

**MOFFAT COUNTY  
AFFILIATED JUNIOR COLLEGE DISTRICT**

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**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

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**JUNE 30, 2017**



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**FINANCIAL STATEMENTS - 2017**

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT  
CRAIG, COLORADO**

**BOARD OF CONTROL**

**June 30, 2017**

Mike Anson, Chairman

Jennifer Riley, Secretary

Lois Wymore, Treasurer

Zachary Allen

Terry Carwile



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Control  
Moffat County Affiliated Junior College District

We have audited the accompanying financial statements of the governmental activities and the major fund of the Moffat County Affiliated Junior College District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Moffat County Affiliated Junior College District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 25 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.

*CaloCPA Services, PC*

Rangely, CO  
November 27, 2017

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The discussion and analysis of the Moffat County Affiliated Junior College District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the 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 basic financial statements to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The District's assets exceeded liabilities by \$1,878,697 at June 30, 2017.
- The District's total cash and investments increased by \$68,443 or approximately 5 percent from 2016.
- The June 30, 2017 General Fund balance is \$37,320 less than the previous year. The total fund balance is 92 percent of 2017 General Fund operating expenditures.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

### **OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS**

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, all of the District's activities are reported as Governmental Activities.

## Fund Financial Statements

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 22 of this report.

**Budgetary Comparisons.** The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund on page 25 of this report.

### **REPORTING THE DISTRICT AS A WHOLE**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2016 and 2017.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2017</b>
<b>Assets</b>		
Current and other assets	\$ 1,361,578	\$ 1,423,016
Capital assets, net	649,031	629,790
Total assets	<u>2,010,609</u>	<u>2,052,806</u>
<b>Liabilities</b>		
Current and other liabilities	<u>136,707</u>	<u>174,109</u>
Total Liabilities	<u>136,707</u>	<u>174,109</u>
<b>Net Position</b>		
Net investment in capital assets	649,031	629,790
Restricted	69,438	54,268
Unrestricted	<u>1,155,433</u>	<u>1,194,639</u>
Total net position	<u>\$ 1,873,902</u>	<u>\$ 1,878,697</u>

A significant portion of the District's assets represent unrestricted net position of \$1,194,639 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$54,268 of the District's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the (1) TABOR emergency reserve of \$39,462 and (2) reserved for future projects of \$14,806.

The following table indicates the changes in net position for 2016 and 2017.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2017</u>
<b>Revenues:</b>		
Program revenues:		
Charge for services	\$ -	\$ -
Capital grants and contributions	-	-
<b>General revenues:</b>		
General property taxes	1,387,037	1,189,739
Specific ownership tax	108,465	107,292
Investment earnings	2,283	4,234
County leases	19,337	11,791
Other	2,286	2,360
<b>Total revenues</b>	<u>1,519,408</u>	<u>1,315,416</u>
<b>Expenses:</b>		
Administration	32,365	23,656
College Support	866,080	944,227
Tuition Assistance	470,822	373,334
CNCC Foundation Support	24,101	30,759
<b>Total expenses</b>	<u>1,393,368</u>	<u>1,371,976</u>
Prior period adjustment	-	61,355
Increase (decrease) in net position	<u>\$ 126,040</u>	<u>\$ 4,795</u>

**Governmental Activities.** Governmental activities increased the District's net position by \$4,795 in 2017. Key elements of this increase are as follows:

Total expenses exceeded total revenues.

Several revenue sources fund the District. Property tax is the biggest contributor, accounting for 90 percent of gross revenue. This comes from a 3.005 Mill Levy. Total property taxes were \$1,189,739, down 14 percent from the prior year.

Total expenses were \$1,371,976, down 2 percent from the prior year.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUND**

The District has one governmental fund, the General Fund. Information about the District's governmental fund begins on page 11. These funds are accounted for using the modified accrual basis of accounting.

As of June 30, 2017, the total fund balance of the District's General Fund was \$1,248,907. Approximately 96 percent of the General Fund balance consists of the unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of the General Fund balance is reserved to indicate that it is not available for new spending because it is committed for a (1) TABOR emergency reserve of \$39,462 and (2) reserved for future projects of \$14,806. The District had General Fund revenues of \$1,315,416 and expenditures of \$1,352,736.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

### **2017 General Fund Budget**

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 1,286,227	\$ -	\$ 1,286,227	\$ 1,286,227
Revenues and other financing sources	1,552,393	-	1,552,393	1,315,416
Expenditures and other financing uses	<u>(1,552,393)</u>	-	<u>(1,552,393)</u>	<u>(1,352,736)</u>
Ending Fund Balance	<u>\$ 1,286,227</u>	<u>\$ -</u>	<u>\$ 1,286,227</u>	<u>\$ 1,248,907</u>

Revenues and other financing sources were \$236,977 less than budget. General property tax revenues were \$203,254 less than budgeted, accounting for the majority of the difference. Actual expenditures and other financing uses were \$199,657 less than budgeted. College support, college projects, and tuition assistance expenditures were \$32,723, \$69,440, and \$88,666 less than budgeted, respectively, and accounted for the majority of the difference.

## CAPITAL ASSETS

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2017 totaled \$629,790 (net of accumulated depreciation). This investment includes all land, buildings, and equipment.

No major capital asset event occurred during the current fiscal year.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

## ECONOMIC FACTORS AND OTHER MATTERS

**Other Matters.** The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2018 budget:

- A decrease in property tax collected for 2017-2018.
- Support for the college in expanding the campus and payment of a bond.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 2801 W. 9<sup>th</sup> Street, Craig, Colorado 81625.

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## **FINANCIAL STATEMENTS**

MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT

STATEMENT OF NET POSITION  
June 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,372,784
Investments	14,806
Property taxes receivable	35,426
Capital assets, nondepreciable	324,472
Capital assets, net	<u>305,318</u>
<b>TOTAL ASSETS</b>	<u><b>2,052,806</b></u>
<b>LIABILITIES</b>	
Accounts payable	<u>174,109</u>
<b>TOTAL LIABILITIES</b>	<u><b>174,109</b></u>
<b>NET POSITION</b>	
Net investment in capital assets	629,790
Restricted for:	
Future projects	14,806
Labor emergencies	39,462
Unrestricted	<u>1,194,639</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 1,878,697</b></u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.



MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUND  
June 30, 2017

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,372,784
Investments	14,806
Property taxes receivable	<u>35,426</u>
TOTAL ASSETS	<u>\$ 1,423,016</u>
<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES	
Accounts payable	<u>\$ 174,109</u>
TOTAL LIABILITIES	<u>174,109</u>
FUND BALANCES	
Restricted for: TABOR emergencies	39,462
Assigned for: Future projects	14,806
Unassigned	<u>1,194,639</u>
TOTAL FUND EQUITY	<u>1,248,907</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,423,016</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
June 30, 2017

Balance sheet - total fund balances	\$ 1,248,907
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>629,790</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 1,878,697</u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended June 30, 2017**

	<u>General Fund</u>
<b>REVENUES</b>	
General Property Taxes	\$ 1,189,739
Specific Ownership Tax	107,292
Interest Earned	4,234
County Leases	11,791
Miscellaneous	<u>2,360</u>
<b>        TOTAL REVENUES</b>	<u><b>1,315,416</b></u>
<b>EXPENDITURES</b>	
Current Operating	
Administrative	23,656
College Support	636,427
College Projects	288,560
Tuition Assistance	373,334
CNCC Foundation Support	<u>30,759</u>
<b>        TOTAL EXPENDITURES</b>	<u><b>1,352,736</b></u>
<b>        NET INCOME (LOSS)</b>	<b>(37,320)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	1,224,872
Prior Period Adjustment	<u>61,355</u>
<b>        FUND BALANCE - END OF YEAR</b>	<u><u><b>\$ 1,248,907</b></u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017**

Net change in fund balances - total governmental funds \$ (37,320)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$19,240) exceeded capital outlay (\$0) in the current period. (19,240)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (56,560)

The accompanying "Notes to Financial Statements" are an integral part of the statement.

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**NOTES TO FINANCIAL STATEMENTS**

# MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2017

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Moffat County Affiliated Junior College District are in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies are described below.

#### **A. Financial Reporting Entity**

The Moffat County Affiliated Junior College District is a county wide taxing district which provides financial support to Colorado Northwestern Community College, a campus in the State of Colorado community college system. The District provides tuition assistance to local residents, financial support to new and continuing college programs and accumulation of funds for campus expansion.

Funds for the operation of the District are derived through a property tax levy certified by the Board of Control. Interest and other investment income also provide revenues.

The District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14. The Board has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accounting for fiscal matters. In addition, the District does not exercise any of the above powers over any other entity. These financial statements, therefore, include only the operations of Moffat County Affiliated Junior College District.

#### **B. Government-wide and fund financial statements**

During fiscal year 2005, the District adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001, and; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001.

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "*Accounting and Financial Reporting for Non-exchange Transactions.*"

The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

#### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Measurement focus, basis of accounting, and financial statement presentation, continued**

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of fiscal year end. For this purpose, the District considers revenues, other than property taxes, that are susceptible to accrual to be available if they are collected within 90 days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accounts of a governmental entity are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund is currently being used by the Moffat County Affiliated Junior College District.

**Governmental Fund**

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

**D. Budget and Budgetary Accounting**

An annual appropriated budget for the District is adopted after public notice and hearings as required by Colorado State law. The District is prohibited from spending more from any fund than is provided in the budget. The budget may be altered by increasing the fund's total appropriation if unanticipated revenues become available during the year. All appropriations lapse at year end whether or not encumbered. The level of budgetary control, by legal appropriation, is total expenditures by fund. However, the budget document which is adopted by the Board of Control includes a detailed breakdown of revenues and expenditures by departments, programs and objects.

**E. Use of Estimates**

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Capital Assets**

Capital Assets are carried at actual or estimated historical cost based on appraisals. Depreciation is computed using the straight-line method and the estimated useful lives are as follows:

Buildings	40 years
Equipment	7 years

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**G. Property Taxes**

Property Taxes are levied on or before December 15 on property assessed as of January 1 (lien date) of each year. Tax bills are mailed on or before December 31. The taxes are collectible in the following year in two installments, due February 28 and June 15, or in full by April 30. Uncollected property taxes are sold at public auction during December of each year. Taxes not sold are immaterial in amount and, therefore, are not reflected in the financial statements. The mill levy, assessed valuation, anticipated revenue, estimated uncollectable, and property taxes receivable, net are as follows:

	<u>Mill Levy</u>	<u>Assessed Valuation</u>	<u>Anticipated Revenue</u>	<u>Property Taxes Receivable, Net June 30, 2017</u>
General Fund	3.005	\$ 409,697,812	\$ 1,221,085	\$ 35,426

**NOTE 2 - CASH AND INVESTMENTS**

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgages, and deeds of trust.

State statutes authorized the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments held as of June 30, 2017 are as follows:

<u>June 30, 2017</u>	<u>Cost</u>	<u>Market Value</u>
COLOTRUST	<u>\$ 14,806</u>	<u>\$ 14,806</u>

At June 30, 2017, the District had invested \$14,806 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes as authorized by state statute. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. At June 30, 2017 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

**NOTE 2 - CASH AND INVESTMENTS, Continued**

At June 30, 2017 Cash and Cash Equivalents and Investments were held as follows:

Cash in Checking Accounts:		
Bank of Colorado		\$ 139,591
LPL Financial Services MMA		210,055
Cash with Moffat County Treasurer		323,138
Certificates of Deposit - LPL Financial Services		<u>700,000</u>
Total		<u>\$ 1,372,784</u>
Investments represents all monies invested in The Colorado Liquid Asset Trust (ColoTrust)		<u>\$ 14,806</u>

The District generally limits its concentration of investments to those which are believed to have a minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements of subject to investment custodial credit risk for investments that are in the possession of another party.

**NOTE 3 - CAPITAL ASSETS**

**Governmental Activities**

Capital Asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance 07/01/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/17</u>
Capital assets not being depreciated:				
Land	<u>\$ 324,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,472</u>
Total assets not being depreciated	<u>324,472</u>	<u>-</u>	<u>-</u>	<u>324,472</u>
Capital assets being depreciated:				
Buildings	591,297	-	-	591,297
Equipment	<u>73,775</u>	<u>-</u>	<u>-</u>	<u>73,775</u>
Total assets being depreciated	<u>665,072</u>	<u>-</u>	<u>-</u>	<u>665,072</u>
Less accumulated depreciation:				
Buildings	(266,738)	(19,241)	-	(285,979)
Equipment	<u>(73,775)</u>	<u>-</u>	<u>-</u>	<u>(73,775)</u>
Total accumulated depreciation	<u>(340,513)</u>	<u>(19,241)</u>	<u>-</u>	<u>(359,754)</u>
Total assets being depreciated, net	<u>324,559</u>	<u>(19,241)</u>	<u>-</u>	<u>305,318</u>
Governmental activities capital assets, net	<u>\$ 649,031</u>	<u>\$ (19,241)</u>	<u>\$ -</u>	<u>\$ 629,790</u>

Depreciation expense of \$19,241 was charged to College Support.

# MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2017

### NOTE 4 – CONTINGENCIES

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves in the amount of 3 percent of fiscal year spending be established for declared emergencies.

The District has no authorized but un-issued debt subject to the amendment's limitation. Based on estimated fiscal year spending for 2017, \$39,462 of the year-end fund balance in the General Fund has been reserved for emergencies.

### NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of loss related to tort, thefts of or damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance for most risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

### NOTE 6 – OTHER COMMITMENTS

The District resolved on November 16, 2009 to commit the necessary mill-levy up to a maximum of \$315,000 annually to make the bond payments for a bond issuance of up to and including five million dollars for a period up to and including thirty years. Debt service payments for 2017 were \$279,310.

### NOTE 7 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2017

**NOTE 7 – COMMITTED FUND BALANCE, Continued**

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

The balances at June 30, 2017 are represented below:

Restricted Fund Balance – TABOR Emergency Reserve	\$ 39,462
Assigned Fund Balance - Future Projects	14,806

**NOTE 8 – RESTATEMENT OF NET POSITION/FUND BALANCE**

Net position/fund balance as of July 1, 2016, has been restated as follows for the refund in FY2016-2017 of overpayment of tuition for December 2015.

	<u>Net Position</u>	<u>Fund Balance</u>
Net Position/Fund Balance as previously reported at June 30, 2016	\$ 1,873,902	\$ 1,224,872
Prior period adjustments:		
Refund of December 2015 tuition over billed	<u>61,355</u>	<u>61,355</u>
Net Position as restated, July 1, 2016	<u>\$ 1,935,257</u>	<u>\$ 1,286,227</u>

**NOTE 9 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 27, 2017, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**MOFFAT COUNTY AFFILIATED JUNIOR COLLEGE DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

For the Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
General Property Taxes	\$ 1,392,993	\$ 1,392,993	\$ 1,189,739	\$ (203,254)
Specific Ownership Tax	74,095	74,095	107,292	33,197
Interest	-	-	4,234	4,234
County Leases	-	-	11,791	11,791
Miscellaneous	85,305	85,305	2,360	(82,945)
<b>TOTAL REVENUES</b>	<u>1,552,393</u>	<u>1,552,393</u>	<u>1,315,416</u>	<u>(236,977)</u>
<b>EXPENDITURES</b>				
Current Operating				
Administrative	26,821	26,821	23,656	3,165
College Support	669,150	669,150	636,427	32,723
College Projects	358,000	358,000	288,560	69,440
Tuition Assistance	462,000	462,000	373,334	88,666
CNCC Foundation Support	36,422	36,422	30,759	5,663
<b>TOTAL EXPENDITURES</b>	<u>1,552,393</u>	<u>1,552,393</u>	<u>1,352,736</u>	<u>199,657</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(37,320)</u>	<u>\$ (37,320)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			1,224,872	
Prior Period Adjustment			<u>61,355</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,248,907</u>	

The accompanying "Notes to Financial Statements" are an integral part of the statement.