

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

**FINANCIAL STATEMENTS
With
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
June 30, 2018**

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

ROSTER OF SCHOOL OFFICIALS

YEAR ENDED JUNE 30, 2018

BOARD OF EDUCATION

David Orcutt – President

William Hartley –Secretary/Treasurer

Glenda Strouse

Stacey Brewer

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, 2018

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, 2018. 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 2018-2019 school year. The 6-12 grades are moving to a 1-to-1 program with iPads. The iPads are planned for the 6th and 7th grade students in the 18-19 school year. Existing money in the budget is being used for this project. There is also a planned replacement of the water storage system for the school building. BEST Grant money will be used to fund this work.

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 increasing due to increased revenue from the state.

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, 2018, the District's total net position was (3,937,967).

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	
	2018	2017
Current and Other Assets	\$ 2,512,860	\$ 2,540,988
Capital Assets - Net	4,728,113	4,792,110
Total Assets	<u>7,240,973</u>	<u>7,333,098</u>
Deferred Outflow of Financial Resources	<u>4,277,776</u>	<u>4,100,746</u>
Current Liabilities	383,171	348,554
Noncurrent Liabilities	<u>14,098,702</u>	<u>12,186,823</u>
Total Liabilities	<u>14,481,873</u>	<u>12,535,377</u>
Deferred Inflow of Financial Resources	<u>974,843</u>	<u>345,215</u>
Net Investment in Capital Assets	3,460,176	3,327,284
Restricted Net Position	705,847	790,896
Unrestricted Net Position	<u>(8,103,990)</u>	<u>(5,564,928)</u>
Total Net Position	<u>\$ (3,937,967)</u>	<u>\$ (1,446,748)</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	
	2018	2017
Program Revenues:		
Charges for Services	\$ 11,440	\$ 17,057
Operating Grants	607,610	439,524
Total Program Revenues	619,050	456,581
General Revenues:		
Taxes	704,660	604,127
State Equalization	2,447,517	2,377,253
Investment Income	23,614	15,587
Miscellaneous	99,328	19,163
Total General Revenues	3,275,119	3,016,130
Total Revenues	3,894,169	3,472,711
Expenses		
Instruction	3,619,126	3,067,782
Supporting Services	2,480,719	2,429,842
Debt Service Interest	31,530	5,505
Total Expenses	6,131,375	5,503,129
Change in Net Position	(2,237,206)	(2,030,418)
Net Position - Beginning	(1,446,748)	583,670
Prior Period Restatement	(254,013)	-
Net Position - Beginning Restated	(1,700,761)	583,670
Net Position - Ending	\$ (3,937,967)	\$ (1,446,748)

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, 2018, 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, 2017 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 \$246,355. General Fund showed a decrease of \$14,688.

Capital Assets

As of June 30, 2018 the District had \$4,707,454 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deletions, and depreciation) of \$61,691. from last year. A summary of the District's Capital Assets is as follows:

	Balance July 1 2017	Additions	Deletions	Balance June 30 2018
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings	\$ 4,989,366	\$ 49,403	\$ -	\$ 5,038,769
Site Improvements	598,875	-	-	598,875
Equipment	172,868	-	-	172,868
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	<u>1,028,848</u>	<u>86,822</u>	<u>-</u>	<u>1,115,670</u>
Total Capital Assets Being Depreciated	<u>6,830,624</u>	<u>136,225</u>	<u>-</u>	<u>6,966,849</u>
Less: Accumulated Depreciation				
Buildings	(1,193,676)	(102,974)	-	(1,296,650)
Site Improvements	(126,426)	(22,141)	-	(148,567)
Equipment	(102,912)	(12,268)	-	(115,180)
Food Service equipment	(34,449)	(444)	-	(34,893)
Transportation Equipment	<u>(604,016)</u>	<u>(60,089)</u>	<u>-</u>	<u>(664,105)</u>
Total Accumulated Depreciation	<u>(2,061,479)</u>	<u>(197,916)</u>	<u>-</u>	<u>(2,259,395)</u>
Net Capital Assets	<u>\$ 4,769,145</u>	<u>\$ (61,691)</u>	<u>\$ -</u>	<u>\$ 4,707,454</u>

Debt Administration

As of June 30, 2018 the District had total outstanding long-term debt as follows:

	Restated			Balance	Current
	Balance	Advances	Payments	Balance	Portion
	06/30/17			06/30/18	
2015 Gen Oblig Refunding Bonds	\$ 1,245,000	\$ -	\$ 125,000	\$ 1,120,000	\$ 130,000
Bond Deferred Inflow (Outflow)	65,272	-	6,553	58,719	6,816
Equipment Leases	196,860	-	69,582	127,278	51,746
PERA Net Pension Liability	10,625,637	1,828,428	-	12,454,065	-
OPEB	254,013	30,385	-	284,398	-
Accrued Compensated Absences	31,089	2,494	-	33,583	-
Total	\$ 12,417,871	\$ 1,861,307	\$ 201,135	\$ 14,078,043	\$ 188,562

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, 2018, 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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2017 financial statements have been restated to reflect the adoption of GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required restatement of the beginning June 30, 2018 fiscal year net position. Our opinion is not modified with respect to this matter.

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 44 - 48 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 49 - 51 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 52 - 60 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 61 - 64 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
February 6, 2019

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, 2018.

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,110,385
Restricted Cash and Investments	241,195
Cash with Fiscal Agent	6,724
Taxes Receivable	69,752
Grants Receivable	77,907
Other Accounts Receivable	150
Inventory	6,747
Total Current Assets	<u>2,512,860</u>
Noncurrent Assets	
Deferred Charge on Refunding	20,659
Capital Assets, being depreciated	4,707,454
Total Noncurrent Assets	<u>4,728,113</u>
TOTAL ASSETS	<u>7,240,973</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	4,249,568
Net Deferred Outflows OPEB	28,208
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>4,277,776</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 11,518,749</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 56,933
Accrued Interest	18,072
Accrued Salaries & Benefits	307,152
Unearned Revenue	1,014
Total Current Liabilities	<u>383,171</u>
Noncurrent Liabilities	
Due Within One Year	188,562
Due In More Than One Year	13,910,140
Total Noncurrent Liabilities	<u>14,098,702</u>
TOTAL LIABILITIES	<u>14,481,873</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Revenue	38,679
Deferred Grant Revenue	87,445
Net Deferred Inflows Pensions	843,961
Net Deferred Inflows OPEB	4,758
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>974,843</u>
NET POSITION	
Net Investment in Capital Assets	3,460,176
Restricted Net Position	705,847
Unrestricted Net Position	(8,103,990)
TOTAL NET POSITION	<u>(3,937,967)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 11,518,749</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
 Balance Sheet
 Governmental Funds
 June 30, 2018
 (With Comparative Totals for June 30, 2017)

	Capital Projects			Totals	
	General Fund	Capital Reserve Project Fund	Other Governmental Funds	2018	2017
ASSETS					
Cash and Investments	\$ 1,817,224	\$ 272,618	\$ 20,543	\$ 2,110,385	\$ 2,141,655
Restricted Cash and Investments	-	-	241,195	241,195	287,089
Cash with Fiscal Agent	6,388	-	336	6,724	6,889
Taxes Receivable	60,103	-	9,649	69,752	44,850
Interfund Accounts Receivable	24,340	100,000	13,175	137,515	270,831
Grants Receivable	67,282	-	10,625	77,907	53,376
Other Accounts Receivable	-	-	150	150	2,286
Inventory	-	-	6,747	6,747	4,842
TOTAL ASSETS	\$ 1,975,337	\$ 372,618	\$ 302,420	\$ 2,650,375	\$ 2,811,818
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 96,731	\$ 24,340	\$ 16,444	\$ 137,515	\$ 270,830
Accounts Payable	56,933	-	-	56,933	73,690
Accrued Salaries & Benefits	300,852	-	6,300	307,152	256,244
Unearned Revenue	-	-	1,014	1,014	1,014
Total Liabilities	454,516	24,340	23,758	502,614	601,778
Deferred Inflows of Financial Resources					
Deferred Revenue	30,050	-	8,629	38,679	22,427
Deferred Grant Revenue	87,445	-	-	87,445	89,884
Total Deferred Inflows of Financial Resources	117,495	-	8,629	126,124	112,311
Fund Balance					
Nonspendable Fund Balance	-	-	2,943	2,943	1,813
Restricted Fund Balance					
Restricted for Debt Service	-	-	246,355	246,355	291,634
Restricted for TABOR Emergencies	111,000	-	-	111,000	95,000
Restricted for Colorado Preschool Program	46,914	-	-	46,914	81,587
Restricted for BEST Capital Renewal Reserve	-	285,460	-	285,460	309,500
Restricted Bond Proceeds	-	-	13,175	13,175	13,175
Committed Fund Balance					
Committed for Fund Purposes	-	-	7,560	362	3,507
Assigned Fund Balance					
Other Assigned Fund Balance	-	62,818	-	70,016	62,100
Unassigned Fund Balance	1,245,412	-	-	1,245,412	1,239,413
Total Fund Balance	1,403,326	348,278	270,033	2,021,637	2,097,729
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,975,337	\$ 372,618	\$ 302,420	\$ 2,650,375	\$ 2,811,818

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

MIAMI-YODER SCHOOL DISTRICT JT60
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2018

Fund Balance - Governmental Funds		\$ 2,021,637
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, being depreciated	6,966,849	
Accumulated depreciation	<u>(2,259,395)</u>	4,707,454
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
PERA Pension		
Net pension deferred outflows	4,249,568	
Net pension liability	(12,454,065)	
Net pension deferred inflows	<u>(843,961)</u>	(9,048,458)
PERA Health Care Trust Fund (OPEB)		
Net OPEB deferred outflows	28,208	
Net OPEB liability	(284,398)	
Net OPEB deferred inflows	<u>(4,758)</u>	(260,948)
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		20,659
Bond premiums - net of amortization		(79,378)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,120,000)	
Capital leases payable	(127,278)	
Accrued interest payable	(18,072)	
Accrued compensated absences	<u>(33,583)</u>	<u>(1,298,933)</u>
Total Net Position - Governmental Activities		\$ <u><u>(3,937,967)</u></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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Capital Projects			Totals	
	General Fund	Capital Reserve Project Fund	Other Governmental Funds	2018	2017
REVENUES					
Local Sources	\$ 674,103	\$ 1,018	\$ 132,850	\$ 807,971	\$ 655,933
State Sources	2,784,033	-	1,267	2,785,300	2,493,698
Federal Sources	174,442	-	126,456	300,898	323,080
TOTAL REVENUES	<u>3,632,578</u>	<u>1,018</u>	<u>260,573</u>	<u>3,894,169</u>	<u>3,472,711</u>
EXPENDITURES					
Instruction	2,030,428	-	28,949	2,059,377	1,956,476
Pupil Support	95,441	-	-	95,441	82,005
Staff Support	50,538	-	-	50,538	148,727
General Administration	261,567	-	-	261,567	298,123
School Administration	224,619	-	-	224,619	220,709
Business Services	93,957	-	974	94,931	86,620
Operations and Maintenance	422,462	-	-	422,462	473,374
Transportation	257,043	-	-	257,043	422,704
Risk Management	45,609	-	-	45,609	35,032
Food Service	-	-	169,332	169,332	169,157
Facilities	31,788	24,340	-	56,128	-
Debt Service	69,314	-	163,900	233,214	222,445
TOTAL EXPENDITURES	<u>3,582,766</u>	<u>24,340</u>	<u>363,155</u>	<u>3,970,261</u>	<u>4,115,372</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	49,812	(23,322)	(102,582)	(76,092)	(642,661)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	-	86,822
Transfer In (Out) - net	(64,500)	-	64,500	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(64,500)</u>	<u>-</u>	<u>64,500</u>	<u>-</u>	<u>86,822</u>
CHANGE IN FUND BALANCE	(14,688)	(23,322)	(38,082)	(76,092)	(555,839)
BEGINNING FUND BALANCE	<u>1,418,014</u>	<u>371,600</u>	<u>308,115</u>	<u>2,097,729</u>	<u>2,653,568</u>
ENDING FUND BALANCE	<u>\$ 1,403,326</u>	<u>\$ 348,278</u>	<u>\$ 270,033</u>	<u>\$ 2,021,637</u>	<u>\$ 2,097,729</u>

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

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, 2018

Change in Fund Balance - Governmental Funds		\$	(76,092)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	136,225		
Depreciation Expense	<u>(197,916)</u>		(61,691)
Pension and OPEB expense at the fund level represents 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.			
PERA Pension			
Change in deferred pension outflows	148,822		
Change in net pension liability	(1,828,428)		
Change in deferred pension inflows	<u>(612,071)</u>		(2,291,677)
PERA Health Care Trust Fund (OPEB)			
Change in deferred OPEB outflows	19,215		
Change in net OPEB liability	(21,392)		
Change in deferred OPEB inflows	<u>(4,758)</u>		(6,935)
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			
Principal payments on bonds payable	125,000		
Principal payments on capital leases	69,583		
Change in accrued interest payable	548		
Amortization of premiums and discounts	6,553		
Change in accrued compensated absences	<u>(2,495)</u>		<u>199,189</u>
Change in Net Position - Governmental Activities		\$	<u>(2,237,206)</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Fiduciary Net Position
Fiduciary Funds
Pupil Activity Fund
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>Totals</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 34,821	\$ 34,122
NET POSITION		
Restricted Net Position (Due to Student Groups)	<u>\$ 34,821</u>	<u>\$ 34,122</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2018

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, 2018

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, 2018

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 and OPEB obligations and further described in Note 8 and Note 10.

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 and OPEB related deferrals as further described in Note 8 and Note 10.

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, 2018

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, 2018

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 2017 for collection in 2018 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	\$ 2,110,386
Governmental Activities - Restricted	<u>241,195</u>
Total Governmental Activities	2,351,581
Fiduciary Funds	<u>34,820</u>
Total Cash & Investments	<u>\$ 2,386,401</u>
Cash and equivalents	\$ 587,928
Investments	<u>1,798,473</u>
Total Cash & Investments	<u>\$ 2,386,401</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, 2018

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, 2018, 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, 2018, the District's deposits had bank and carrying values as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 387,619	\$ 387,619
PDPA Collateralized ¹	222,198	200,309
Total Cash	<u>\$ 609,817</u>	<u>\$ 587,928</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	\$ 1,557,278	N/A
Local Government Investment Pools - Restricted	241,195	N/A
Total Investments	<u>\$ 1,798,473</u>	

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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, 2018, 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, 2018, the District did not have any investments requiring safekeeping.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3: CAPITAL ASSETS

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

	Balance July 1 2017	Additions	Deletions	Balance June 30 2018
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings	\$ 4,989,366	\$ 49,403	\$ -	\$ 5,038,769
Site Improvements	598,875	-	-	598,875
Equipment	172,868	-	-	172,868
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	1,028,848	86,822	-	1,115,670
Total Capital Assets Being Depreciated	<u>6,830,624</u>	<u>136,225</u>	<u>-</u>	<u>6,966,849</u>
Less: Accumulated Depreciation				
Buildings	(1,193,676)	(102,974)	-	(1,296,650)
Site Improvements	(126,426)	(22,141)	-	(148,567)
Equipment	(102,912)	(12,268)	-	(115,180)
Food Service equipment	(34,449)	(444)	-	(34,893)
Transportation Equipment	(604,016)	(60,089)	-	(664,105)
Total Accumulated Depreciation	<u>(2,061,479)</u>	<u>(197,916)</u>	<u>-</u>	<u>(2,259,395)</u>
Net Capital Assets	<u>\$ 4,769,145</u>	<u>\$ (61,691)</u>	<u>\$ -</u>	<u>\$ 4,707,454</u>

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

Instruction	\$ 110,409
Supporting Services	87,507
Total Depreciation	<u>\$ 197,916</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, 2018, 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, 2018

NOTE 4: INVENTORIES

Food Service Fund inventory as of June 30, 2018 of \$6,747 consisted of purchased and donated commodities amounting to \$2,943 and \$3,804, 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, 2018, are \$307,152. 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, 2018:

	Restated					
	Balance			Balance	Current	Interest
	06/30/17	Advances	Payments	06/30/18	Portion	Expense
2015 Gen Oblig Refunding Bonds	\$ 1,245,000	\$ -	\$ 125,000	\$ 1,120,000	\$ 130,000	\$ 28,479
Bond Deferred Inflow (Outflow)	65,272	-	6,553	58,719	6,816	-
Equipment Leases	196,860	-	69,582	127,278	51,746	5,530
PERA Net Pension Liability	10,625,637	1,828,428	-	12,454,065	-	-
OPEB	254,013	30,385	-	284,398	-	-
Accrued Compensated Absences	31,089	2,494	-	33,583	-	-
Total	\$ 12,417,871	\$ 1,861,307	\$ 201,135	\$ 14,078,043	\$ 188,562	\$ 34,009

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.

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.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds Payable (Continued)

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>
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	145,000	19,400	164,400
2024-2026	<u>450,000</u>	<u>31,950</u>	<u>481,950</u>
Total	<u>\$ 1,120,000</u>	<u>\$ 168,550</u>	<u>\$ 1,288,550</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 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.

In April 2017, the District entered into a capital lease arrangement for the purchase of a bus. The lease was for \$86,822 and requires annual payments of \$22,947.77 starting July, 2017 through July, 2020. The District has capitalized assets of \$86,822 related to this lease.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

Future minimum lease payments are scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 55,657
2020	55,657
2021	<u>22,948</u>
Total future minimum payments	134,262
Less: interest portion	<u>(6,984)</u>
Present value of obligation under capital lease	<u>\$ 127,278</u>

NOTE 7: JOINTLY GOVERNED ORGANIZATION

BOCES

The District in conjunction with other surrounding districts created the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2018, the District paid total assessments of \$137,124 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 as of December 31, 2017. 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, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As of December 31, 2017, 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.

Contribution provisions as of June 30, 2018. 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	2017¹
Employer contribution rate	10.15%	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%	-1.02%
Amount apportioned to the SCHDTF	9.13%	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%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%	5.00%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%	18.63%

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 \$330,982 for the plan year ended December 31, 2017 and \$151,787 for the fiscal year ended June 30, 2018.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, the District reported a liability of \$12,454,065 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was .03851%, which was an increase of .002826% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018 the District recognized pension expense of \$2,622,987. At June 30, 2018, 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	\$ 223,802	\$ -
Changes of assumptions or other inputs	\$ 3,017,488	\$ (19,083)
Net difference between projected and actual earnings on pension plan	\$ 234,782	\$ (735,978)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 594,709	\$ (88,900)
Contributions subsequent to the measurement date	\$ 178,787	\$ -
Total	\$ 4,249,568	\$ (843,961)

\$178,787 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, 2019. 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, 2018

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
2019	2,012,989
2020	1,286,713
2021	111,114
2022	(183,995)
Total	\$ 3,226,820

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
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 struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

A discount rate of 4.78 percent was used in the roll forward calculation of the total pension liability to the measurement date of December 31, 2017.

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

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

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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)

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	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 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

- 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%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law 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.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

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 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 General 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 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78%, 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 (3.78%) or 1-percentage-point higher (5.78%) than the current rate:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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)

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension asset (liability)	\$ (15,731,603)	\$ (12,454,065)	\$ (9,783,247)

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.

Changes between the measurement date of the net pension liability and June 30, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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)

At June 30, 2018, the District reported a liability of \$31,022,516 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$5,626,639

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$5,813,635 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

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, 2018 program members contributed \$8,303.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

OPEB. District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description.

Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. 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

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$18,121 for the plan year ended December 31, 2017 and \$17,403 for the fiscal year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability of \$284,398 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's proportion was 0.02188%, which was an increase of .001598% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$24,339. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,345	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (4,758)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 17,319	\$ -
Contributions subsequent to the measurement date	\$ 9,544	\$ -
Total	\$ 28,208	\$ (4,758)

\$9,544 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2019	\$ 2,477
2020	\$ 2,477
2021	\$ 2,477
2022	\$ 2,477
2023	3,667
2024	330
Total	\$ 13,906

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.00 % for 2017, gradually rising to 4.25% in 2023

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in HCTF.

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

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capital health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely to actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capital health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Proportionate share of the net OPEB asset (liability)	\$ (276,573)	\$ (284,398)	\$ (293,823)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (319,753)	\$ (284,398)	\$ (254,222)

OPEB plan fiduciary net position. Detailed information about the HCTF’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 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, 2018, 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 \$111,000 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:

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

Restricted for Debt Service	\$	246,355
Restricted Bond Proceeds for Building		13,175
Restricted for Capital Replacement through BEST Grant		285,460
Restricted for TABOR Emergencies		111,000
Restricted through Colorado Preschool Program Act		46,914
Total Governmental Restricted Fund Balance/Net Position	\$	<u>702,904</u>

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

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, 2018.

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.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13: INTERFUND ACTIVITY

The District has the following internal balances as of the year ended June 30, 2018:

	<u>Balance</u>
General Fund:	
Due to Other Funds	\$ (96,731)
Capital Reserve Fund	
Due to Other Funds	100,000
Food Service Fund:	
Due to Other Funds	(16,444)
Building Fund	
Due from Other Funds	<u>13,175</u>
Net Interfund	<u>\$ -</u>

The District has recorded the following routine transfers during the year ended June 30, 2018:

	<u>Transfer In (Out)</u>
General Fund:	
to Athletic Activity Fund	\$ (27,500)
to Food Service Fund	(37,000)
Athletic Activity Fund:	
from General Fund	27,500
Food Service Fund:	
from General Fund	<u>37,000</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 \$14,272,102 as of June 30, 2018. 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, 2018 was \$285,460.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15: NET POSITION DEFICIT

The Governmental Activities has an unrestricted net position deficit of \$8,044,957 and an overall net position deficit of \$3,854,594 primarily due to the PERA net pension liability of \$12,454,065 and OPEB net liability of \$284,398, as further described in Note 8 and Note 10. 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 Class Agency Fund by \$62,799. This may be a violation of state statutes.

NOTE 17: PRIOR PERIOD RESTATEMENT

For the fiscal year, the District adopted GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future postemployment benefit obligations. The District has restated the beginning net position for the governmental activities for those balances that were applicable as of June 30, 2017. This restatement resulted in a net decrease in governmental activity net position of \$254,013.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules – Unaudited)

MIAMI-YODER SCHOOL DISTRICT JT60

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

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
District's proportion of the net pension asset (liability)	0.038514%	-0.035688%	0.036422%
District's proportionate share of the net pension asset (liability)	\$ (12,454,065)	\$ (10,625,637)	\$ (5,570,436)
District's covered payroll	\$ 1,776,606	\$ 1,601,732	\$ 1,517,209
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	701.00%	663.38%	367.15%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%

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.

<u>6/30/15</u>	<u>6/30/14</u>
0.038371%	0.038142%
\$ (5,200,575)	\$ (4,864,944)
\$ 1,523,994	\$ 1,453,381
341.25%	334.73%
62.84%	64.07%

MIAMI-YODER SCHOOL DISTRICT JT60

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

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
Contractually required contributions	\$ 330,982	\$ 290,394	\$ 262,932
Actual contributions	<u>(330,982)</u>	<u>(290,394)</u>	<u>(262,932)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,776,606	\$ 1,601,732	\$ 1,517,209
Contributions as a percentage of covered payroll	18.63%	18.13%	17.33%

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.

<u>6/30/15</u>	<u>6/30/14</u>
\$ 250,392	\$ 225,710
<u>(250,392)</u>	<u>(225,710)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 1,523,994	\$ 1,453,381
16.43%	15.53%

MIAMI-YODER SCHOOL DISTRICT JT60

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Func
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/18</u>	<u>06/30/17</u>
District's proportion of the net pension asset (liability)	0.021884%	0.020285%
District's proportionate share of the net pension asset (liability)	\$ (284,398)	\$ (263,006)
District's covered payroll	\$ 1,776,605	\$ 4,043,159
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	16.01%	6.50%
Plan fiduciary net position as a percentage of the total pension liability	17.53%	16.70%

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'S CONTRIBUTIONS
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/18</u>	<u>06/30/17</u>
Contractually required contributions	\$ 18,121	\$ 41,240
Actual contributions	<u>(18,121)</u>	<u>(41,240)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,776,605	\$ 4,043,159
Contributions as a percentage of covered payroll	1.02%	1.02%

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, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018				
	Original	Final	Actual	Variance	2017
	Budget	Budget		with Final	Actual
			Budget		
REVENUES					
Local Sources					
Property Taxes	\$ 415,757	\$ 415,757	\$ 509,764	\$ 94,007	\$ 434,133
Specific Ownership Taxes	53,063	102,830	76,555	(26,275)	63,474
Delinquent Taxes	2,000	2,000	1,950	(50)	1,542
Tuition From Individuals	3,000	1,500	1,610	110	2,279
Investment Earnings	13,200	13,200	19,338	6,138	12,767
Sale of Fixed Assets/Insurance Proceeds	-	-	250	250	-
Other Local	46,400	56,400	64,636	8,236	19,063
Total Local Sources	<u>533,420</u>	<u>591,687</u>	<u>674,103</u>	<u>82,416</u>	<u>533,258</u>
State Sources					
State Share (Equalization)	2,451,502	2,446,055	2,447,517	1,462	2,377,253
State Transportation	70,502	70,502	70,671	169	26,901
State Grants from CDE					
State ECEA (Special Education)	-	-	-	-	18,404
State ELPA: Professional Development and Student Support	4,399	4,399	7,786	3,387	2,244
State ELPA	800	800	4,682	3,882	1,561
Small Rural Schools Additional Funding	97,991	97,991	85,087	(12,904)	-
Additional At-Risk Funding	-	-	1,925	1,925	1,864
READ Act	13,838	13,838	13,837	(1)	13,553
State Grants to Libraries	3,500	3,500	3,500	-	3,500
State Vocational Education	92,000	92,000	97,521	5,521	47,284
State Grants Provided through BOCES	21,493	21,493	51,507	30,014	-
Total State Sources	<u>2,756,025</u>	<u>2,750,578</u>	<u>2,784,033</u>	<u>33,455</u>	<u>2,492,564</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs Operated by Schools	128,000	131,653	126,869	(4,784)	4,791
NCLB Title II, Part A - Teacher & Principal Training	10,000	11,395	11,395	-	-
Federal Fresh Fruit & Vegetable Program	6,000	7,000	6,785	(215)	7,312
Race to the Top - Early Childhood Readiness Assessment	229	229	229	-	27
Carl Perkins Voc. & Applied Tech Ed Act, Title I, Voc Ed	14,400	14,400	3,052	(11,348)	17,306
NCLB, Title VI, Part B, Sub-part I: REAP: Rural Education Initiatives	26,113	26,113	26,113	-	26,416
Total Federal Sources	<u>184,742</u>	<u>190,790</u>	<u>174,443</u>	<u>(16,347)</u>	<u>55,852</u>
TOTAL REVENUES	<u>3,474,187</u>	<u>3,533,055</u>	<u>3,632,579</u>	<u>99,524</u>	<u>3,081,674</u>

(Continued)

See the accompanying Independent Auditors' Report

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				
	Original	Final		Variance	2017
	Budget	Budget	Actual	with Final	Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,191,082	1,243,617	1,263,202	(19,585)	1,140,338
Benefits	370,626	379,577	372,920	6,657	392,194
PS - Professional	2,850	4,000	1,904	2,096	2,150
PS - Other	161,408	265,655	252,466	13,189	184,265
Supplies	102,614	127,345	105,344	22,001	97,909
Property	29,613	43,113	28,670	14,443	82,676
Other Expenses	7,000	6,500	5,922	578	(142,087)
Total Instruction	<u>1,865,193</u>	<u>2,069,807</u>	<u>2,030,428</u>	<u>39,379</u>	<u>1,757,445</u>
Supporting Services					
Pupil Support					
Salaries	55,710	56,900	60,808	(3,908)	50,912
Benefits	17,671	17,923	19,327	(1,404)	16,794
Supplies	20,200	20,200	15,306	4,894	14,299
Total Pupil Support	<u>93,581</u>	<u>95,023</u>	<u>95,441</u>	<u>(418)</u>	<u>82,005</u>
Staff Support					
Salaries	22,163	23,636	22,648	988	22,352
Benefits	10,644	10,952	7,846	3,106	7,797
PS - Professional	5,296	5,296	1,488	3,808	66,472
PS - Other	5,200	10,200	10,214	(14)	21,725
Supplies	12,300	15,700	8,281	7,419	30,381
Property	1,000	10,000	61	9,939	-
Total Staff Support	<u>56,603</u>	<u>75,784</u>	<u>50,538</u>	<u>25,246</u>	<u>148,727</u>
General Administration					
Salaries	125,153	128,753	131,108	(2,355)	120,809
Benefits	41,220	41,722	44,440	(2,718)	46,547
PS - Professional	24,650	31,850	30,233	1,617	43,908
PS - Other	6,500	5,500	6,075	(575)	9,341
Supplies	5,000	4,500	4,434	66	8,769
Property	1,000	1,000	38,384	(37,384)	60,844
Other Expenses	8,474	8,474	6,893	1,581	6,961
Total General Administration	<u>211,997</u>	<u>221,799</u>	<u>261,567</u>	<u>(39,768)</u>	<u>297,179</u>
School Administration					
Salaries	157,534	158,704	163,610	(4,906)	162,299
Benefits	48,005	49,249	46,034	3,215	42,945
PS - Professional	-	-	-	-	3,748
PS - Property	-	-	-	-	2,774
PS - Other	2,250	2,250	2,558	(308)	1,982
Supplies	3,400	15,365	11,957	3,408	6,961
Other Expenses	1,460	1,460	460	1,000	-
Total School Administration	<u>212,649</u>	<u>227,028</u>	<u>224,619</u>	<u>2,409</u>	<u>220,709</u>

(Continued)
See the accompanying Independent Auditors' Report

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				
	Original	Final		Variance	2017
	Budget	Budget	Actual	with Final	Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
PS - Professional	3,500	4,000	1,224	2,776	3,097
PS - Property	22,000	22,000	5,562	16,438	8,745
PS - Other	78,479	79,279	87,171	(7,892)	74,747
Total Business Services	103,979	105,279	93,957	11,322	86,589
Operations and Maintenance					
Salaries	144,601	148,017	166,043	(18,026)	139,459
Benefits	54,514	54,514	53,922	592	48,921
PS - Professional	85,000	100,000	45,586	54,414	106,266
PS - Property	21,500	39,500	28,535	10,965	15,410
PS - Other	100	100	-	100	-
Supplies	155,150	117,000	117,523	(523)	145,873
Property	10,000	10,000	9,774	226	16,096
Other Expenses	1,800	1,800	1,080	720	1,350
Total Operations and Maintenance	472,665	470,931	422,463	48,468	473,375
Transportation					
Salaries	147,973	142,973	135,933	7,040	131,974
Benefits	37,454	37,454	35,397	2,057	35,584
PS - Professional	2,500	2,500	408	2,092	2,962
PS - Property	40,000	40,000	37,045	2,955	36,087
PS - Other	500	500	-	500	87
Supplies	56,593	56,593	48,260	8,333	38,513
Property	5,000	5,000	-	5,000	177,497
Total Transportation	290,020	285,020	257,043	27,977	422,704
Risk Management					
PS - Other	42,000	42,000	45,609	(3,609)	35,032
Facilities/Capital Outlay					
Buildings	-	-	31,788	(31,788)	-
Debt Service					
Principal	5,000	5,000	63,123	(58,123)	59,266
Interest	63,000	63,000	6,191	56,809	5,179
Total Debt Service	68,000	68,000	69,314	(1,314)	64,445
Contingency	1,325,349	1,162,560	-	1,162,560	-
TOTAL EXPENDITURES	4,742,036	4,823,231	3,582,767	1,240,464	3,588,210
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,267,849)	(1,290,176)	49,812	1,339,988	(506,536)
OTHER FINANCING SOURCES (USES)					
Transfers	-	(57,500)	(64,500)	(7,000)	(69,948)
Capital Lease Proceeds	-	-	-	-	86,822
CHANGE IN FUND BALANCE	(1,267,849)	(1,347,676)	(14,688)	1,332,988	(489,662)
BEGINNING FUND BALANCE	1,395,000	1,425,865	1,418,014	(7,851)	1,907,676
ENDING FUND BALANCE	\$ 127,151	\$ 78,189	\$ 1,403,326	\$ 1,325,137	\$ 1,418,014

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

MIAMI-YODER SCHOOL DISTRICT JT60
 Balance Sheet
 Governmental Funds
 Nonmajor Governmental Funds
 June 30, 2018
 (With Comparative Totals for June 30, 2017)

	Special Revenue		Debt Service	Capital Projects	Totals	
	Food Service Fund	Athletic Activity Fund	Bond		2018	2017
			Redemption Fund	Building Fund		
ASSETS						
Cash and Investments	\$ 13,496	\$ 7,047	\$ -	\$ -	\$ 20,543	\$ (153,216)
Restricted Cash and Investments	-	-	241,195	-	241,195	287,089
Cash with Fiscal Agent	-	-	336	-	336	286
Taxes Receivable	-	-	9,649	-	9,649	8,520
Interfund Accounts Receivable	-	-	-	13,175	13,175	170,831
Grants Receivable	10,625	-	-	-	10,625	9,768
Other Accounts Receivable	150	-	-	-	150	1,395
Inventory	6,747	-	-	-	6,747	4,842
TOTAL ASSETS	<u>\$ 31,018</u>	<u>\$ 7,047</u>	<u>\$ 251,180</u>	<u>\$ 13,175</u>	<u>\$ 302,420</u>	<u>\$ 329,515</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities						
Interfund Accounts Payable	\$ 16,444	\$ -	\$ -	\$ -	\$ 16,444	\$ -
Accrued Salaries & Benefits	6,300	-	-	-	6,300	13,096
Unearned Revenue	1,014	-	-	-	1,014	1,014
Total Liabilities	<u>23,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,758</u>	<u>14,110</u>
Deferred Inflows of Financial Resources						
Deferred Revenues	3,804	-	4,825	-	8,629	7,290
Fund Balance						
Nonspendable Fund Balance	2,943	-	-	-	2,943	4,842
Restricted Fund Balance						
Restricted for Debt Service	-	-	246,355	-	246,355	291,624
Restricted Bond Proceeds	-	-	-	13,175	13,175	13,175
Committed Fund Balance						
Committed for Fund Purpose	513	7,047	-	-	7,560	3,516
Unassigned Fund Balance	-	-	-	-	-	(5,042)
Total Fund Balance	<u>3,456</u>	<u>7,047</u>	<u>246,355</u>	<u>13,175</u>	<u>270,033</u>	<u>308,115</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 31,018</u>	<u>\$ 7,047</u>	<u>\$ 251,180</u>	<u>\$ 13,175</u>	<u>\$ 302,420</u>	<u>\$ 329,515</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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Special Revenue		Debt Service	Capital Projects	Totals	
	Food Service	Athletic Activity	Bond Redemption		2018	2017
	Fund	Fund	Fund	Building Fund		
REVENUES						
Local Sources	\$ 8,266	\$ 4,989	\$ 119,595	\$ -	\$ 132,850	\$ 121,941
State Sources	1,267	-	-	-	1,267	1,134
Federal Sources	126,456	-	-	-	126,456	267,228
TOTAL REVENUES	135,989	4,989	119,595	-	260,573	390,303
EXPENDITURES						
Instruction	-	28,949	-	-	28,949	199,030
Business Services	-	-	974	-	974	975
Food Service	169,332	-	-	-	169,332	169,157
Debt Service	-	-	163,900	-	163,900	158,000
TOTAL EXPENDITURES	169,332	28,949	164,874	-	363,155	527,162
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(33,343)	(23,960)	(45,279)	-	(102,582)	(136,859)
OTHER FINANCING SOURCES (USES)						
Transfer In (Out) - net	37,000	27,500	-	-	64,500	69,948
CHANGE IN FUND BALANCE	3,657	3,540	(45,279)	-	(38,082)	(66,911)
BEGINNING FUND BALANCE	(201)	3,507	291,634	13,175	308,115	375,026
ENDING FUND BALANCE	\$ 3,456	\$ 7,047	\$ 246,355	\$ 13,175	\$ 270,033	\$ 308,115

See accompanying Independent Auditors' Report.

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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
Food Service Fund
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 50	\$ 50	\$ 52	\$ 2	\$ 42
Food Service Revenue	7,150	7,150	4,845	(2,305)	6,434
Other Local	-	-	3,369	3,369	98
Total Local Sources	<u>7,200</u>	<u>7,200</u>	<u>8,266</u>	<u>1,066</u>	<u>6,574</u>
State Sources					
State Matching Child Nutrition	-	-	1,267	1,267	1,134
Start Smart Nutrition	100	100	-	(100)	-
Other CDE State Grants	2,649	2,649	-	(2,649)	-
Total State Sources	<u>2,749</u>	<u>2,749</u>	<u>1,267</u>	<u>(1,482)</u>	<u>1,134</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	41,000	41,000	32,778	(8,222)	31,660
National School Lunch Program	70,000	70,000	83,018	13,018	76,844
Federal Grants from Other State Agencies					
National School Lunch Program - Commodities	8,000	8,000	10,660	2,660	10,971
Total Federal Sources	<u>119,000</u>	<u>119,000</u>	<u>126,456</u>	<u>7,456</u>	<u>119,475</u>
TOTAL REVENUES	<u>128,949</u>	<u>128,949</u>	<u>135,989</u>	<u>7,040</u>	<u>127,183</u>
EXPENDITURES					
Supporting Services					
Business Services					
PS - Professional	-	-	-	-	31
Food Service					
Salaries	63,812	63,812	61,644	2,168	56,513
Benefits	25,387	48,305	24,836	23,469	25,874
PS - Professional	3,000	3,500	3,393	107	2,271
PS - Other	1,250	1,250	1,116	134	844
Supplies	500	1,200	2,012	(812)	2,660
Food	65,000	65,000	65,671	(671)	70,023
Commodities	-	-	10,660	(10,660)	10,971
Total Food Service	<u>158,949</u>	<u>183,067</u>	<u>169,332</u>	<u>13,735</u>	<u>169,156</u>
TOTAL EXPENDITURES	<u>158,949</u>	<u>183,067</u>	<u>169,332</u>	<u>13,735</u>	<u>169,187</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(30,000)	(54,118)	(33,343)	20,775	(42,004)
OTHER FINANCING SOURCES (USES)					
Transfers	30,000	30,000	37,000	7,000	30,000
CHANGE IN FUND BALANCE	-	(24,118)	3,657	27,775	(12,004)
BEGINNING FUND BALANCE	16,500	32,570	(201)	(32,771)	11,803
ENDING FUND BALANCE	<u>\$ 16,500</u>	<u>\$ 8,452</u>	<u>\$ 3,456</u>	<u>\$ (4,996)</u>	<u>\$ (201)</u>

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Designated Grants Fund
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		Actual
REVENUES				
Federal Sources				
Federal Grants from CDE				
NCLB Title I, Part A - Improving Basic Programs Operated by Schools	-	-	-	130,484
NCLB Title II, Part A - Teacher & Principal Training	-	-	-	17,268
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,752</u>
EXPENDITURES				
Instruction				
Other Expenses	-	-	-	147,752
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,752</u>
CHANGE IN FUND BALANCE	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ 5,000	\$ 4,987	\$ (13)	\$ 8,345
Other Local	-	2	2	-
TOTAL REVENUES	<u>5,000</u>	<u>4,989</u>	<u>(11)</u>	<u>8,345</u>
EXPENDITURES				
Instruction				
PS - Professional	11,500	5,379	6,121	14,352
PS - Other	1,700	773	927	388
Supplies	16,497	11,498	4,999	24,265
Property	900	-	900	5,448
Other Expenses	6,000	11,299	(5,299)	6,825
TOTAL EXPENDITURES	<u>36,597</u>	<u>28,949</u>	<u>7,648</u>	<u>51,278</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(31,597)	(23,960)	7,637	(42,933)
OTHER FINANCING SOURCES (USES)				
Transfers	31,597	27,500	(4,097)	39,948
CHANGE IN FUND BALANCE	-	3,540	3,540	(2,985)
BEGINNING FUND BALANCE	-	3,507	3,507	6,492
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 7,047</u>	<u>\$ 7,047</u>	<u>\$ 3,507</u>

See accompanying Independent Auditors' Report.

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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 96,037	\$ 115,932	\$ 19,895	\$ 104,787
Delinquent Taxes	-	458	458	191
Investment Earnings	-	3,205	3,205	2,034
TOTAL REVENUES	<u>96,037</u>	<u>119,595</u>	<u>23,558</u>	<u>107,012</u>
EXPENDITURES				
Supporting Services				
Business Services				
PS - Professional	-	974	(974)	944
Debt Service				
Principal	176,000	125,000	51,000	115,000
Interest	40,000	38,900	1,100	43,000
Total Debt Service	<u>216,000</u>	<u>163,900</u>	<u>52,100</u>	<u>158,000</u>
Contingency	<u>166,220</u>	<u>-</u>	<u>166,220</u>	<u>-</u>
TOTAL EXPENDITURES	<u>382,220</u>	<u>164,874</u>	<u>217,346</u>	<u>158,944</u>
CHANGE IN FUND BALANCE	(286,183)	(45,279)	240,904	(51,932)
BEGINNING FUND BALANCE	<u>286,183</u>	<u>291,634</u>	<u>5,451</u>	<u>343,566</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 246,355</u>	<u>\$ 246,355</u>	<u>\$ 291,634</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, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ -	\$ -	\$ 10
Supporting Services				
CHANGE IN FUND BALANCE	-	-	-	10
BEGINNING FUND BALANCE	-	13,175	13,175	13,165
ENDING FUND BALANCE	\$ -	\$ 13,175	\$ 13,175	\$ 13,175

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, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		Actual
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 1,018	\$ 1,018	\$ 734
EXPENDITURES				
Facilities/Capital Outlay				
PS - Professional	-	24,340	(24,340)	-
Contingency	150,000	-	150,000	-
CHANGE IN FUND BALANCE	(150,000)	(23,322)	126,678	734
BEGINNING FUND BALANCE	150,000	371,600	221,600	370,866
ENDING FUND BALANCE	\$ -	\$ 348,278	\$ 348,278	\$ 371,600

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, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		Actual
ADDITIONS				
Local Sources	\$ 27,500	\$ 93,839	\$ 66,339	\$ 72,004
DEDUCTIONS				
Instruction	30,341	93,140	(62,799)	68,730
CHANGE IN NET POSITION	(2,841)	699	3,540	3,274
BEGINNING NET POSITION	2,841	34,122	31,281	30,848
ENDING NET POSITION	\$ -	\$ 34,821	\$ 34,821	\$ 34,122

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1130 - MIAMI/YORDER 60 JT
 Fiscal Year 2017-18
 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	1,336,426		3,493,665		3,473,679		1,356,412
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	81,587		74,415		109,088		46,914
Sub- Total	1,418,013		3,568,080		3,582,767		1,403,326
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	-201		172,989		169,332		3,456
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	3,507		32,489		28,949		7,047
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	291,634		119,596		164,874		246,355
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	13,175		0		0		13,175
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	371,600		1,018		24,340		348,278
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	2,097,727		3,894,171		3,970,261		2,021,637
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	34,122		93,839		93,140		34,821
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	34,122		93,839		93,140		34,821

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1130 - MIAMI/YODER 60 JT

Fiscal Year 2017-18

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			Totals
	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		
Cash and Investments (8100-8104,8111)	1,754,397	0	62,827	7,047	0	13,496	241,195	272,618	0	0	0	34,821	0	2,386,401		
Cash with Fiscal Agent (8105)	6,388	0	0	0	0	0	336	0	0	0	0	0	0	6,724		
Taxes Receivable (8121,8122)	60,103	0	0	0	0	0	9,649	0	0	0	0	0	0	69,752		
Interfund Loans Receivable (8131,8132)	24,340	0	0	0	0	0	0	113,175	0	0	0	0	0	137,514		
Grants Accounts Receivable (8142)	67,282	0	0	0	0	10,625	0	0	0	0	0	0	0	77,907		
Other Receivables (8151-8154,8161)	0	0	0	0	0	150	0	0	0	0	0	0	0	150		
Inventories (8171,8172,8173)	0	0	0	0	0	6,747	0	0	0	0	0	0	0	6,747		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	1,912,509	0	62,827	7,047	0	31,018	251,180	385,793	0	0	0	34,821	0	2,685,196		

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
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	80,817	0	15,913	0	0	16,444	0	24,340	0	0	0	0	0	0	137,514
Other Payables (7421-7423)	56,934	0	0	0	0	0	0	0	0	0	0	0	0	0	56,934
Accrued Expenses (7461)	300,852	0	0	0	0	6,300	0	0	0	0	0	0	0	0	307,152
Unearned Revenue (7481)	0	0	0	0	0	1,014	0	0	0	0	0	0	0	0	1,014
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	30,050	0	0	0	0	3,804	4,825	0	0	0	0	0	0	0	38,679
Deferred Inflow Grants (7801)	87,445	0	0	0	0	0	0	0	0	0	0	0	0	0	87,445
Total Liabilities	556,097	0	15,913	0	0	27,562	4,825	24,340	0	0	0	0	0	0	628,738

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	2,943	0	0	0	0	0	0	0	0	2,943
Restricted Fund Balance 6720	0	0	0	0	0	0	246,355	13,175	0	0	0	0	0	0	259,530
TABOR 3% Emergency Reserve 6721	111,000	0	0	0	0	0	0	0	0	0	0	0	0	0	111,000
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	46,914	0	0	0	0	0	0	0	0	0	0	0	46,914
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	285,460	0	0	0	0	0	0	285,460
Committed Fund Balance 6750	0	0	0	7,047	0	512	0	0	0	0	0	0	0	0	7,560
Assigned Fund Balance 6760	0	0	0	0	0	0	0	62,818	0	0	0	0	0	0	62,818
Unassigned Fund Balance 6770	1,245,412	0	0	0	0	0	0	0	0	0	0	0	34,821	0	1,280,232
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	1,356,412	0	46,914	7,047	0	3,456	246,355	361,453	0	0	0	0	34,821	0	2,056,458

	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	1,912,509	0	62,827	7,047	0	31,018	251,180	385,793	0	0	0	0	34,821	0	2,685,196

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