
PS - Property	40,000	40,000	36,087	3,913	34,276
PS - Other	500	2,500	87	2,413	150
Supplies	56,593	57,093	38,513	18,580	33,558
Property	5,000	107,954	177,497	(69,543)	152,653
Total Transportation	305,234	398,618	422,704	(24,086)	373,113
Risk Management					
PS - Other	-	42,000	35,032	6,968	40,013
Food Service					
Salaries	61,479	61,479	-	61,479	8,440
Benefits	25,617	25,817	-	25,817	3,587
Total Food Service	87,096	87,296	-	87,296	12,027
Debt Service					
Principal	-	10,907	59,266	(48,359)	29,766
Interest	-	680	5,179	(4,499)	1,969
Total Debt Service	-	11,587	64,445	(52,858)	31,735
Contingency	1,375,012	1,375,012	-	1,375,012	-
TOTAL EXPENDITURES	4,915,970	5,363,969	3,588,208	1,775,761	3,034,448
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,440,171)	(2,151,068)	(506,534)	1,644,534	109,390
OTHER FINANCING SOURCES (USES)					
Transfers	(57,500)	(57,500)	(69,948)	(12,448)	(206,297)
Capital Lease Proceeds	-	-	86,822	86,822	155,018
TOTAL OTHER FINANCING SOURCES (USES)	(57,500)	(57,500)	16,874	74,374	(51,279)
CHANGE IN FUND BALANCE	(1,497,671)	(2,208,568)	(489,660)	1,718,908	58,111
BEGINNING FUND BALANCE	2,208,568	2,208,568	1,907,676	(300,892)	1,849,565
ENDING FUND BALANCE	\$ 710,897	\$ -	\$ 1,418,016	\$ 1,418,016	\$ 1,907,676

See accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the collection and disbursement of specific revenue sources. The District reports one Special Revenue Fund, the Grants Fund.

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, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Federal Sources				
NCLB Title I, Part A - Improving Basic Programs	\$ 149,055	\$ 130,484	\$ (18,571)	\$ 139,187
NCLB Title II, Part A - Teacher & Principal Training	-	17,268	17,268	5,350
TOTAL REVENUES	<u>149,055</u>	<u>147,752</u>	<u>(1,303)</u>	<u>144,537</u>
EXPENDITURES				
Instruction				
Supplies	31,755	-	31,755	17,000
Other Expenses	<u>117,300</u>	<u>147,752</u>	<u>(30,452)</u>	<u>127,537</u>
TOTAL EXPENDITURES	<u>149,055</u>	<u>147,752</u>	<u>1,303</u>	<u>144,537</u>
CHANGE IN FUND BALANCE	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

MIAMI-YODER SCHOOL DISTRICT JT60
Balance Sheet
Governmental Funds
Nonmajor Governmental Funds
June 30, 2017
(With Comparative Totals for June 30, 2016)

	Special Revenue		Capital Projects	Totals	
	Food Service	Athletic Activity	Building Fund	2017	2016
	Fund	Fund			
ASSETS					
Cash and Investments	\$ (10,714)	\$ 3,507	\$ -	\$ (7,207)	\$ 26,930
Interfund Accounts Receivable	11,647	-	13,175	24,822	2,528
Grants Receivable	9,768	-	-	9,768	9,460
Other Accounts Receivable	1,395	-	-	1,395	2,038
Inventory	4,842	-	-	4,842	3,930
TOTAL ASSETS	<u>\$ 16,938</u>	<u>\$ 3,507</u>	<u>\$ 13,175</u>	<u>\$ 33,620</u>	<u>\$ 44,886</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE					
Liabilities					
Accounts Payable	-	-	-	-	2,400
Accrued Salaries & Benefits	13,096	-	-	13,096	9,919
Total Liabilities	<u>13,096</u>	<u>-</u>	<u>-</u>	<u>13,096</u>	<u>12,319</u>
Deferred Inflows of Resources					
Deferred Revenue	1,014	-	-	1,014	1,107
Deferred Inflow Grant Revenue	3,029	-	-	3,029	-
Total Deferred Inflows	<u>4,043</u>	<u>-</u>	<u>-</u>	<u>4,043</u>	<u>1,107</u>
Fund Balance					
Nonspendable Fund Balance	4,842	-	-	4,842	3,930
Restricted Fund Balance					
Restricted for Debt Service/Replacement	-	-	13,175	13,175	13,165
Committed Fund Balance					
Committed for Food Service	-	-	-	-	7,873
Assigned Fund Balance					
Assigned for Fund Purpose	-	3,507	-	3,507	6,492
Unassigned Fund Balance	(5,043)	-	-	(5,043)	-
Total Fund Balance	<u>(201)</u>	<u>3,507</u>	<u>13,175</u>	<u>16,481</u>	<u>31,460</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 16,938</u>	<u>\$ 3,507</u>	<u>\$ 13,175</u>	<u>\$ 33,620</u>	<u>\$ 44,886</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	Special Revenue		Capital Projects	Totals	
	Food Service	Athletic Activity	Building Fund	2017	2016
	Fund	Fund			
REVENUES					
Local Sources	\$ 6,574	\$ 8,345	\$ 10	\$ 14,929	\$ 23,661
State Sources	1,134	-	-	1,134	2,472
Federal Sources	119,476	-	-	119,476	100,369
TOTAL REVENUES	<u>127,184</u>	<u>8,345</u>	<u>10</u>	<u>135,539</u>	<u>126,502</u>
EXPENDITURES					
Instruction	-	51,278	-	51,278	41,968
General Administration	-	-	-	-	10,438
Business Services	31	-	-	31	-
Food Service	169,157	-	-	169,157	139,482
Facilities	-	-	-	-	50,858
TOTAL EXPENDITURES	<u>169,188</u>	<u>51,278</u>	<u>-</u>	<u>220,466</u>	<u>242,746</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(42,004)	(42,933)	10	(84,927)	(116,244)
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	30,000	39,948	-	69,948	56,297
CHANGE IN FUND BALANCE	(12,004)	(2,985)	10	(14,979)	(59,947)
BEGINNING FUND BALANCE	11,803	6,492	13,165	31,460	91,407
ENDING FUND BALANCE	<u>\$ (201)</u>	<u>\$ 3,507</u>	<u>\$ 13,175</u>	<u>\$ 16,481</u>	<u>\$ 31,460</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 42	\$ 42	\$ 31
Food Service Revenue	4,000	6,434	2,434	20,318
Other Local	100	98	(2)	141
Total Local Sources	<u>4,100</u>	<u>6,574</u>	<u>2,474</u>	<u>20,490</u>
State Sources				
State Match - Child Nutrition	1,200	1,134	(66)	1,113
Smart Start Nutrition	350	-	(350)	637
State K-2 Reduced Lunch	-	-	-	722
Total State Sources	<u>1,550</u>	<u>1,134</u>	<u>(416)</u>	<u>2,472</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	20,000	31,660	11,660	23,637
National School Lunch Program	67,931	76,844	8,913	67,572
Federal Grants from Other State Agencies				
Commodities	7,931	10,971	3,040	9,160
Total Federal Sources	<u>95,862</u>	<u>119,475</u>	<u>23,613</u>	<u>100,369</u>
TOTAL REVENUES	<u>101,512</u>	<u>127,183</u>	<u>25,671</u>	<u>123,331</u>
EXPENDITURES				
Supporting Services				
Business Services				
PS - Professional	-	31	(31)	-
Food Service				
Salaries	61,479	56,513	4,966	48,892
Benefits	25,617	25,874	(257)	17,485
PS - Professional	-	2,271	(2,271)	1,626
PS - Other	600	844	(244)	41
Supplies	1,500	2,660	(1,160)	3,994
Food	78,450	70,023	8,427	58,284
Commodities	7,931	10,971	(3,040)	9,160
Total Food Service	<u>175,577</u>	<u>169,156</u>	<u>6,421</u>	<u>139,482</u>
TOTAL EXPENDITURES	<u>175,577</u>	<u>169,187</u>	<u>6,390</u>	<u>139,482</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(74,065)	(42,004)	32,061	(16,151)
OTHER FINANCING SOURCES (USES)				
Transfers	30,000	30,000	-	12,000
CHANGE IN FUND BALANCE	(44,065)	(12,004)	32,061	(4,151)
BEGINNING FUND BALANCE	44,065	11,803	(32,262)	15,954
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ (201)</u>	<u>\$ (201)</u>	<u>\$ 11,803</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ 8,500	\$ 8,345	\$ (155)	\$ 3,048
Other Local	2,000	-	(2,000)	-
TOTAL REVENUES	<u>10,500</u>	<u>8,345</u>	<u>(2,155)</u>	<u>3,048</u>
EXPENDITURES				
Instruction				
PS - Professional	12,250	14,352	(2,102)	11,855
PS - Other	1,700	388	1,312	1,219
Supplies	16,197	24,265	(8,068)	17,356
Property	1,000	5,448	(4,448)	1,160
Other Expenses	6,000	6,825	(825)	10,378
TOTAL EXPENDITURES	<u>37,147</u>	<u>51,278</u>	<u>(14,131)</u>	<u>41,968</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(26,647)	(42,933)	(16,286)	(38,920)
OTHER FINANCING SOURCES (USES)				
Transfers	27,500	39,948	12,448	44,297
CHANGE IN FUND BALANCE	853	(2,985)	(3,838)	5,377
BEGINNING FUND BALANCE	(853)	6,492	7,345	1,115
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 3,507</u>	<u>\$ 3,507</u>	<u>\$ 6,492</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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 95,687	\$ 104,787	\$ 9,100	\$ 98,359
Specific Ownership Taxes	-	-	-	115
Delinquent Taxes	1,882	191	(1,691)	1,016
Investment Earnings	1,550	2,034	484	934
TOTAL REVENUES	<u>99,119</u>	<u>107,012</u>	<u>7,893</u>	<u>100,424</u>
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	800	944	(144)	54,116
Debt Service				
Principal	120,000	115,000	5,000	270,000
Interest	36,000	43,000	(7,000)	57,994
Total Debt Service	156,000	158,000	(2,000)	327,994
TOTAL EXPENDITURES	<u>156,800</u>	<u>158,944</u>	<u>(2,144)</u>	<u>382,110</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(57,681)</u>	<u>(51,932)</u>	<u>5,749</u>	<u>(281,686)</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	-	1,355,000
Premium/(Discount)	-	-	-	96,033
Escrow Payment	-	-	-	(1,622,667)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(171,634)</u>
CHANGE IN FUND BALANCE	<u>(57,681)</u>	<u>(51,932)</u>	<u>5,749</u>	<u>(453,320)</u>
BEGINNING FUND BALANCE	<u>57,681</u>	<u>343,566</u>	<u>285,885</u>	<u>796,886</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 291,634</u>	<u>\$ 291,634</u>	<u>\$ 343,566</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, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 100	\$ 10	\$ (90)	\$ 123
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	-	-	-	10,438
Facilities/Capital Outlay				
Land and Improvements	-	-	-	50,858
TOTAL EXPENDITURES	-	-	-	61,296
CHANGE IN FUND BALANCE	100	10	(90)	(61,173)
BEGINNING FUND BALANCE	(100)	13,165	13,265	74,338
ENDING FUND BALANCE	\$ -	\$ 13,175	\$ 13,175	\$ 13,165

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, 2017

	2017			2016 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 125	\$ 734	\$ 609	\$ 365
EXPENDITURES				
Facilities/Capital Outlay				
PS - Professional	-	-	-	5,299
Contingency	125	-	125	-
TOTAL EXPENDITURES	125	-	125	5,299
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	734	734	(4,934)
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	150,000
CHANGE IN FUND BALANCE	-	734	734	145,066
BEGINNING FUND BALANCE	-	370,866	370,866	225,800
ENDING FUND BALANCE	\$ -	\$ 371,600	\$ 371,600	\$ 370,866

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, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance with Final Budget	
ADDITIONS				
Local Sources	\$ 50,000	\$ 72,004	\$ 22,004	\$ 62,490
DEDUCTIONS				
Instruction	75,420	68,730	6,690	57,816
CHANGE IN NET POSITION	(25,420)	3,274	28,694	4,674
BEGINNING NET POSITION	25,420	30,848	5,428	26,174
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 34,122</u>	<u>\$ 34,122</u>	<u>\$ 30,848</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1130 - MIAMI/YORDER 60 JT
 Fiscal Year 2016-17
 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	1,795,846		3,025,215		3,484,635		1,336,426
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	111,830		73,332		103,575		81,587
Sub- Total	1,907,676		3,098,547		3,588,210		1,418,013
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	11,803		157,183		169,188		-201
22 Govt Designated-Purpose Grants Fund	0		147,752		147,752		0
23 Pupil Activity Special Revenue Fund	6,492		48,293		51,278		3,507
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	343,566		107,012		158,944		291,634
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	13,165		9		0		13,175
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	370,866		734		0		371,600
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	2,653,570		3,559,531		4,115,373		2,097,727
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	30,848		72,004		68,730		34,122
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	30,848		72,004		68,730		34,122

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1130 - MIAMI/YODER 60 JT

Fiscal Year 2016-17

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,034,859	0	-11,587	-142,502	0	-10,714	287,089	271,600	0	0	0	34,122	0	2,462,866	
Cash with Fiscal Agent (8105)	6,603	0	0	0	0	0	286	0	0	0	0	0	0	6,889	
Taxes Receivable (8121,8122)	36,330	0	0	0	0	0	8,520	0	0	0	0	0	0	44,850	
Interfund Loans Receivable (8131,8132)	0	0	0	146,009	0	11,646	0	113,175	0	0	0	0	0	270,830	
Grants Accounts Receivable (8142)	43,608	0	0	0	0	9,768	0	0	0	0	0	0	0	53,376	
Other Receivables (8151-8154,8161)	891	0	0	0	0	1,395	0	0	0	0	0	0	0	2,286	
Inventories (8171,8172,8173)	0	0	0	0	0	4,842	0	0	0	0	0	0	0	4,842	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	2,122,291	0	-11,587	3,507	0	16,938	295,895	384,775	0	0	0	34,122	0	2,845,939	

See accompanying Independent Auditor's Report.

Governmental Proprietary Fiduciary

LIABILITIES & FUND EQUITY	Governmental										Proprietary				Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	364,005	0	-93,174	0	0	0	0	0	0	0	0	0	0	0	270,830
Other Payables (7421-7423)	73,691	0	0	0	0	0	0	0	0	0	0	0	0	0	73,691
Accrued Expenses (7461)	243,149	0	0	0	0	13,096	0	0	0	0	0	0	0	0	256,245
Unearned Revenue (7481)	0	0	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	0	0
Deferred Inflow (7800)	18,166	0	0	0	0	4,043	4,261	0	0	0	0	0	0	0	26,470
Deferred Inflow Grants (7801)	86,854	0	0	0	0	0	0	0	0	0	0	0	0	0	86,854
Total Liabilities	785,865	0	-93,174	0	0	17,139	4,261	0	0	0	0	0	0	0	714,090

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	1,813	0	0	0	0	0	0	0	0	1,813
Restricted Fund Balance 6720	0	0	0	0	0	0	291,634	13,175	0	0	0	0	0	0	304,808
TABOR 3% Emergency Reserve 6721	95,000	0	0	0	0	0	0	0	0	0	0	0	0	0	95,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	81,587	0	0	0	0	0	0	0	0	0	0	0	81,587
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	309,500	0	0	0	0	0	0	309,500
Committed Fund Balance 6750	0	0	0	3,507	0	0	0	0	0	0	0	0	0	0	3,507
Assigned Fund Balance 6760	0	0	0	0	0	0	0	62,100	0	0	0	0	0	0	62,100
Unassigned Fund Balance 6770	1,241,426	0	0	0	0	-2,014	0	0	0	0	0	0	34,122	0	1,273,534
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,336,426	0	81,587	3,507	0	-201	291,634	384,775	0	0	0	0	34,122	0	2,131,849

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,122,291	0	-11,587	3,507	0	16,938	295,895	384,775	0	0	0	0	34,122	0	2,845,939

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes