

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

**FINANCIAL STATEMENTS
With
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
June 30, 2019**

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

ROSTER OF SCHOOL OFFICIALS

YEAR ENDED JUNE 30, 2019

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

Roster of School Officials

Table of Contents

FINANCIAL SECTION

PAGE

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited) M1 – M6

INDEPENDENT AUDITORS' REPORT 1 – 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements:

Balance Sheet – Governmental Funds 6

Reconciliation of Governmental Fund Balances to Governmental Activities Net Position 7

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds 8

Reconciliation of Governmental Changes in Fund Balance to
Governmental Activities Change in Net Position 9

Statement of Fiduciary Net Position – Class Agency Fund 10

Notes to Financial Statements 11 – 42

REQUIRED SUPPLEMENTARY INFORMATION (Pension and OPEB Schedules – Unaudited)

Schedule of District's Proportionate Share of the Net Pension Liability 43

Schedule of District Contributions-PERA Pension Plan 44

Schedule of District's Proportionate Share of the Net OPEB Liability 45

Schedule of District Contributions-OPEB-PERA Health Care Trust Fund 46

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund 47 – 49

TABLE OF CONTENTS

(Continued)

	PAGE
OTHER SUPPLEMENTARY INFORMATION	
Balance Sheet – Nonmajor Governmental Funds	50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	51
Special Revenue Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Food Service Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Athletic Activity Fund	53
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Bond Redemption Fund	54
Capital Projects Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Building Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Capital Reserve Capital Projects Fund	56
Fiduciary (Agency) Fund:	
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position – Budget and Actual – Class Agency Fund	57
STATE COMPLIANCE	
Auditors Integrity Report	58
Bolded Balance Sheet Report	59 – 61

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2019

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, 2019. 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

A Major project has been planned for the 2019-2020 school year. All lights in the all facilities will be changed to LED lighting.

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, 2019, the District's total net position was (3,331,297).

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:

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2019	2018
Current and Other Assets	\$ 2,411,483	\$ 2,512,860
Capital Assets - Net	<u>4,807,689</u>	<u>4,728,113</u>
Total Assets	<u>7,219,172</u>	<u>7,240,973</u>
Deferred Outflow of Financial Resources	<u>2,702,850</u>	<u>4,277,776</u>
Current Liabilities	572,168	383,171
Noncurrent Liabilities	<u>8,125,258</u>	<u>14,098,702</u>
Total Liabilities	<u>8,697,426</u>	<u>14,481,873</u>
Deferred Inflow of Financial Resources	<u>5,128,061</u>	<u>974,843</u>
Net Investment in Capital Assets	3,647,580	3,460,176
Restricted Net Position	556,822	705,847
Unrestricted Net Position	<u>(7,535,699)</u>	<u>(8,103,990)</u>
Total Net Position	<u>\$ (3,331,297)</u>	<u>\$ (3,937,967)</u>

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

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

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Program Revenues:		
Charges for Services	\$ 15,492	\$ 11,440
Operating Grants	637,654	607,610
Total Program Revenues	<u>653,146</u>	<u>619,050</u>
General Revenues:		
Taxes	755,237	704,660
State Equalization	2,660,450	2,447,517
Investment Income	38,233	23,614
Miscellaneous	125,586	99,328
Total General Revenues	<u>3,579,506</u>	<u>3,275,119</u>
Total Revenues	<u>4,232,652</u>	<u>3,894,169</u>
Expenses		
Instruction	1,880,881	3,619,126
Supporting Services	1,499,313	2,480,719
Debt Service Interest	28,184	31,530
Total Expenses	<u>3,408,378</u>	<u>6,131,375</u>
Change in Net Position	<u>824,274</u>	<u>(2,237,206)</u>
Net Position - Beginning	(3,937,967)	(1,446,748)
Prior Period Restatement	(217,604)	(254,013)
Net Position - Beginning Restated	<u>(4,155,571)</u>	<u>(1,700,761)</u>
Net Position - Ending	<u>\$ (3,331,297)</u>	<u>\$ (3,937,967)</u>

The District's net position decreased this year.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Capital Reserve Projects, 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, Food Service, Athletic Activity, Scholarship, Bond Redemption, Building and Capital Reserve Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Pupil Activity and Scholarship Funds account for extracurricular and post-secondary opportunities, and the Bond Redemption Fund accounts for the repayment of the District's general obligation debt. The Building Fund accounts for the 2007 Bond and the CDE Capital Construction grant improvements and the Capital Reserve Fund accounts for the remainder of District's major capital outlay.

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

Fund Financial Statements

As of June 30, 2019, the District's governmental funds reported a combined fund balance of \$1,855,571 which is a decrease of \$166,066. from the June 30, 2018 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 increase in ending fund balance of \$247,482. General Fund showed an increase of \$4,236.

Capital Assets

As of June 30, 2019 the District had \$4,769,338 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$83,884. from last year. A summary of the District's Capital Assets is as follows:

	Balance July 1 2018	Additions	Deletions	Balance June 30 2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 5,820	\$ -	\$ 5,820
Capital Assets Being Depreciated:				
Buildings	5,038,769	-	-	5,038,769
Site Improvements	598,875	168,370	-	767,245
Equipment	172,868	92,898	-	265,766
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	1,115,670	20,011	-	1,135,681
Total Capital Assets Being Depreciated	<u>6,966,849</u>	<u>281,279</u>	<u>-</u>	<u>7,248,128</u>
Less: Accumulated Depreciation				
Buildings	(1,296,650)	(103,526)	-	(1,400,176)
Site Improvements	(148,567)	(23,825)	-	(172,392)
Equipment	(115,180)	(14,838)	-	(130,018)
Food Service equipment	(34,893)	(444)	-	(35,337)
Transportation Equipment	(664,105)	(60,582)	-	(724,687)
Total Accumulated Depreciation	<u>(2,259,395)</u>	<u>(203,215)</u>	<u>-</u>	<u>(2,462,610)</u>
Net Capital Assets	<u>\$ 4,707,454</u>	<u>\$ 83,884</u>	<u>\$ -</u>	<u>\$ 4,791,338</u>

Debt Administration

As of June 30, 2019 the District had total outstanding long-term debt as follows:

	<u>Balance</u> <u>06/30/18</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/19</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
2015 Gen Oblig Refunding Bonds	\$ 1,120,000	\$ -	\$ 130,000	\$ 990,000	\$ 130,000	\$ 50,079
Bond Deferred Inflow (Outflow)	58,719	-	12,245	46,474	10,887	-
Equipment Leases	127,278	107,529	81,049	153,758	82,074	8,617
PERA Net Pension Liability	12,454,065	-	6,447,380	6,006,685	-	-
OPEB	284,398	15,600	-	299,998	-	-
Accrued Compensated Absences	<u>33,583</u>	<u>6,243</u>	<u>-</u>	<u>39,825</u>	<u>-</u>	<u>-</u>
Total	\$ 14,078,043	\$ 129,372	\$ 6,670,675	\$ 7,536,740	\$ 222,960	\$ 58,696

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.

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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 6, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Emphasis of a Matter

As discussed in Note 17 to the financial statements, the 2018 financial statements have been restated to reflect the inclusion of deferred outflows and inflows in the net proportion change for the PERA pension plan. This restatement only impacted the governmental activities. Our opinion is not modified with respect to this matter.

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 43 - 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 47 - 49 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 50 - 57 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 58 - 61 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.

Miami-Yoder School District JT60

November 20, 2019

Page 3

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.

Mayberry + Company, LLC

Englewood, CO

November 20, 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, 2019.

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Net Position
June 30, 2019

	Governmental Activities
	<hr/>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,047,676
Restricted Cash and Investments	241,405
Cash with Fiscal Agent	6,415
Taxes Receivable	47,155
Grants Receivable	63,854
Other Accounts Receivable	372
Inventory	4,606
Total Current Assets	<hr/> 2,411,483
Noncurrent Assets	
Deferred Charge on Refunding	16,351
Capital Assets, not being depreciated	5,820
Capital Assets, being depreciated	4,785,518
Total Noncurrent Assets	<hr/> 4,807,689
TOTAL ASSETS	<hr/> 7,219,172
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	2,668,422
Net Deferred Outflows OPEB	34,428
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<hr/> 2,702,850
TOTAL ASSETS AND DEFERRED OUTFLOWS	<hr/> \$ 9,922,022
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 77,917
Accrued Interest	16,256
Accrued Salaries & Benefits	349,576
Payroll Taxes & Deductions Payable	(463)
Unearned Revenue	23,577
Unearned Grant Revenue	105,305
Total Current Liabilities	<hr/> 572,168
Noncurrent Liabilities	
Due Within One Year	226,791
Due In More Than One Year	7,326,299
Total Noncurrent Liabilities	<hr/> 7,553,090
TOTAL LIABILITIES	<hr/> 8,125,258
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Net Deferred Inflows Pensions	5,124,037
Net Deferred Inflows OPEB	4,024
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<hr/> 5,128,061
NET POSITION	
Net Investment in Capital Assets	3,647,580
Restricted Net Position	556,822
Unrestricted Net Position	(7,535,699)
TOTAL NET POSITION	<hr/> (3,331,297)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<hr/> \$ 9,922,022

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

MIAMI-YODER SCHOOL DISTRICT JT60
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Change in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary Government				
Governmental Activities				
Instruction	\$ 1,880,881	\$ 8,633	\$ 278,544	\$ (1,593,704)
Supporting Services	1,499,313	6,859	359,110	(1,133,344)
Interest on Long Term Debt	28,184	-	-	(28,184)
Total Primary Government	<u>\$ 3,408,378</u>	<u>\$ 15,492</u>	<u>\$ 637,654</u>	<u>(2,755,232)</u>
General Revenues				
Property Taxes				672,307
Specific Ownership Taxes				82,930
State Equalization				2,660,450
Investment Earnings				38,233
Gain (Loss) on Capital Asset Disposals				11,495
Insurance Proceeds				104,276
Other Revenues				9,815
Total General Revenues and Transfers				<u>3,579,506</u>
Change in Net Position				<u>824,274</u>
Beginning Net Position				(3,937,967)
Prior Period Restatement				(217,604)
Beginning Net Position (As Restated)				<u>(4,155,571)</u>
Ending Net Position				<u>\$ (3,331,297)</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60
 Balance Sheet
 Governmental Funds
 June 30, 2019
 (With Comparative Totals for June 30, 2018)

	Debt Service			Capital Projects		Other		Totals	
	General Fund	Bond Redemption Fund	Capital Reserve Project Fund	Capital Reserve Project Fund	Other Governmental Funds	2019	2018	2019	2018
ASSETS									
Cash and Investments	\$ 1,708,781	\$ -	\$ 242,753	\$ -	\$ 96,142	\$ 2,047,676	\$ 2,110,385		
Restricted Cash and Investments	-	241,405	-	-	-	241,405	241,195		
Cash with Fiscal Agent	6,046	369	-	-	-	6,415	6,724		
Taxes Receivable	35,737	11,418	-	-	-	47,155	69,752		
Interfund Accounts Receivable	180,750	-	-	-	-	180,750	137,515		
Grants Receivable	63,854	-	-	-	-	63,854	77,907		
Other Accounts Receivable	-	-	-	-	372	372	150		
Inventory	-	-	-	-	4,606	4,606	6,747		
TOTAL ASSETS	\$ 1,995,168	\$ 253,192	\$ 242,753	\$ -	\$ 101,120	\$ 2,592,233	\$ 2,650,375		
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE									
Liabilities									
Interfund Accounts Payable	\$ 51,696	\$ -	\$ 24,340	\$ -	\$ 104,714	\$ 180,750	\$ 137,515		
Accounts Payable	77,908	-	-	-	9	77,917	56,933		
Accrued Salaries & Benefits	334,830	-	-	-	14,746	349,576	307,152		
Payroll Taxes & Deductions Payable	-	-	-	-	(463)	(463)	-		
Unearned Revenue	17,867	5,710	-	-	-	23,577	35,889		
Unearned Grant Revenue	105,305	-	-	-	-	105,305	91,249		
Total Liabilities	587,606	5,710	24,340	-	119,006	736,662	628,738		
Fund Balance									
Nonspendable Fund Balance	-	-	-	-	4,606	4,606	2,943		
Restricted Fund Balance									
Restricted for Debt Service	-	247,482	-	-	-	247,482	246,355		
Restricted for TABOR Emergency	115,000	-	-	-	-	115,000	111,000		
Restricted for Colorado Preschool Program	17,804	-	-	-	-	17,804	46,914		
Restricted for BEST Capital Renewal Reserve	-	-	171,930	-	-	171,930	285,460		
Restricted for Bond Proceeds	-	-	-	-	-	-	13,175		
Committed Fund Balance									
Committed for Fund Purposes	-	-	-	-	8,356	8,356	7,560		
Assigned Fund Balance									
Other Assigned Fund Balance	-	-	46,483	-	-	46,483	62,818		
Unassigned Fund Balance	1,274,758	-	-	-	(30,848)	1,243,910	1,245,412		
Total Fund Balance	1,407,562	247,482	218,413	-	(17,886)	1,855,571	2,021,637		
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,995,168	\$ 253,192	\$ 242,753	\$ -	\$ 101,120	\$ 2,592,233	\$ 2,650,375		

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, 2019

Fund Balance - Governmental Funds		\$	1,855,571
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	5,820	
Capital assets, being depreciated		7,248,128	
Accumulated depreciation		<u>(2,462,610)</u>	4,791,338
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		2,668,422	
Net pension liability		(6,006,685)	
Net pension deferred inflows		<u>(5,124,037)</u>	(8,462,300)
PERA Health Care Trust Fund (OPEB)			
Net OPEB deferred outflows		34,428	
Net OPEB liability		(299,998)	
Net OPEB deferred inflows		<u>(4,024)</u>	(269,594)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds			
Deferred charge (gain) on refunding		16,351	
Bond premiums		<u>(62,824)</u>	(46,473)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(990,000)	
Capital leases payable		(153,758)	
Accrued interest payable		(16,256)	
Accrued compensated absences		<u>(39,825)</u>	<u>(1,199,839)</u>
Total Net Position - Governmental Activities			<u>\$ (3,331,297)</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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	General Fund	Debt Service		Capital Projects	Other		Totals	
		Bond Redemption Fund	Capital Reserve Project Fund	Governmental Funds	2019	2018		
REVENUES								
Local Sources	\$ 751,545	\$ 167,517	\$ 1,635	\$ 13,850	\$ 934,547	\$ 807,971		
State Sources	3,006,382	-	-	1,361	3,007,743	2,785,300		
Federal Sources	171,008	-	-	119,354	290,362	300,898		
TOTAL REVENUES	<u>3,928,935</u>	<u>167,517</u>	<u>1,635</u>	<u>134,565</u>	<u>4,232,652</u>	<u>3,894,169</u>		
EXPENDITURES								
Instruction	2,234,790	-	-	31,182	2,265,972	2,059,377		
Pupil Support	91,476	-	-	-	91,476	95,441		
Staff Support	71,550	-	-	-	71,550	50,538		
General Administration	312,372	-	-	-	312,372	261,567		
School Administration	240,169	-	-	-	240,169	224,619		
Business Services	115,918	1,240	-	-	117,158	94,931		
Operations and Maintenance	458,327	-	-	-	458,327	422,462		
Transportation	305,055	-	-	-	305,055	257,043		
Risk Management	33,231	-	-	-	33,231	45,609		
Food Service	-	-	-	189,272	189,272	169,332		
Facilities	168,370	-	-	-	168,370	56,128		
Debt Service	88,145	165,150	-	-	253,295	233,214		
TOTAL EXPENDITURES	<u>4,119,403</u>	<u>166,390</u>	<u>-</u>	<u>220,454</u>	<u>4,506,247</u>	<u>3,970,261</u>		
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(190,468)	1,127	1,635	(85,889)	(273,595)	(76,092)		
OTHER FINANCING SOURCES (USES)								
Debt Proceeds	107,529	-	-	-	107,529	-		
Transfer In (Out) - net	87,175	-	(131,500)	44,325	-	-		
TOTAL OTHER FINANCING SOURCES (USES)	<u>194,704</u>	<u>-</u>	<u>(131,500)</u>	<u>44,325</u>	<u>107,529</u>	<u>-</u>		
CHANGE IN FUND BALANCE	4,236	1,127	(129,865)	(41,564)	(166,066)	(76,092)		
BEGINNING FUND BALANCE	<u>1,403,326</u>	<u>246,355</u>	<u>348,278</u>	<u>23,678</u>	<u>2,021,637</u>	<u>2,097,729</u>		
ENDING FUND BALANCE	<u>\$ 1,407,562</u>	<u>\$ 247,482</u>	<u>\$ 218,413</u>	<u>\$ (17,886)</u>	<u>\$ 1,855,571</u>	<u>\$ 2,021,637</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, 2019

Change in Fund Balance - Governmental Funds		\$	(166,066)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	287,099	
Depreciation Expense		<u>(203,215)</u>	83,884
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		(1,363,542)	
Change in net pension liability		6,447,380	
Change in deferred pension inflows		<u>(4,280,076)</u>	803,762
PERA Health Care Trust Fund (OPEB)			
Change in deferred OPEB outflows		6,220	
Change in net OPEB liability		(15,600)	
Change in deferred OPEB inflows		<u>734</u>	(8,646)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Proceeds from debt issuances		(107,529)	
Principal payments on bonds payable		130,000	
Principal payments on capital leases		81,049	
Change in accrued interest payable		1,816	
Amortization of change on refunding		(4,308)	
Amortization of premiums and discounts		16,554	
Change in accrued compensated absences		<u>(6,242)</u>	<u>111,340</u>
Change in Net Position - Governmental Activities		\$	<u>824,274</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, 2019
(With Comparative Totals for June 30, 2018)

	<u>Totals</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and Investments	\$ 54,620	\$ 34,821
NET POSITION		
Restricted Net Position (Due to Student Groups)	<u>\$ 54,620</u>	<u>\$ 34,821</u>

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

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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, 2019

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.

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.

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, 2019

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

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

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.

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, 2019

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 2018 for collection in 2019 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	\$ 2,047,678
Governmental Activities - Restricted	<u>241,405</u>
Total Governmental Activities	2,289,083
Fiduciary Funds	<u>54,620</u>
Total Cash & Investments	<u>\$ 2,343,703</u>
Cash and equivalents	\$ 581,898
Investments	<u>1,761,805</u>
Total Cash & Investments	<u>\$ 2,343,703</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, 2019

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, 2019, 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, 2019, the District's deposits had bank and carrying values as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 386,828	\$ 386,828
PDPA Collateralized ¹	<u>188,424</u>	<u>195,070</u>
Total Cash	<u>\$ 575,252</u>	<u>\$ 581,898</u>

Investments

The District’s investments are allocated as follows:

	Total	Weighted Avg. Mat. in Years
Local Government Investment Pools	\$ 1,520,400	N/A
Local Government Investment Pools - Restricted	<u>241,405</u>	N/A
Total Investments	<u>\$ 1,761,805</u>	

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.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

During the year ended June 30, 2019, 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, 2019, the District did not have any investments requiring safekeeping.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3: CAPITAL ASSETS

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

	Balance July 1 2018	Additions	Deletions	Balance June 30 2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ -	\$ 5,820	\$ -	\$ 5,820
Capital Assets Being Depreciated:				
Buildings	5,038,769	-	-	5,038,769
Site Improvements	598,875	168,370	-	767,245
Equipment	172,868	92,898	-	265,766
Food Service equipment	40,667	-	-	40,667
Transportation Equipment	<u>1,115,670</u>	<u>20,011</u>	<u>-</u>	<u>1,135,681</u>
Total Capital Assets Being Depreciated	<u>6,966,849</u>	<u>281,279</u>	<u>-</u>	<u>7,248,128</u>
Less: Accumulated Depreciation				
Buildings	(1,296,650)	(103,526)	-	(1,400,176)
Site Improvements	(148,567)	(23,825)	-	(172,392)
Equipment	(115,180)	(14,838)	-	(130,018)
Food Service equipment	(34,893)	(444)	-	(35,337)
Transportation Equipment	<u>(664,105)</u>	<u>(60,582)</u>	<u>-</u>	<u>(724,687)</u>
Total Accumulated Depreciation	<u>(2,259,395)</u>	<u>(203,215)</u>	<u>-</u>	<u>(2,462,610)</u>
Net Capital Assets	<u>\$ 4,707,454</u>	<u>\$ 83,884</u>	<u>\$ -</u>	<u>\$ 4,791,338</u>

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

Instruction	\$ 109,299
Supporting Services	<u>93,916</u>
Total Depreciation	<u>\$ 203,215</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, 2019, 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, 2019

NOTE 4: INVENTORIES

Food Service Fund inventory as of June 30, 2019 of \$4,606 consisted of purchased and donated commodities amounting to \$2,010 and \$2,595, 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, 2019, are \$349,576. 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, 2019:

	<u>Balance</u> <u>06/30/18</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/19</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
2015 Gen Oblig Refunding Bonds	\$ 1,120,000	\$ -	\$ 130,000	\$ 990,000	\$ 130,000	\$ 50,079
Bond Deferred Inflow (Outflow)	58,719	-	12,245	46,474	10,887	-
Equipment Leases	127,278	107,529	81,049	153,758	82,074	8,617
PERA Net Pension Liability	12,454,065	-	6,447,380	6,006,685	-	-
OPEB	284,398	15,600	-	299,998	-	-
Accrued Compensated Absences	<u>33,583</u>	<u>6,243</u>	<u>-</u>	<u>39,825</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,078,043</u>	<u>\$ 129,372</u>	<u>\$ 6,670,675</u>	<u>\$ 7,536,740</u>	<u>\$ 222,960</u>	<u>\$ 58,696</u>

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

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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds Payable (Continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	145,000	15,050	160,050
2025-2026	<u>305,000</u>	<u>16,900</u>	<u>321,900</u>
Total	<u>\$ 990,000</u>	<u>\$ 168,550</u>	<u>\$ 1,288,550</u>

Capital 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 the event of default, the Lessee may accelerate all rentals due within the current fiscal year and all leases under the same Master Lease Purchase Agreement will also be considered in default.

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. Upon default, all payments due during the current budget year become due and payable, the equipment may need to be redelivered within fifteen days of default, the contract may be terminated, and the Lessee may utilize any other legal remedy.

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. Upon default, all payments due during the current budget year become due and payable, the equipment may need to be redelivered within fifteen days of default, the contract may be terminated, and the Lessee may utilize any other legal remedy.

In July 2019, the District entered into a capital lease arrangement for the purchase of thirty computers. The lease was for \$38,460 and requires annual payments through July, 2020 of \$12,820 including 5.89% interest. The District has capitalized assets of \$38,460 related to this lease.

In July 2019, the District entered into a capital lease arrangement for the purchase of five copiers. The lease was for \$78,671 and requires monthly payments through June, 2022 of \$1,639 including 5% interest. The District has capitalized assets of \$78,671 related to this lease. In the event of default, all security deposits may be kept by the Lessee, the agreement may be terminated. The Lessee may requirement payment of 1) all sums due under the agreement, 2) the unpaid balance of the agreement at net present value, 3) the amount of any purchase option or 20% of the original equipment cost with a required return of the equipment. The Lessee may recover interest on any unpaid balance at 8% per annum and may pursue any other legal remedies.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

Future minimum lease payments are scheduled as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 88,145
2021	55,435
2022	<u>19,668</u>
Total future minimum payments	163,248
Less: interest portion	<u>(9,490)</u>
Present value of obligation under capital lease	<u>\$ 153,758</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, 2019, the District paid total assessments of \$123,303 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 plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

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*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a non-employer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases 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.

General Information about the Pension Plan

- 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.

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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. 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.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of June 30, 2019: Eligible employees the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.13%

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a non-employer contribution for financial reporting purposes.

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 the District were \$356,756 for the year ended June 30, 2019.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

At June 30, 2019, the District reported a liability of \$6,006,685 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	(6,006,685)
The State's proportionate share of the net pension liability as a	\$	(722,534)
Total	\$	(6,729,219)

At December 31, 2018, the District proportion was 0.03392 percent, which was a decrease of 0.00459 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension revenue of \$432,827, primarily related to assumption changes and changes in proportion from non-employer contributions, and revenue of \$48,781 for support from the State of Colorado as a non-employer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 215,293	\$ -
Changes of assumptions or other inputs	1,220,971	(3,735,512)
Net difference between projected and actual earnings on pension plan investments	820,595	(551,984)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	220,630	(836,541)
Contributions subsequent to the measurement date	190,933	-
Total	\$ 2,668,422	\$ (5,124,037)

\$190,933 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ (335,811)
2021	(1,458,138)
2022	(1,031,695)
2023	179,096
Total	\$ (2,646,548)

Actuarial assumptions. The total pension liability in the December 31, 2017 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, 2019

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)

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	4.78%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00% percent compounded annually
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually thereafter
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

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

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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:

Asset Class	Target Allocation	30 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%.

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)

Discount rate. The discount rate used to measure the total pension 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:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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. 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 middle of the year.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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

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 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower 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 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (7,636,473)	\$ (6,006,685)	\$ (4,639,019)

Pension plan fiduciary net position. Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2019 program members contributed \$9,768.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

OPEB. The 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.

General Information about the OPEB Plan

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 (CAFR) 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.

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.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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 the District were \$19,022 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$299,998 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.02205 percent, which was an increase of 0.00017 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$26,049. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,081	\$ (456)
Net difference between projected and actual earnings on pension plan investments	\$ 5,321	\$ (3,568)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 15,742	\$ -
Contributions subsequent to the measurement date	\$ 10,180	\$ -
Total	\$ 34,428	\$ (4,024)

\$10,180 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 Ended June 30:	Fiscal Year Totals
2020	\$ 4,497
2021	4,497
2022	4,497
2023	5,686
2024	1,019
2025	28
Total	\$ 20,224

Actuarial assumptions. The total OPEB liability in the December 31, 2017 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	3.50% 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	3.25 % for 2018, gradually rising to 5.00% in 2025
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

The actuarial assumptions used in the December 31, 2017, 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 capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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)

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
United Healthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
United Healthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

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, 2017, 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, 2019

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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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 the 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 State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 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 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita 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 2018 plan year.
- 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 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 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%	

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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:

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	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate share of the net OPEB asset (liability)	\$ (291,713)	\$ (299,998)	\$ (309,526)

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, 2018, 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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 middle of the year.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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:

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)	\$ (335,671)	\$ (299,998)	\$ (269,500)

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR 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, 2019, 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.

MIAMI-YODER SCHOOL DISTRICT JT60
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

Pursuant to the Amendment the District is required to set aside 3% of “fiscal year spending” as an emergency reserve. The District has reserved \$115,000 of fund balance in the General Fund to meet this requirement.

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

Restricted for Debt Service	\$	247,482
Restricted for Capital Replacement through BEST Grant		171,930
Restricted for TABOR Emergencies		115,000
Restricted through Colorado Preschool Program Act		<u>46,914</u>
Total Governmental Restricted Fund Balance/Net Position	\$	<u>581,326</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, 2019.

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, 2019

NOTE 13: INTERFUND ACTIVITY

The District has the following internal balances as of the year ended June 30, 2019:

	<u>Balance</u>
General Fund:	
Due to Other Funds	\$ (51,696)
Due from Other Funds	180,749
Capital Reserve Fund	
Due to Other Funds	(24,340)
Food Service Fund:	
Due to Other Funds	<u>(104,714)</u>
Net Interfund	<u>\$ -</u>

The District has recorded the following routine transfers during the year ended June 30, 2019:

	<u>Transfer In (Out)</u>
General Fund:	
to Athletic Activity Fund	\$ (27,500)
to Food Service Fund	(30,000)
from Capital Reserve Fund	131,500
from Building Fund	13,175
Capital Reserve Fund:	
to General Fund	(131,500)
Athletic Activity Fund:	
from General Fund	27,500
Building Fund:	
to General Fund	(13,175)
Food Service Fund:	
from General Fund	<u>30,000</u>
Net Transfers	<u>\$ -</u>

NOTE 14: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST Grant through the Colorado Department of Education for facility improvements that commenced during the fiscal year 2010 school year. The State funded this program through Certificate of Participation issuances. The State coordinated the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting grant revenue. The improvements completed by the BEST grant totaled \$16,595,467 and have a depreciated value of \$13,940,192 as of June 30, 2019. 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, 2019 was \$171,930.

MIAMI-YODER SCHOOL DISTRICT JT60

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 15: NET POSITION DEFICIT

The Governmental Activities has an unrestricted net position deficit of \$(7,564,809) and an overall net position deficit of \$(3,331,297) primarily due to the PERA net pension liability of \$6,006,685, and related net deferrals, and OPEB net liability of \$299,998, with related net deferrals, 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 did not adopt a budget for the Building and Class Agency Funds. This may be a violation of state statutes.

NOTE 17: PRIOR PERIOD RESTATEMENTS

The District has restated beginning deferred outflows and inflows related to proportion changes for the PERA pension plan. The District has restated these balances to reflect the change in proportion of plan level deferrals that had previously not been material in addition to plan level liabilities. This restatement decreased governmental activities net position in the amount of \$217,604.

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**REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules – Unaudited)**

MIAMI-YODER SCHOOL DISTRICT JT60

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	District's proportion of the net pension asset (liability)	District proportionate share of the net pension asset (liability)	Non-employer contributing entity's total proportionate share of the net pension asset (liability)	Total proportionate share associated with District	District covered payroll	District	Plan fiduciary
						proportionate share of the net pension asset (liability) as a percentage of covered payroll	
June 30, 2014	0.038142%	\$ (4,864,944)	\$ -	\$ (4,864,944)	\$ 1,453,381	316.40%	64.07%
June 30, 2015	0.038371%	\$ (5,200,575)	\$ -	\$ (5,200,575)	\$ 1,523,994	341.25%	62.84%
June 30, 2016	0.036422%	\$ (5,570,436)	\$ -	\$ (5,570,436)	\$ 1,517,209	367.15%	59.16%
June 30, 2017	0.035688%	\$ (10,625,637)	\$ -	\$ (10,625,637)	\$ 1,601,732	663.38%	43.13%
June 30, 2018	0.038514%	\$ (12,454,065)	\$ -	\$ (12,454,065)	\$ 1,776,606	701.00%	43.96%
June 30, 2019	0.033923%	\$ (6,006,685)	\$ (722,534)	\$ (6,729,219)	\$ 1,864,903	322.09%	57.01%

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

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

See the accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 225,710	(225,710)	-	\$ 1,453,381	15.53%
June 30, 2015	\$ 250,392	\$ (250,392)	-	\$ 1,523,994	16.43%
June 30, 2016	\$ 262,932	\$ (262,932)	-	\$ 1,517,209	17.33%
June 30, 2017	\$ 290,394	\$ (290,394)	-	\$ 1,601,732	18.13%
June 30, 2018	\$ 330,982	\$ (330,982)	-	\$ 1,776,606	18.63%
June 30, 2019	\$ 356,756	\$ (356,756)	-	\$ 1,864,903	19.13%

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 THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
June 30, 2017	0.020285%	\$ (263,006)	\$ 1,601,730	16.42%	16.70%
June 30, 2018	0.021884%	(284,398)	\$ 1,776,605	16.01%	17.53%
June 30, 2019	0.022050%	(299,998)	\$ 1,864,906	16.09%	17.03%

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

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

See the accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 16,338	\$ (16,338)	\$ -	\$ 1,601,730	1.02%
June 30, 2018	18,121	(18,121)	-	\$ 1,776,605	1.02%
June 30, 2019	19,022	(19,022)	-	\$ 1,864,906	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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2018 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 478,853	\$ 478,853	\$ 508,333	\$ 29,480	\$ 509,764
Specific Ownership Taxes	105,916	105,916	82,930	(22,986)	76,555
Delinquent Taxes	2,600	2,600	960	(1,640)	1,950
Other Taxes	-	-	58	58	-
Tuition From Individuals	1,800	2,500	3,650	1,150	1,610
Investment Earnings	13,200	13,200	32,034	18,834	19,338
Sale of Fixed Assets/Insurance Proceeds	-	20,000	11,495	(8,505)	250
Insurance Proceeds	45,719	105,719	104,276	(1,443)	-
Other Local	69,027	69,027	7,810	(61,217)	64,636
Total Local Sources	<u>717,115</u>	<u>797,815</u>	<u>751,546</u>	<u>(46,269)</u>	<u>674,103</u>
State Sources					
State Share (Equalization)	2,689,373	2,661,373	2,660,450	(923)	2,447,517
State Transportation	71,000	71,000	79,059	8,059	70,671
State Grants from CDE					
State ELPA: Professional Development and Student Support	4,500	4,500	5,263	763	7,786
State ELPA	800	800	2,281	1,481	4,682
State Grants to Libraries	3,500	3,500	3,500	-	3,500
Small Rural Schools Additional Funding	104,652	104,652	86,792	(17,860)	85,087
Additional At-Risk Funding	4,000	4,000	2,018	(1,982)	1,925
READ Act	15,026	15,026	15,027	1	13,837
State Vocational Education	40,000	40,000	71,916	31,916	97,521
State Pension Contribution	-	-	48,781	48,781	-
State Grants Provided through BOCES	22,000	25,200	31,295	6,095	51,507
Total State Sources	<u>2,954,851</u>	<u>2,930,051</u>	<u>3,006,382</u>	<u>76,331</u>	<u>2,784,033</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs Operated by Schools	106,643	106,643	106,643	-	126,869
NCLB Title II, Part A - Teacher & Principal Training	12,344	12,344	14,060	1,716	11,395
Federal Fresh Fruit & Vegetable Program	-	-	-	-	6,785
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	-	-	10,000	10,000	-
Race to the Top - Early Childhood Readiness Assessment	300	300	-	(300)	229
Federal Grants from Other State Agencies					
Carl Perkins Vocational & Applied Technology Education Act, Title I, Vocational Education	15,000	15,000	13,115	(1,885)	3,052
Direct Federal Revenue					
NCLB Title VI, Part B - REAP/Rural Education	26,000	26,000	27,190	1,190	26,113
Total Federal Sources	<u>160,287</u>	<u>160,287</u>	<u>171,008</u>	<u>10,721</u>	<u>174,443</u>
TOTAL REVENUES	<u>3,832,253</u>	<u>3,888,153</u>	<u>3,928,936</u>	<u>40,783</u>	<u>3,632,579</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, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,342,551	1,428,476	1,328,764	99,712	1,263,202
Benefits	436,990	454,539	434,217	20,322	372,920
PS - Professional	4,000	4,000	2,486	1,514	1,904
PS - Other	282,600	290,100	244,982	45,118	252,466
Supplies	118,245	143,567	130,234	13,333	105,344
Property	28,500	53,500	87,040	(33,540)	28,670
Other Expenses	6,500	8,000	7,067	933	5,922
Total Instruction	<u>2,219,386</u>	<u>2,382,182</u>	<u>2,234,790</u>	<u>147,392</u>	<u>2,030,428</u>
Supporting Services					
Pupil Support					
Salaries	63,120	64,620	63,620	1,000	60,808
Benefits	15,780	19,330	19,484	(154)	19,327
PS - Other	-	100	90	10	-
Supplies	20,500	21,598	8,282	13,316	15,306
Total Pupil Support	<u>99,400</u>	<u>105,648</u>	<u>91,476</u>	<u>14,172</u>	<u>95,441</u>
Staff Support					
Salaries	22,346	24,721	25,369	(648)	22,648
Benefits	10,722	10,947	7,858	3,089	7,846
PS - Professional	5,000	5,000	5,034	(34)	1,488
PS - Other	10,200	10,200	(8,031)	18,231	10,214
Supplies	62,200	37,200	19,285	17,915	8,281
Property	5,000	15,000	22,035	(7,035)	61
Total Staff Support	<u>115,468</u>	<u>103,068</u>	<u>71,550</u>	<u>31,518</u>	<u>50,538</u>
General Administration					
Salaries	132,738	136,338	136,338	-	131,108
Benefits	86,009	86,084	45,133	40,951	44,440
PS - Professional	34,850	39,850	33,313	6,537	30,233
PS - Other	5,500	5,700	6,492	(792)	6,075
Supplies	4,500	4,500	3,178	1,322	4,434
Property	1,000	1,000	80,340	(79,340)	38,384
Other Expenses	9,000	9,550	7,578	1,972	6,893
Total General Administration	<u>273,597</u>	<u>283,022</u>	<u>312,372</u>	<u>(29,350)</u>	<u>261,567</u>
School Administration					
Salaries	170,848	176,148	176,960	(812)	163,610
Benefits	44,010	45,220	41,800	3,420	46,034
PS - Other	2,250	2,250	3,215	(965)	2,558
Supplies	4,600	19,198	17,734	1,464	11,957
Other Expenses	1,500	2,000	460	1,540	460
Total School Administration	<u>223,208</u>	<u>244,816</u>	<u>240,169</u>	<u>4,647</u>	<u>224,619</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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
PS - Professional	4,000	4,500	6,879	(2,379)	1,224
PS - Property	22,000	22,000	9,079	12,921	5,562
PS - Other	102,200	102,200	99,961	2,239	87,171
Total Business Services	128,200	128,700	115,919	12,781	93,957
Operations and Maintenance					
Salaries	150,334	159,734	167,444	(7,710)	166,043
Benefits	49,532	50,132	52,037	(1,905)	53,922
PS - Professional	35,000	116,000	100,734	15,266	45,586
PS - Property	33,500	23,500	10,206	13,294	28,535
PS - Other	100	100	-	100	-
Supplies	130,000	130,000	125,693	4,307	117,523
Property	10,000	10,000	1,063	8,937	9,774
Other Expenses	1,800	1,800	1,150	650	1,080
Total Operations and Maintenance	410,266	491,266	458,327	32,939	422,463
Transportation					
Salaries	149,138	163,638	146,728	16,910	135,933
Benefits	38,386	40,871	36,859	4,012	35,397
PS - Professional	2,500	13,500	13,025	475	408
PS - Property	40,000	40,000	36,752	3,248	37,045
PS - Other	500	500	-	500	-
Supplies	56,500	56,500	51,680	4,820	48,260
Property	5,000	20,000	20,011	(11)	-
Total Transportation	292,024	335,009	305,055	29,954	257,043
Risk Management					
PS - Other	42,000	42,000	33,231	8,769	45,609
Facilities/Capital Outlay					
Buildings	-	-	168,370	(168,370)	31,788
Debt Service					
Principal	78,000	78,000	81,050	(3,050)	63,123
Interest	10,000	10,000	7,095	2,905	6,191
Total Debt Service	88,000	88,000	88,145	(145)	69,314
TOTAL EXPENDITURES	3,891,549	4,203,711	4,119,404	84,307	3,582,767
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(59,296)	(315,558)	(190,468)	125,090	49,812
OTHER FINANCING SOURCES (USES)					
Transfers	67,500	67,500	87,175	19,675	(64,500)
Capital Lease Proceeds	-	-	107,529	107,529	-
CHANGE IN FUND BALANCE	8,204	(248,058)	4,236	252,294	(14,688)
BEGINNING FUND BALANCE	-	-	1,403,326	1,403,326	1,418,014
ENDING FUND BALANCE	\$ 8,204	\$ (248,058)	\$ 1,407,562	\$ 1,655,620	\$ 1,403,326

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

MIAMI-YODER SCHOOL DISTRICT JT60
 Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019
 (With Comparative Totals for June 30, 2018)

	Special Revenue		Capital Projects	Totals	
	Food Service Fund	Athletic Activity Fund	Building Fund	2019	2018
ASSETS					
Cash and Investments	\$ 87,786	\$ 8,356	\$ -	\$ 96,142	\$ 20,543
Interfund Accounts Receivable	-	-	-	-	13,175
Grants Receivable	-	-	-	-	10,625
Other Accounts Receivable	372	-	-	372	150
Inventory	4,606	-	-	4,606	6,747
TOTAL ASSETS	\$ 92,764	\$ 8,356	\$ -	\$ 101,120	\$ 51,240
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 104,714	\$ -	\$ -	\$ 104,714	\$ 16,444
Accounts Payable	9	-	-	9	-
Accrued Salaries & Benefits	14,746	-	-	14,746	6,300
Payroll Taxes & Deductions Payable	(463)	-	-	(463)	-
Unearned Revenue	-	-	-	-	4,818
Total Liabilities	119,006	-	-	119,006	27,562
Deferred Inflows of Financial Resources					
Fund Balance					
Nonspendable Fund Balance	4,606	-	-	4,606	2,943
Restricted Fund Balance					
Restricted Bond Proceeds	-	-	-	-	13,175
Committed Fund Balance					
Committed Fund Purpose	-	8,356	-	8,356	7,560
Assigned Fund Balance					
Unassigned Fund Balance	(30,848)	-	-	(30,848)	-
Total Fund Balance	(26,242)	8,356	-	(17,886)	23,678
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 92,764	\$ 8,356	\$ -	\$ 101,120	\$ 51,240

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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Special Revenue		Capital Projects	Totals	
	Food Service	Athletic Activity	Building Fund	2019	2018
	Fund	Fund			
REVENUES					
Local Sources	\$ 8,859	\$ 4,991	\$ -	\$ 13,850	\$ 13,255
State Sources	1,361	-	-	1,361	1,267
Federal Sources	119,354	-	-	119,354	126,456
TOTAL REVENUES	<u>129,574</u>	<u>4,991</u>	<u>-</u>	<u>134,565</u>	<u>140,978</u>
EXPENDITURES					
Instruction	-	31,182	-	31,182	28,949
Food Service	189,272	-	-	189,272	169,332
TOTAL EXPENDITURES	<u>189,272</u>	<u>31,182</u>	<u>-</u>	<u>220,454</u>	<u>198,281</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(59,698)	(26,191)	-	(85,889)	(57,303)
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	30,000	27,500	(13,175)	44,325	64,500
CHANGE IN FUND BALANCE	(29,698)	1,309	(13,175)	(41,564)	7,197
BEGINNING FUND BALANCE	3,456	7,047	13,175	23,678	16,481
ENDING FUND BALANCE	<u>\$ (26,242)</u>	<u>\$ 8,356</u>	<u>\$ -</u>	<u>\$ (17,886)</u>	<u>\$ 23,678</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUNDS

Food Service Fund

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

Athletic Activity Fund

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

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ 50	\$ 4	\$ (46)	\$ 52
Food Service Revenue	42,200	6,859	(35,341)	4,845
Other Local	20,000	1,996	(18,004)	3,369
Total Local Sources	<u>62,250</u>	<u>8,859</u>	<u>(53,391)</u>	<u>8,266</u>
State Sources				
State Grants from CDE				
State Matching Child Nutrition	5,000	1,361	(3,639)	1,267
Start Smart Nutrition	<u>100</u>	<u>-</u>	<u>(100)</u>	<u>-</u>
Total State Sources	<u>5,100</u>	<u>1,361</u>	<u>(3,739)</u>	<u>1,267</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	10,000	28,318	18,318	32,778
National School Lunch Program	61,000	74,119	13,119	83,018
Federal Fresh Fruit & Vegetable Program	8,000	6,076	(1,924)	-
Federal Grants from Other State Agencies				
National School Lunch Program - Commodities	<u>8,000</u>	<u>10,841</u>	<u>2,841</u>	<u>10,660</u>
Total Federal Sources	<u>87,000</u>	<u>119,354</u>	<u>32,354</u>	<u>126,456</u>
TOTAL REVENUES	<u>154,350</u>	<u>129,574</u>	<u>(24,776)</u>	<u>135,989</u>
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	69,370	69,986	(616)	61,644
Benefits	50,039	40,333	9,706	24,836
PS - Professional	3,500	1,929	1,571	3,393
PS - Other	1,250	2,533	(1,283)	1,116
Supplies	5,700	4,569	1,131	2,012
Food	68,000	58,931	9,069	65,671
Commodities	-	10,841	(10,841)	10,660
Other Expenses	<u>100</u>	<u>150</u>	<u>(50)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>197,959</u>	<u>189,272</u>	<u>8,687</u>	<u>169,332</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(43,609)	(59,698)	(16,089)	(33,343)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>40,000</u>	<u>30,000</u>	<u>(10,000)</u>	<u>37,000</u>
CHANGE IN FUND BALANCE	(3,609)	(29,698)	(26,089)	3,657
BEGINNING FUND BALANCE	-	3,456	3,456	(201)
ENDING FUND BALANCE	<u>\$ (3,609)</u>	<u>\$ (26,242)</u>	<u>\$ (22,633)</u>	<u>\$ 3,456</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, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018	
	Final Budget	Actual		Budget	Actual
REVENUES					
Local Sources					
Pupil Activity Revenues	\$ 5,000	\$ 4,983	\$ (17)	\$ 4,987	
Other Local	95,000	8	(94,992)	2	
TOTAL REVENUES	<u>100,000</u>	<u>4,991</u>	<u>(95,009)</u>	<u>4,989</u>	
EXPENDITURES					
Instruction					
PS - Professional	11,500	11,101	399	5,379	
PS - Other	1,700	383	1,317	773	
Supplies	21,700	16,247	5,453	11,498	
Property	900	-	900	-	
Other Expenses	8,000	3,451	4,549	11,299	
TOTAL EXPENDITURES	<u>43,800</u>	<u>31,182</u>	<u>12,618</u>	<u>28,949</u>	
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	56,200	(26,191)	(82,391)	(23,960)	
OTHER FINANCING SOURCES (USES)					
Transfers	31,597	27,500	(4,097)	27,500	
CHANGE IN FUND BALANCE	87,797	1,309	(86,488)	3,540	
BEGINNING FUND BALANCE	-	7,047	7,047	3,507	
ENDING FUND BALANCE	<u>\$ 87,797</u>	<u>\$ 8,356</u>	<u>\$ (79,441)</u>	<u>\$ 7,047</u>	

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

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

The District has the following debt service fund:

Bond Redemption Fund

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

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018	
	Final Budget	Actual		Actual	
REVENUES					
Local Sources					
Property Taxes	\$ 154,200	\$ 162,480	\$ 8,280	\$ 115,932	
Delinquent Taxes	381	476	95	458	
Investment Earnings	8,500	4,561	(3,939)	3,205	
TOTAL REVENUES	<u>163,081</u>	<u>167,517</u>	<u>4,436</u>	<u>119,595</u>	
EXPENDITURES					
Supporting Services					
Business Services					
PS - Professional	<u>1,440</u>	<u>1,240</u>	<u>200</u>	<u>974</u>	
Debt Service					
Principal	135,000	130,000	5,000	125,000	
Interest	<u>38,381</u>	<u>35,150</u>	<u>3,231</u>	<u>38,900</u>	
Total Debt Service	<u>173,381</u>	<u>165,150</u>	<u>8,231</u>	<u>163,900</u>	
TOTAL EXPENDITURES	<u>174,821</u>	<u>166,390</u>	<u>8,431</u>	<u>164,874</u>	
CHANGE IN FUND BALANCE	(11,740)	1,127	12,867	(45,279)	
BEGINNING FUND BALANCE	-	246,355	246,355	291,634	
ENDING FUND BALANCE	<u>\$ (11,740)</u>	<u>\$ 247,482</u>	<u>\$ 259,222</u>	<u>\$ 246,355</u>	

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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance with Final Budget	
OTHER FINANCING SOURCES (USES)				
Transfers	\$ -	\$ (13,175)	\$ (13,175)	\$ -
BEGINNING FUND BALANCE	<u>-</u>	<u>13,175</u>	<u>13,175</u>	<u>13,175</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,175</u>

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Capital Reserve Project Fund
 For the Year Ended June 30, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 1,000	\$ 1,635	\$ 635	\$ 1,018
EXPENDITURES				
Facilities/Capital Outlay				
PS - Professional	-	-	-	24,340
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	1,000	1,635	635	(23,322)
OTHER FINANCING SOURCES (USES)				
Transfers	-	(131,500)	(131,500)	-
CHANGE IN FUND BALANCE	1,000	(129,865)	(130,865)	(23,322)
BEGINNING FUND BALANCE	-	348,278	348,278	371,600
ENDING FUND BALANCE	<u>\$ 1,000</u>	<u>\$ 218,413</u>	<u>\$ 217,413</u>	<u>\$ 348,278</u>

See accompanying Independent Auditors' Report.

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FIDUCIARY (AGENCY) FUND

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

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

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Class Agency Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
ADDITIONS				
Local Sources	\$ -	\$ 82,951	\$ 82,951	\$ 93,839
DEDUCTIONS				
Instruction	-	63,152	(63,152)	93,140
CHANGE IN NET POSITION	-	19,799	19,799	699
BEGINNING NET POSITION	-	34,821	34,821	34,122
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 54,620</u>	<u>\$ 54,620</u>	<u>\$ 34,821</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1130 - Miami/Yoder 60 JT
 Fiscal Year 2018-19
 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	1,356,412	4,044,675	4,011,329	1,389,758
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	46,914	78,964	108,074	17,804
Sub- Total	1,403,326	4,123,639	4,119,403	1,407,562
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	3,456	159,574	189,272	-26,242
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	7,047	32,491	31,182	8,356
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	246,355	167,517	166,390	247,482
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	13,175	-13,175	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	348,278	-129,865	0	218,413
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,021,637	4,340,181	4,506,248	1,855,571
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	34,821	82,951	63,152	54,620
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	34,821	82,951	63,152	54,620

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1130 - Miami/Yoder 60 JT

Fiscal Year 2018-19

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)	1,675,064	0	33,717	8,356	0	87,786	241,405	242,753	0	0	0	54,620	0	2,343,702		
Cash with Fiscal Agent (8105)	6,046	0	0	0	0	0	369	0	0	0	0	0	0	6,415		
Taxes Receivable (8121,8122)	35,737	0	0	0	0	0	11,418	0	0	0	0	0	0	47,155		
Interfund Loans Receivable (8131,8132)	180,749	0	0	0	0	0	0	0	0	0	0	0	0	180,749		
Grants Accounts Receivable (8142)	63,854	0	0	0	0	0	0	0	0	0	0	0	0	63,854		
Other Receivables (8151-8154,8161)	0	0	0	0	0	372	0	0	0	0	0	0	0	372		
Inventories (8171,8172,8173)	0	0	0	0	0	4,606	0	0	0	0	0	0	0	4,606		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	1,961,450	0	33,717	8,356	0	92,764	253,192	242,753	0	0	0	54,620	0	2,646,853		

See accompanying Independent Auditors' Report.

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)	35,783	0	15,913	0	0	104,714	0	24,340	0	0	0	0	0	0	180,749
Other Payables (7421-7423)	77,909	0	0	0	0	9	0	0	0	0	0	0	0	0	77,918
Accrued Expenses (7461)	334,830	0	0	0	0	14,746	0	0	0	0	0	0	0	0	349,575
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	-462	0	0	0	0	0	0	0	0	-462
Unearned Revenue (7481)	17,867	0	0	0	0	0	5,710	0	0	0	0	0	0	0	23,577
Grants Deferred Revenue (7482)	105,305	0	0	0	0	0	0	0	0	0	0	0	0	0	105,305
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	571,693	0	15,913	0	0	119,006	5,710	24,340	0	0	0	0	0	0	736,662

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	4,606	0	0	0	0	0	0	0	0	4,606
Restricted Fund Balance 6720	0	0	0	0	0	0	247,482	0	0	0	0	0	0	0	247,482
TABOR 3% Emergency Reserve 6721	115,000	0	0	0	0	0	0	0	0	0	0	0	0	0	115,000
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	17,804	0	0	0	0	0	0	0	0	0	0	0	17,804
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	171,930	0	0	0	0	0	0	171,930
Committed Fund Balance 6750	0	0	0	8,356	0	0	0	0	0	0	0	0	0	0	8,356
Assigned Fund Balance 6760	0	0	0	0	0	0	0	46,483	0	0	0	0	0	0	46,483
Unassigned Fund Balance 6770	1,274,758	0	0	0	0	-30,848	0	0	0	0	0	0	54,620	0	1,298,530
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	1,389,758	0	17,804	8,356	0	-26,242	247,482	218,413	0	0	0	0	54,620	0	1,910,191

	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	1,961,450	0	33,717	8,356	0	92,764	253,192	242,753	0	0	0	0	54,620	0	2,646,853
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

See accompanying Independent Auditors' Report.