

cPa DIXON, WALLER & CO., INC.

MOFFAT CONSOLIDATED SCHOOL

DISTRICT NO. 2

SAGUACHE COUNTY, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2019

**DIXON, WALLER & CO., INC.**

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**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019**

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**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**ROSTER OF SCHOOL OFFICIALS**  
**June 30, 2019**

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**BOARD OF EDUCATION**

<b>Ginger Stringer</b>	<b>President</b>
<b>Tina Freel</b>	<b>Vice President/Treasurer</b>
<b>Matthew Crowley</b>	<b>Co - Secretary</b>
<b>Jerry Berry</b>	<b>Co - Secretary</b>
<b>Gwynn Busby</b>	<b>Director</b>

**SCHOOL OFFICIALS**

<b>Christina Larson</b>	<b>Superintendent</b>
<b>Jodi Anderson</b>	<b>Business Manager</b>

**FINANCIAL SECTION**

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

**INDEPENDENT AUDITOR'S REPORT**

**Board of Education  
Moffat Consolidated School District No. 2  
Moffat, Colorado 81143**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefit trend data on pages i through x and 44 through 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. 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moffat Consolidated School District No. 2's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

*Dwan, Waller & Co., PC.*

Trinidad, Colorado  
November 29, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For Fiscal Year Ended June 30, 2019

**Management's Discussion and Analysis**

Moffat Consolidated School District #2 covers approximately 500 square miles in Saguache County located in the south central region of Colorado. The District serves the northeast one-third of Saguache County which includes the communities of Moffat and Crestone. Approximately 223 students are served in educational programs provided through the Moffat PK-12 School and the Crestone Charter School.

The discussion and analysis of the Moffat School District's 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; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

**Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- In total the District's overall net position is \$10,014,147 which represents an increase of \$81,829 from the previous year, as restated.
- Revenues of \$3,460,945 were collected during the year in Governmental Funds. These revenues included revenues, taxes, grants and entitlements, general interest and other revenues.
- The District had \$3,432,956 in expenditures. The general revenues (primarily property taxes and State grants and entitlements) of \$3,460,945 were adequate to provide for these expenditures.
- The District's food service expenses exceeded revenues by \$59,966 and a transfer of \$56,005 from the General Fund to Food Service Fund was made. This deficit was \$2,977 more than the previous year's deficit, and it is expected in the coming years that the General Fund will continue to supplement the revenue in the Food Service Fund. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer; however, this is difficult in small school districts due to the economy of size and depressed economic factors as well as increased costs created by State & Federal regulations requiring the use of fresh fruits and vegetables and whole grains.

**Overview of the Basic Financial Statements**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Moffat Consolidated School District as a financial whole, or as an entire operating activity. Information for Crestone Charter School has been presented separately as required by the State of Colorado. District and Charter School financials have been combined in this discussion and analysis. The basic financial statements consist of three parts: the

management's discussion and analysis (this section), the basic financial statements and required supplementary information.

The basic financial statements include two kinds of statements and present different views of the District. The basic statements are government-wide statements that provide both long-term and short-term information about the District. Fund financial statements provide the next level of detail. For governmental funds, the statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Moffat Consolidated School District the General Fund is the most significant fund. The General Fund for Moffat Consolidated School District includes expenditures for the instructional programs, including the Moffat Preschool and the Crestone Charter School. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity.

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

The District was required to implement GASB 75 resulting in a net Other Post Employment Benefit (OPEB) liability of \$(217,990) at June 30, 2019. Under GASB 75, the District's proportionate share of the net Other Post-Employment Benefits liability of the Health Care Trust Fund (HCTF) of the state retirement system of the Public Employees Retirement Association, is recorded as a liability of the District.

### **Statement of Net Position and Statement of Activities**

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2019?" The statement of net position and of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting. The accrual basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the district, and its component units, except for fiduciary funds. As described below, the financial statements of the District's fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the District's financial statements because the District is financially accountable for those resources, even though they belong to other parties.

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

The two statements report the district's net position and changes in net position. The change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the School District's Programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Business-Type Activities** – Business-type activities are financed to some degree by charging external parties for the goods or services they acquire. The District's does not have any business-type activities for fiscal year 2019.

A summary of changes in capital assets:

**GOVERNMENTAL ACTIVITIES -District 2018-2019**

	<i>Balance July 1, 2018</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2019</i>
<b>Non-Depreciable Assets:</b>				
Land	11,906			11,906
Construction in Progress				
<b>Total Non- Depreciable Assets</b>	<b>11,906</b>			<b>11,906</b>
 <b>Depreciable Assets</b>				
Building & Site Improvements	18,249,631			18,249,631
Equipment & Vehicles	1,285,155	121,042		1,406,197
<b>Total Depreciable Assets</b>	<b>19,534,786</b>	<b>121,042</b>		<b>19,655,828</b>
<b>Total Accumulated Depreciation</b>	<b>1,454,394</b>	<b>605,720</b>		<b>2,060,114</b>
<b>Total Capital Assets, Net</b>	<b>18,092,298</b>	<b>(484,678)</b>		<b>17,607,620</b>

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

**GOVERNMENTAL ACTIVITIES –District 2017-2018**

	<i>Balance July 1, 2017</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2018</i>
<b>Non-Depreciable Assets:</b>				
Land	11,906			11,906
Construction in Progress	0	0	0	0
<b>Total Non-Depreciable Assets</b>	<b>11,906</b>	<b>0</b>	<b>0</b>	<b>11,906</b>
<b>Depreciable Assets</b>				
Building & Site Improvements	18,193,191	56,440		18,249,631
Equipment & Vehicles	1,283,741	6,214	4,800	1,285,155
<b>Total Depreciable Assets</b>	<b>19,476,932</b>	<b>107,524</b>	<b>4,800</b>	<b>19,534,786</b>
<b>Total Accumulated Depreciation</b>	<b>854,168</b>	<b>603,656</b>	<b>3,430</b>	<b>1,454,394</b>
<b>Total Capital Assets, Net</b>	<b>18,634,670</b>	<b>(541,002)</b>	<b>1,370</b>	<b>18,092,298</b>

Governmental Activities-Component Unit

<b>2018-2019</b>	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non Depreciable Total	448,458			448,458
Land, Building & Site Improvements	5,732,823	6,790		5,739,613
Equipment & Vehicles	158,271	26,000	19,310	164,961
Total Depreciable Assets	5,891,094	32,790	19,310	5,904,574
<b>Less Accumulated Depreciation for:</b>	858,938	144,094		1,003,032
Building & Site Improvements				
Equipment & Vehicles	88,874	11,863	19,310	81,427
Total Accumulated Depreciation	947,812	155,957	19,310	1,084,449
Depreciable Assets Net	4,943,282	(123,167)		4,820,115
Total Capital Assets Net	5,391,740	(123,167)		5,268,573

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

<b>2017-2018</b>	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Non Depreciable Total	448,458			448,458
Land, Building & Site Improvements	5,715,508	17,315		5,732,823
Equipment & Vehicles	155,092	3,179		158,271
Total Depreciable Assets	5,870,600	20,494		5,891,094
<b>Less Accumulated Depreciation for:</b>				
Building & Site Improvements	715,710	143,228		858,938
Equipment & Vehicles	77,979	10,895		88,874
Total Accumulated Depreciation	793,689	154,123		947,812
Depreciable Assets Net	5,076,911	(133,629)		4,943,282
Total Capital Assets Net	5,525,369	(133,629)		5,391,740

## FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds. The District's major governmental funds include the General Fund, the Capital Reserve Fund, Capital Projects, Building and the Bond Redemption Fund. Moffat Consolidated School District has two other funds aggregated on the governmental fund financial statements (Food Services Special Revenue and Capital Reserve Capital Projects Funds). Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

The District's fund financial statements are divided into two broad categories, namely (1) governmental funds; and (2) fiduciary funds.

**Governmental Funds** – The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. Moffat Consolidated School District maintains five governmental funds -General, Capital Projects, Building, Food Service and Bond Redemption Fund.

**Fiduciary Funds** – The Pupil Activity Fund (Trust & Agency Fund) is used to account for assets held for the various clubs and organizations sponsored by the District. Two fiduciary funds are maintained in the District, one each for Moffat School and Crestone Charter School.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**Financial Analysis of the District as a Whole**

**Moffat Consolidated School District #2  
Condensed Statement of Net Position as of June 30, 2018 and 2019**

	<b>2018</b>			<b>2019</b>		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Current & other assets	3,114,765	0	3,114,765	3,067,958	0	3,067,958
Capital Assets	18,092,298	0	18,092,298	17,607,620	0	17,607,620
<b>Total Assets</b>	<b>21,207,063</b>	<b>0</b>	<b>21,207,063</b>	<b>20,675,578</b>	<b>0</b>	<b>20,675,578</b>
Deferred Outflows	2,775,875	0	2,775,875	1,829,355	0	1,829,355
Liabilities	13,270,639	0	13,270,639	9,134,391	0	9,134,391
Deferred Inflows	779,981	0	779,981	3,356,395	0	3,356,395
<b>NET Assets</b> Invested						
in Capital Assets	13,675,233	0	13,675,233	13,401,081	0	13,401,081
Restricted	656,911	0	656,911	748,437	0	748,437
Unrestricted	(4,399,826)	0	(4,399,826)	(4,135,371)	0	(4,135,371)
<b>Total Net Assets</b>	<b>9,932,318</b>	<b>0</b>	<b>9,932,318</b>	<b>10,014,147</b>	<b>0</b>	<b>10,014,147</b>

The statement of net position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2018 consisting of accounts payable and accrued salaries and benefits. The difference between the district's assets and liabilities is its net position. The large increase in liabilities is due to the liability for the unfunded PERA requirement.

## **Financial Analysis of the District's Funds**

### **Governmental Funds**

The focus of the District's governmental funds report is to provide information on short-term income, expenses and the balance of spendable resources. This information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a measure of the District's net resources available for spending at the end of the fiscal year.

#### **General Fund**

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Before June 30<sup>th</sup> of each year the Board of Education approves a budget based on enrollment projections for the coming year. The budget may be revised until December 31<sup>st</sup> of each year to more accurately reflect anticipated revenue and expenditures as well as student count.

General Fund revenues totaling \$2,912,040 were \$183,800 more than anticipated in the budget. Actual expenditures of \$2,757,372 were \$1,730,043 under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$1,927,838 June 30<sup>th</sup> fund balance includes reserves for TABOR and accrued salaries. The decrease in fund balance of the General Fund from FY 2017-18 is \$1,337.

#### **Capital Projects Fund**

The District is utilizing the Capital Projects Fund to set aside funds for capital projects and purchases. As of June 30, 2019 the Fund Balance showed a total of \$236,826, which includes BEST Grant Capital Renewal Reserve of \$38,130. This fund received revenues through a transfer of funds from the General Fund.

#### **Food Services Special Revenue Fund**

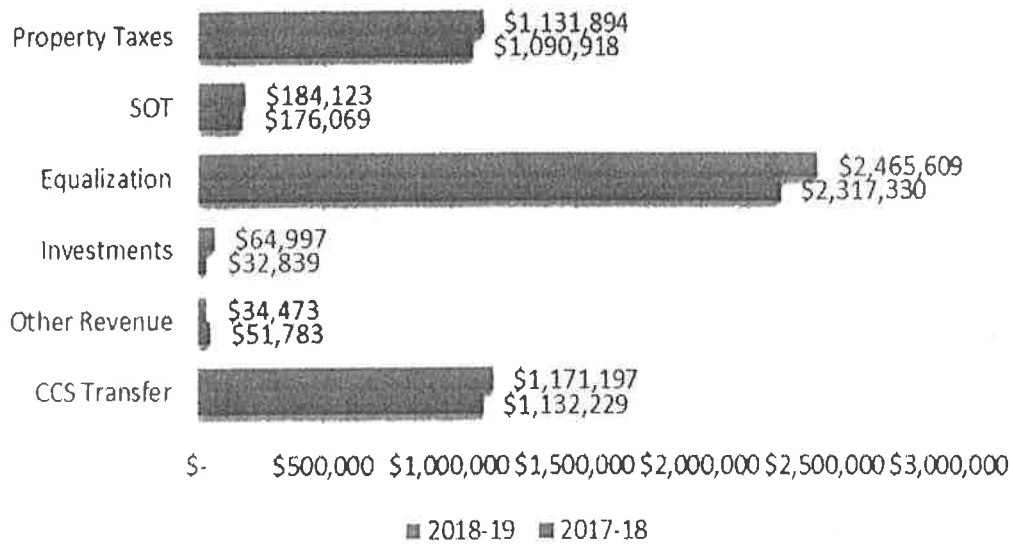
The Food Service Fund is the only Special Revenue Fund in the District. Although our student participation in the hot lunch program is high, the small student population creates a challenge in funding and program expenditures exceed revenues. A transfer from the General Fund of \$56,005 allowed this fund to meet its expenditures. It is expected that a transfer of funds to support the Food Service Fund will continue in coming years.

Moffat School District #2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

**Governmental Activities**

The primary source of operating revenue for the school district comes from the School Finance Act of 1994. Each FTE (full-time equivalent) generated \$14,141.84 for the 2018-2019 program, which is \$785.10 per FTE more than during the 2017-2018 school year. The funded pupil count for the District was 215 FTE during FY 2018-2019. The chart below shows the District revenues by revenue source.

**Revenue Sources**



The Chart Above Shows Revenue Sources for General Fund Only

*NOTE: Transfers & CCS PP Revenue are shown as negative amounts. The money goes from the General Fund to other funds.*

Moffat School District #2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

**Net Cost of Governmental Activities FY 2017-18 and FY 2018-19 Comparison  
 Moffat Consolidated School District**

	FY 2017-18		FY 2018-19	
	Expenses	Net Cost of Services	Expenses	Net Cost of Services
Instruction	1,621,991	1,399,734	1,804,973	1,407,703
Student Support	73,662	73,662	162,225	162,225
Instructional Staff	38,209	38,209	70,600	70,600
General Administration	195,744	(15,921)	256,296	47,982
School Administration	148,915	148,915	155,904	155,904
Business Support	142,213	142,213	176,964	176,964
Operation & Maintenance	247,274	247,274	287,551	287,551
Student Transportation	188,227	163,219	212,829	176,136
Central Support & Other	1,804,365	1,721,480	270,163	186,375
<b>TOTAL</b>	<b>4,460,600</b>	<b>3,918,785</b>	<b>3,397,505</b>	<b>2,671,440</b>

**Bond Redemption**

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District's long-term debts. Long-Term Liabilities for general obligation debt are \$4,206,539 not due and payable in the 2019 fiscal year.

**Capital Assets**

The District began the year with Net Capital Assets of \$19,546,692. Including the Moffat School facility, vehicles, equipment and routine depreciation of assets, the ending balance for the District's Capital Assets is \$19,667,734 as of June 30, 2019.

**Economic Factors and Next Year's Budget**

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee's retirement (Colorado PERA) unfunded liability on each district. The District's carryover will allow the School District to act instead of react to the financial woes of the State and Country. Moffat Consolidated School District is the smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 36 percent of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District's student population. Approximately eighty-five percent of the District's student population qualifies for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

**Contact the District's Financial Management Team**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it received. If you have questions about this report or would like further financial information, contact the Superintendent or Business Director, Moffat Consolidated School District #2, PO Box 428, 501 Garfield Avenue, Moffat, CO 81143.

Respectfully Submitted,

Christina Larson, Superintendent

Jodi Anderson, Business Director

**BASIC FINANCIAL STATEMENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	<u>Primary Government</u>	<u>Component</u>	<u>Unit</u>
	<u>Governmental</u>	<u>Total</u>	<u>Charter School</u>
	<u>Activities</u>	<u>Total</u>	<u>Charter School</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	634,991	634,991	1,144,399
Investments	2,206,965	2,206,965	-
Property Taxes Receivable	169,829	169,829	-
Accounts Receivable	16,285	16,285	27,797
Due From Other Governments	37,920	37,920	-
Inventories	1,968	1,968	-
Prepaid Expense	-	-	-
<b>Total Current Assets</b>	<u>3,067,958</u>	<u>3,067,958</u>	<u>1,172,196</u>
<b>Capital Assets:</b>			
Land	11,906	11,906	448,458
Depreciable Assets	19,655,828	19,655,828	5,904,564
Accumulated Depreciation	<u>(2,060,114)</u>	<u>(2,060,114)</u>	<u>(1,084,449)</u>
<b>Capital Assets Net of Depreciation</b>	<u>17,607,620</u>	<u>17,607,620</u>	<u>5,268,573</u>
<b>TOTAL ASSETS</b>	<u>20,675,578</u>	<u>20,675,578</u>	<u>6,440,769</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension	1,810,643	1,810,643	617,243
Other Post Employment Benefits	<u>18,712</u>	<u>18,712</u>	<u>5,011</u>
<b>Total Deferred Outflow of Resources</b>	<u>1,829,355</u>	<u>1,829,355</u>	<u>622,254</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	36,496	36,496	18,024
Due To Other Governments	-	-	37,920
Accrued Salaries Payable	115,399	115,399	54,339
Accrued Interest	14,542	14,542	-
Unearned Grant Payments	57,105	57,105	25,907
General Obligation Bonds – Current	<u>219,224</u>	<u>219,224</u>	<u>-</u>
<b>Total Current Liabilities</b>	<u>442,766</u>	<u>442,766</u>	<u>136,190</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	26,823	26,823	-
General Obligation Bonds	3,987,315	3,987,315	-
Net Pension Liability	4,459,497	4,459,497	1,585,639
Net Other Post Employment Benefit Liability	<u>217,990</u>	<u>217,990</u>	<u>77,509</u>
<b>Total Noncurrent Liabilities</b>	<u>8,691,625</u>	<u>8,691,625</u>	<u>1,663,148</u>
<b>TOTAL LIABILITIES</b>	<u>9,134,391</u>	<u>9,134,391</u>	<u>1,799,338</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension	3,300,102	3,300,102	1,525,200
Other Post Employment Benefits	<u>56,293</u>	<u>56,293</u>	<u>7,674</u>
<b>Total Deferred Inflow of Resources</b>	<u>3,356,395</u>	<u>3,356,395</u>	<u>1,532,874</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,401,081	13,401,081	5,268,573
<b>Restricted for:</b>			
Debt Service	572,422	572,422	-
BEST Grant Reserve	38,130	38,130	180,000
TABOR (Emergencies)	82,500	82,500	40,139
Preschool	33,587	33,587	-
Food Service	21,798	21,798	-
Unrestricted (Deficit)	<u>(4,135,371)</u>	<u>(4,135,371)</u>	<u>(1,757,901)</u>
<b>TOTAL NET POSITION</b>	<u>10,014,147</u>	<u>10,014,147</u>	<u>3,730,811</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

FUNCTIONS/PROGRAMS	Program Revenues			Capital Grants and Contributions		Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Primary Government		Component Unit Charter School
					Governmental Activities	Total	
<b>Primary Government:</b>							
<b>Governmental Activities</b>							
Instruction	1,804,973	5,126	392,144	-	(1,407,703)	(1,407,703)	(555,782)
Student Support	162,225	-	-	-	(162,225)	(162,225)	(96,984)
Instructional Staff	70,600	-	-	-	(70,600)	(70,600)	(2,736)
General Administration	256,296	208,314	-	-	(47,982)	(47,982)	(208,314)
School Administration	155,904	-	-	-	(155,904)	(155,904)	(196,991)
Business Support	176,964	-	-	-	(176,964)	(176,964)	-
Operation & Maintenance	287,551	-	-	-	(287,551)	(287,551)	(70,614)
Student Transportation	212,829	-	36,693	-	(176,136)	(176,136)	(30,281)
Central Support	203,093	-	-	-	(203,093)	(203,093)	(51,803)
Food Services	174,342	10,040	73,139	-	(91,163)	(91,163)	-
Facilities/Capital Outlay	19,912	-	-	609	(19,303)	(19,303)	-
Interest	179,927	-	-	-	(179,927)	(179,927)	-
Net Pension Cost	(383,029)	-	-	-	383,029	383,029	247,707
Net OPEB Cost	75,918	-	-	-	(75,918)	(75,918)	(18)
Total Governmental Activities	<u>3,397,505</u>	<u>223,480</u>	<u>501,976</u>	<u>609</u>	<u>(2,671,440)</u>	<u>(2,671,440)</u>	<u>(965,816)</u>
Total Primary Government	<u>3,397,505</u>	<u>223,480</u>	<u>501,976</u>	<u>609</u>	<u>(2,671,440)</u>	<u>(2,671,440)</u>	<u>(965,816)</u>
<b>General Revenues</b>							
Local Property Taxes					1,131,894	1,131,894	-
Specific Ownership Taxes					184,123	184,123	-
State Equalization					2,465,609	2,465,609	-
Non-Specific Intergovernmental					43,370	43,370	24,833
Earnings on Investments					64,997	64,997	2,364
Other Revenue					34,473	34,473	28,820
Gain (Loss) on Disposition of Assets					-	-	3,855
Charter Per Pupil Revenue					(1,171,197)	(1,171,197)	1,171,197
Total General Revenues & Transfers					<u>2,753,269</u>	<u>2,753,269</u>	<u>1,231,069</u>
Change in Net Position					81,829	81,829	265,253
Net Position, Beginning					9,932,318	9,932,318	3,465,558
Net Position, Ending					<u>10,014,147</u>	<u>10,014,147</u>	<u>3,730,811</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	68,183	544,387	22,421	634,991
Investments	1,972,730	-	234,235	2,206,965
Property Taxes Receivable	100,965	68,864	-	169,829
Accounts Receivable	3,451	-	-	3,451
Accrued Revenues	12,834	-	-	12,834
Inventories	-	-	1,968	1,968
Due From Other Governments	<u>37,920</u>	<u>-</u>	<u>-</u>	<u>37,920</u>
<b><u>Total Assets</u></b>	<b><u>2,196,083</u></b>	<b><u>613,251</u></b>	<b><u>258,624</u></b>	<b><u>3,067,958</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>				
	-	-	-	-
<b><u>LIABILITIES:</u></b>				
Accounts Payable	36,246	250	-	36,496
Accrued Salaries Payable	115,399	-	-	115,399
Unearned Grant Payments	<u>57,105</u>	<u>-</u>	<u>-</u>	<u>57,105</u>
<b><u>Total Liabilities</u></b>	<b><u>208,750</u></b>	<b><u>250</u></b>	<b><u>-</u></b>	<b><u>209,000</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	<u>59,495</u>	<u>40,579</u>	<u>-</u>	<u>100,074</u>
<b><u>FUND BALANCES:</u></b>				
<b>Nonspendable:</b>				
Inventories	-	-	1,968	1,968
<b>Restricted for:</b>				
TABOR (Emergencies)	82,500	-	-	82,500
Preschool	33,587	-	-	33,587
BEST Reserve	-	-	38,130	38,130
Debt Service	-	572,422	-	572,422
Food Services	-	-	19,830	19,830
<b>Committed:</b>				
Capital Outlay	-	-	198,696	198,696
Unassigned	<u>1,811,751</u>	<u>-</u>	<u>-</u>	<u>1,811,751</u>
<b><u>Total Fund Balances</u></b>	<b><u>1,927,838</u></b>	<b><u>572,422</u></b>	<b><u>258,624</u></b>	<b><u>2,758,884</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<b><u>2,196,083</u></b>	<b><u>613,251</u></b>	<b><u>258,624</u></b>	<b><u>3,067,958</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
June 30, 2019**

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<b>GOVERNMENTAL FUNDS TOTAL FUND BALANCE</b>	<b>2,758,884</b>
<b>Deferred Property Tax Revenue-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.</b>	<b>100,074</b>
<b>Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.</b>	<b>19,667,734</b>
<b>Accumulated Depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.</b>	<b>(2,060,114)</b>
<b>Accrued interest payable is not considered current financial resources and, therefore, not reported in the governmental funds.</b>	<b>(14,542)</b>
<b>Long-Term Liabilities for general obligation debt and compensated absences are not due and payable in the current period and, therefore, not reported in the funds:</b>	
<b>General Obligation Bond</b>	<b>(4,206,539)</b>
<b>Compensated Absences</b>	<b><u>(26,823)</u></b>
	<b>(4,233,362)</b>
<b>Net pension liability, along with associated deferred flow, are not recorded at the fund level:</b>	
<b>Net Pension Liability</b>	<b>(4,459,497)</b>
<b>Net Other Post Employment Benefits Liability</b>	<b>(217,990)</b>
<b>Deferred Outflows</b>	<b>1,829,355</b>
<b>Deferred Inflows</b>	<b><u>(3,356,395)</u></b>
<b><u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u></b>	<b><u>10,014,147</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Taxes	847,386	450,242	-	1,297,628
Intergovernmental	2,874,623	-	73,748	2,948,371
Local Grants	63,236	-	-	63,236
Interest	50,381	8,996	5,620	64,997
Other	247,611	-	10,299	257,910
Allocated Revenues	<u>(1,171,197)</u>	<u>-</u>	<u>-</u>	<u>(1,171,197)</u>
<b>Total Revenues</b>	<u>2,912,040</u>	<u>459,238</u>	<u>89,667</u>	<u>3,460,945</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	1,272,910	-	-	1,272,910
Student Support	162,225	-	-	162,225
Instructional Staff	70,600	-	-	70,600
General Administration	256,296	-	-	256,296
School Administration	155,904	-	-	155,904
Business Services	176,964	-	-	176,964
Operations & Maintenance	273,377	-	-	273,377
Student Transportation	186,544	-	-	186,544
Central Support	202,552	-	-	202,552
Food Services	-	-	143,452	143,452
Community Services	-	-	-	-
Capital Outlay	-	-	140,954	140,954
<b>Debt Service:</b>				
Principal Retirements	-	210,526	-	210,526
Interest and Fiscal Charges	-	<u>180,652</u>	-	<u>180,652</u>
<b>Total Expenditures</b>	<u>2,757,372</u>	<u>391,178</u>	<u>284,406</u>	<u>3,432,956</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>154,668</u>	<u>68,060</u>	<u>(194,739)</u>	<u>27,989</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In (Out)	<u>(156,005)</u>	<u>-</u>	<u>156,005</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(156,005)</u>	<u>-</u>	<u>156,005</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,337)	68,060	(38,734)	27,989
<b>FUND BALANCES, Beginning</b>	<u>1,929,175</u>	<u>504,362</u>	<u>297,358</u>	<u>2,730,895</u>
<b>FUND BALANCES, Ending</b>	<u>1,927,838</u>	<u>572,422</u>	<u>258,624</u>	<u>2,758,884</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

**GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES** **27,989**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.

<b>Current Capital Outlay</b>	<b>121,042</b>	
<b>Less Net Disposition Of Capital Assets</b>	<b>_____</b>	<b>121,042</b>

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrued in the statement of activities regardless of when it is due. The net effect of these differences follows:

<b>Repayment of Debt Principal</b>	<b>210,526</b>	
<b>Interest Expense</b>	<b>_____725</b>	<b>211,251</b>

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, the adjustment to these expenses are not reported as expenditures in governmental funds. **1,767**

Deferred Property Tax Inflows-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. **18,389**

Governmental Funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

**Current Depreciation Expense** **(605,720)**

The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:

<b>Pension Cost</b>		<b>383,029</b>
<b>Other Post Employment Benefit Cost</b>		<b><u>(75,918)</u></b>

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** **81,829**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND - AGENCY**  
**June 30, 2019**

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	<u>Student Activity Fund</u>
<b><u>ASSETS</u></b>	
Cash	<u>22,243</u>
<b><u>LIABILITIES</u></b>	
Accounts Payable	-
Deposits Held for Others	<u>22,243</u>
<u>Total Liabilities</u>	<u>22,243</u>
<b><u>NET POSITION</u></b>	
Held in Trust for Others	<u>    -</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Moffat Consolidated School District No. 2 of Saguache County was reorganized by a vote of qualified electorate in 1961, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 202 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Moffat Consolidated School District No. 2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

**A. Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The discretely presented component units are reported in separate column in the government-wide financial statements to emphasize that they are legally separate from the District.

**Discretely Presented Component Unit – Crestone Charter School**

The District's charter school is the Crestone Charter School. Charter schools are public schools authorized by the State of Colorado to provide alternatives for parents, pupils, and teachers. The schools have separate governing boards but are fiscally dependent on the District for the majority of funding and their exclusion would render the District's financial statements incomplete. Charter schools are considered non-major component units for external financial reporting purposes. The Crestone Charter School does issue separate financial statements.

This District is not included in any other governmental "reporting entity" as defined GASB No. 14 (as amended by Statement No. 34, No. 39 and No. 61) and other than Crestone Charter School, does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B.      Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Bond Redemption Debt Service Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

**C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available to collect within 60 days after year-end.

Property taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C.    Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

*Fiduciary funds* are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the Districts own programs.

**D.    Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- **Major Governmental Funds**
  1. **General Fund** – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. **Bond Redemption Debt Service Fund** – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D.    Fund Accounting (Continued)**

- **Trust and Agency Funds** – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District’s own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.
  1. **Student Activity Fund** – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

**E.    Cash and Investments**

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**F.    Receivables**

Property taxes levied in 2018 but uncollected in 2019 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2019 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**G.    Inventories**

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H.    Capital Assets**

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation as recorded in the year of disposition.

**I.    Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects Fund.

**J.    Constitutional Amendment**

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

On November 4, 1997 the registered voters approved a ballot resolution authorizing Moffat Consolidated School District No. 2 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J.      Constitutional Amendment (Continued)**

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2019, the District reserved \$82,500 and the Charter School reserved \$40,139 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

**K.      Property Taxes**

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2018 property tax calendar for Saguache County was as follows:

Levy Date	December 22, 2018
Lien Date	January 1, 2019
Tax Bills Mailed	January 1, 2019
First Installment Due	February 28, 2019
Second Installment Due	June 15, 2019
If Paid in Full, Due	April 30, 2019

**L.      Compensated Absences**

Changes in Compensated Absences payable for the year ended June 30, 2019, were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
	<u>7/1/2018</u>			<u>6/30/2019</u>
Discretionary Payable	8,993	-	4,731	4,262
Sick Leave Payable	<u>19,597</u>	<u>2,964</u>	<u>-</u>	<u>22,561</u>
Total	<u>28,590</u>	<u>2,964</u>	<u>4,731</u>	<u>26,823</u>

**M.      Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N.    Interest Expense**

All interest expense has been reported as unallocated in the Government-wide financial statements.

**O.    GASB Statement No. 54**

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

**Fund Balance Classification Policies and Procedures**

**Committed Fund Balance Policy:**

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

**Fund Balance Classification Policies and Procedures (Continued)**

**Assigned Fund Balance Policy:**

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 1**     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O.     GASB Statement No. 54 (Continued)**

**Order of Fund Balance Spending Policy**

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

**Fund Balance Classification by Fund:**

	<u>General Fund</u>	<u>Food Services Special Revenue Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>					
Inventories	-	1,968	-	-	1,968
Prepaid Expenses	-	-	-	-	-
<b>Restricted:</b>					
Emergencies	82,500	-	-	-	82,500
Preschool	33,587	-	-	-	33,587
Debt Service	-	-	572,422	-	572,422
Food Service	-	19,830	-	-	19,830
BEST Reserve	-	-	-	38,130	38,130
<b>Committed:</b>					
Capital Outlay	-	-	-	198,696	198,696
<b>Unassigned:</b>	<u>1,811,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,811,751</u>
<b>Total Fund Balances</b>	<u>1,927,838</u>	<u>21,798</u>	<u>572,422</u>	<u>236,826</u>	<u>2,758,884</u>

**P.     Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 2**      **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities. The items which were eliminated are as follows:

Governmental Funds – Interfund Receivables / Payables	-
Governmental Funds – Interfund Transfers	\$156,005

**NOTE 3**      **BUDGETARY INFORMATION**

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Trust and Agency Funds.
6. Budgets for the General, Special Revenue, Debt Service, Capital Projects Funds, and Trust and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 3**      **BUDGETARY INFORMATION (Continued)**

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

**NOTE 4**      **CASH AND INVESTMENTS**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

At June 30, 2019, the District's bank balance and corresponding carrying balance were as follows:

	<u>District</u>	
	<u>Carrying</u>	<u>Bank</u>
	<u>Balance</u>	<u>Balance</u>
Insured (FDIC)	87,733	214,153
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	-	-
Cash with County Treasurer	72,842	-
Cash Equivalents	496,386	496,386
Cash on Hand	273	-
<b><u>Total Cash and Deposits</u></b>	<b><u>657,234</u></b>	<b><u>710,539</u></b>

As presented above, deposits with a bank balance of \$-0- and a carrying balance of \$-0- are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 4**     **CASH AND INVESTMENTS (Continued)**

**Investments**

At June 30, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Value</u>	<u>Credit Risk Rating</u>
COLOTRUST Plus External Investment Pool	44 Day Average	<u>2,206,965</u>	AAA

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

**Credit Risk** – State Law limits the type of investments allowable. The investment of COLOTRUST Plus is rated AAA by Standard and Poor's.

**Concentration of Credit Risk** – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2019:

- **COLOTRUST** – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 5**      **CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Governmental Activities - District**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b><u>Non Depreciable Assets:</u></b>				
Land	11,906	-	-	11,906
Construction In Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Non Depreciable Assets</b>	<u>11,906</u>	<u>-</u>	<u>-</u>	<u>11,906</u>
<b><u>Depreciable Assets:</u></b>				
Buildings & Site Improvements	18,249,631	-	-	18,249,631
Equipment & Vehicles	<u>1,285,155</u>	<u>121,042</u>	<u>-</u>	<u>1,406,197</u>
<b>Total Depreciable Assets</b>	<u>19,534,786</u>	<u>121,042</u>	<u>-</u>	<u>19,655,828</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
Building & Site Improvements	814,080	491,021	-	1,305,101
Equipment & Vehicles	<u>640,314</u>	<u>114,699</u>	<u>-</u>	<u>755,013</u>
<b>Total Accumulated</b>	<u>1,454,394</u>	<u>605,720</u>	<u>-</u>	<u>2,060,114</u>
<b><u>Depreciation</u></b>	<u>1,454,394</u>	<u>605,720</u>	<u>-</u>	<u>2,060,114</u>
<b>Total Capital Assets, Net</b>	<u>18,092,298</u>	<u>(484,678)</u>	<u>-</u>	<u>17,607,620</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

Instruction	533,830
Operations and Maintenance	14,174
Transportation	26,285
Central Support	541
Food Services	<u>30,890</u>
<b>Total Depreciation Expense – Governmental Activities</b>	<u>605,720</u>



MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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**NOTE 7**

**PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

**Pensions.** Moffat Consolidated School District No. 2 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.

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](http://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 nonemployer 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.
- 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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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**NOTE 7**      **PENSION PLAN (Continued)**

**General Information about the Pension Plan**

**Plan description.** Eligible employees of the Moffat Consolidated School District No. 2 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](http://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.

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 7**      **PENSION PLAN (Continued)**

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 SB18-200, 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.

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.

*Contribution provisions as of June 30, 2019.* Eligible employees, Moffat Consolidated School District No. 2 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.

	July 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).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 7**      **PENSION PLAN (Continued)**

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 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 nonemployer 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 Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Moffat Consolidated School District No. 2 were \$281,580 for the year ended June 30, 2019.

**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 Moffat Consolidated School District No. 2 proportion of the net pension liability was based on Moffat Consolidated School District No. 2 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the Moffat Consolidated School District No. 2 reported a liability of \$4,459,497 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Moffat Consolidated School District No. 2 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Moffat Consolidated School District No. 2 were as follows:

Moffat Consolidated School District No. 2 proportionate share of the net pension liability	\$ 4,459,497
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Moffat Consolidated School District No. 2	\$ 609,774
Total	\$ 5,069,271

At December 31, 2018, the Moffat Consolidated School District No. 2 proportion was 0.0252 percent, which was a decrease of 0.0005 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Moffat Consolidated School District No. 2 recognized pension income of \$383,029 and revenue of \$34,596 for support from the State as a nonemployer contributing entity. At June 30, 2019, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 7**      **PENSION PLAN (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	151,271	-
Changes of assumptions or other inputs	832,385	(2,773,328)
Net difference between projected and actual earnings on pension plan investments	604,021	(360,950)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	74,694	(165,824)
Contributions subsequent to the measurement date	148,272	N/A
<b>Total</b>	<b>1,810,643</b>	<b>(3,300,102)</b>

\$148,272 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,	
2020	(228,364)
2021	(911,246)
2022	(631,066)
2023	132,945
2024	-
Thereafter	-

*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:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
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 structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
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**NOTE 7**      **PENSION PLAN (Continued)**

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 percent
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 structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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.

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 7**      **PENSION PLAN (Continued)**

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

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

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

*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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 7**      **PENSION PLAN (Continued)**

- 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.

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 Moffat Consolidated School District No. 2 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 liability	5,669,488	4,459,497	3,444,111

*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](http://www.copera.org/investments/pera-financial-reports).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 7**

**PENSION PLAN (Continued)**

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

***Plan Description*** – Employees of the Moffat Consolidated School District No. 2 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 which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://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. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019, program members contributed \$4,750.

**NOTE 8**

**OTHER POST EMPLOYMENT BENEFITS**

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

***OPEB.*** Moffat Consolidated School District No. 2 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 Moffat Consolidated School District No. 2 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](http://www.copera.org/investments/pera-financial-reports).

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
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**NOTE 8**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

*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.

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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

**NOTE 8**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

*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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Moffat Consolidated School District No. 2 were \$15,013 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 Moffat Consolidated School District No. 2 reported a liability of \$217,990 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 Moffat Consolidated School District No. 2 proportion of the net OPEB liability was based on Moffat Consolidated School District No. 2 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 Moffat Consolidated School District No. 2 proportion was 0.0160 percent, which was an increase of 0.0014 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Moffat Consolidated School District No. 2 recognized OPEB expense of \$75,918. At June 30, 2019, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	791	(332)
Changes of assumptions or other inputs	1,529	-
Net difference between projected and actual earnings on OPEB plan investments	3,866	(2,613)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,620	(53,348)
Contributions subsequent to the measurement date	7,906	N/A
Total	18,712	(56,293)

\$7,906 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:

Year ended June 30,	
2020	(8,931)
2021	(8,929)
2022	(8,930)
2023	(8,057)
2024	(10,226)
Thereafter	(414)

*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 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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.

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 8**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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:

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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.**

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:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2019

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

*Sensitivity of the Moffat Consolidated School District No. 2 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	211,970	217,990	224,913

*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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

- 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.

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 Moffat Consolidated School District No. 2 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	243,912	217,990	195,829

*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](http://www.copera.org/investments/pera-financial-reports).

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 9**      **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The district participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The district does not maintain an equity interest in the self-insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District continues to carry commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**NOTE 10**      **INTERFUND BALANCES AND TRANSFERS**

<u>TRANSFERS</u>	<u>Transfer</u>	<u>Transfer</u>	<u>Interfund</u>	<u>Interfund</u>
<u>Major Governmental Fund</u>	<u>In</u>	<u>Out</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	-	156,005	-	-
<u>NonMajor Governmental</u>				
<u>Funds</u>	<u>156,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>156,005</u>	<u>156,005</u>	<u>-</u>	<u>-</u>

Transfers were made for the purpose of assisting fund operations.

Interfund payables will be repaid within one year.

**NOTE 11**      **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 11    COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)**

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2019.

An audited summary of the Colorado School District's Pool financial information at June 30, 2018 and for the year then ended (latest information available) follows:

Total Assets	<u>44,237,852</u>
Total Liabilities	<u>16,614,537</u>
Total Equity	<u>27,623,315</u>
Revenue	15,844,221
Underwriting Expenses	<u>19,487,647</u>
Underwriting Gain (Loss)	(3,643,426)
Net Investment Income	517,310
Other Income	-
Net Income (Loss) Before Dividend	<u>(3,126,116)</u>
Dividend	-
Net Income (Loss)	<u>(3,126,116)</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>130,742</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>27,623,315</u>

**NOTE 12    LITIGATION**

None.

**NOTE 13    SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

**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 by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

**NOTE 14    JOINT VENTURES**

**San Luis Valley Board of Cooperative Educational Services**

Not reflected in the accompanying financial statements is the District's participation in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

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**NOTE 14**    **JOINT VENTURES (Continued)**

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2019. The joint venture summary audited financial information as of June 30, 2017 is as follows:

Assets and Deferred Outflows	<u>8,251,135</u>
Liabilities and Deferred Inflows	21,186,629
Net Position	<u>(12,935,494)</u>
	<u>8,251,135</u>
Revenues	5,006,034
Expenses	<u>7,799,939</u>
Change in Net Position	<u>(2,793,905)</u>

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S.

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

A report may be obtained by contacting San Luis Valley BOCES, P.O. Box 1198, Alamosa, CO 81101.

**NOTE 15**    **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, at June 30, 2019 are estimated to be \$115,399. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISONS**

**PENSION TREND DATA**

**OTHER POST EMPLOYMENT BENEFIT  
TREND DATA**

## MAJOR GOVERNMENTAL FUNDS

### General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2019**

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>Final Budget-</u>
			<u>Favorable</u>
			<u>(Unfavorable)</u>
<u>Local Sources</u>			
Property Taxes	638,550	654,107	15,557
Specific Ownership Taxes	150,000	184,123	34,123
Delinquent Taxes & Interest	5,000	9,156	4,156
Earnings on Investments	25,180	50,381	25,201
BOCES Pass Thru Grant	11,428	11,210	(218)
E-Rate	7,000	6,536	(464)
Charter School Purchased Services	210,000	208,314	(1,686)
Local Grants	70,938	52,026	(18,912)
Other Local Sources	45,094	32,761	(12,333)
<u>County Sources</u>			
Mineral Leasing	43	43	-
<u>State Sources</u>			
Equalization	2,360,614	2,465,609	104,995
Transportation	35,830	36,693	863
ELPA	5,838	2,722	(3,116)
Small Rural School Supplemental	51,062	51,062	-
EARSS Grant	99,189	92,240	(6,949)
READ Act Grant	4,174	4,174	-
Library Grant	3,500	3,500	-
BOCES Pass Thru Grant – G&T	1,232	707	(525)
Direct Distribution Payment	-	34,596	34,596
Other	1,400	1,539	139
<u>Federal Sources</u>			
Title I	100,368	94,499	(5,869)
Title II-A	9,807	3,327	(6,480)
Title IV Part A	16,053	14,602	(1,451)
REAP Grant	25,337	25,337	-
Forest Service	-	43,370	43,370
Farm to School	603	603	-
<u>Allocation to Crestone Charter School</u>	<u>(1,150,000)</u>	<u>(1,171,197)</u>	<u>(21,197)</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>2,728,240</u></b>	<b><u>2,912,040</u></b>	<b><u>183,800</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amount</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>	<b><u>1,305,593</u></b>	<b><u>1,272,910</u></b>	<b><u>32,683</u></b>
<b><u>Supporting Services:</u></b>			
Students	190,137	162,225	27,912
Instructional Staff	81,818	70,600	11,218
General Administration	282,204	256,296	25,908
School Administration	153,730	155,904	(2,174)
Business Services	170,768	176,964	(6,196)
Operations and Maintenance	306,182	273,377	32,805
Student Transportation	181,131	186,544	(5,413)
Central Support	203,717	202,552	1,165
Facilities	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<u>Total Supporting Services</u>	<u>1,572,687</u>	<u>1,484,462</u>	<u>88,225</u>
 <b><u>Appropriated Reserves</u></b>	 <b><u>1,609,135</u></b>	 <b><u>-</u></b>	 <b><u>1,609,135</u></b>
 <b><u>TOTAL EXPENDITURES</u></b>	 <b><u>4,487,415</u></b>	 <b><u>2,757,372</u></b>	 <b><u>1,730,043</u></b>
 <b><u>Revenue Over (Under) Expenditures</u></b>	 <b><u>(1,759,175)</u></b>	 <b><u>154,668</u></b>	
 <b><u>Other Financing Sources (Uses)</u></b>			
Transfers (Out)	<u>(170,000)</u>	<u>(156,005)</u>	<u>13,995</u>
<u>Total Other Financing</u> <u>Sources (Uses)</u>	<u>(170,000)</u>	<u>(156,005)</u>	<u>13,995</u>
 <b><u>Revenues and Other Financing</u></b> <b><u>Sources Over (Under) Expenditures</u></b> <b><u>and Other Uses</u></b>	 <b><u>(1,929,175)</u></b>	 <b><u>(1,337)</u></b>	
 <b><u>FUND BALANCE, Beginning</u></b>	 <b><u>1,929,175</u></b>	 <b><u>1,929,175</u></b>	
 <b><u>FUND BALANCE, Ending</u></b>	 <b><u>-</u></b>	 <b><u>1,927,838</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
District's proportion of the net pension liability (asset)	0.0252%	0.0257%	0.0248%	0.0232%	0.0254%	0.0269%	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$4,459,497	\$8,317,594	\$7,373,564	\$3,542,767	\$3,447,583	\$3,428,203	-	-	-	-
District's covered payroll	\$1,471,900	\$1,205,004	\$1,159,942	\$1,008,697	\$1,058,958	\$1,093,473	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	302%	690%	636%	351%	326%	314%	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.2%	62.80%	64.06%	-	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contributions	\$ 281,580	\$ 227,614	\$ 216,291	\$ 178,711	\$ 179,229	\$ 174,854	\$ 162,336	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (281,580)</u>	<u>\$ (227,614)</u>	<u>\$ (216,291)</u>	<u>\$ (178,711)</u>	<u>\$ (179,229)</u>	<u>\$ (174,854)</u>	<u>\$ (162,336)</u>	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
District's covered payroll	\$1,471,900	\$1,205,004	\$1,159,942	\$1,008,697	\$1,058,958	\$1,093,473	\$1,073,797	-	-	-
Contributions as a percentage of covered payroll	19.13%	18.89%	18.64%	17.72%	16.93%	15.99%	15.12%	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
District's proportion of the net OPEB liability (asset)	0.0160%	0.0146%	0.0140%	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$217,990	\$189,938	\$182,079	-	-	-	-	-	-	-
District's covered payroll	\$1,471,900	\$1,205,004	\$1,159,942	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.81%	15.76%	15.70%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%	-	-	-	-	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contributions	\$ 15,013	\$ 12,291	\$ 11,831	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (15,013)</u>	<u>\$ (12,291)</u>	<u>\$ (11,831)</u>	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
District's covered payroll	\$1,471,900	\$1,205,004	\$1,159,942	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	-	-	-	-	-	-	-

The above amounts are for the Primary Government only and do not include amounts for the component unit.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES**

**Bond Redemption Debt Service Fund**

**Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.**

**NON MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Fund**

**Food Service Fund – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.**

**Capital Projects Fund**

**Capital Reserve Capital Projects Fund – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.**

**Building Fund – used to account for the acquisition and construction of major capital facilities funded by the sale of general obligation bonds and other revenues.**

**Fiduciary Fund**

**Agency Fund**

**Pupil Activity – this fund is used to account for assets held for various clubs and organizations.**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**BOND REDEMPTION DEBT SERVICE FUND**  
**For the Year Ended June 30, 2019**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Property Taxes	393,500	445,061	51,561
Delinquent Taxes	3,875	5,181	1,306
Earnings on Investments	3,300	8,996	5,696
<b><u>Total Revenues</u></b>	<b><u>400,675</u></b>	<b><u>459,238</u></b>	<b><u>58,563</u></b>
<b><u>EXPENDITURES:</u></b>			
Principal Expense	210,527	210,526	1
Interest Expense	178,127	178,852	(725)
Other Expense	2,100	1,800	300
Appropriated Reserve	514,283	-	514,283
<b><u>Total Expenditures</u></b>	<b><u>905,037</u></b>	<b><u>391,178</u></b>	<b><u>513,859</u></b>
<b><u>Revenues Over (Under) Expenditures</u></b>	<b><u>(504,362)</u></b>	<b><u>68,060</u></b>	
<b><u>Fund Balances, Beginning</u></b>	<b><u>504,362</u></b>	<b><u>504,362</u></b>	
<b><u>Fund Balances, Ending</u></b>	<b><u>-</u></b>	<b><u>572,422</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2019**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Total Non-Major Governmental Funds</u>
	Food Service	Capital Reserve	Building	
<b><u>ASSETS</u></b>				
Cash	19,830	2,591	-	22,421
Investments	-	234,235	-	234,235
Accounts Receivable	-	-	-	-
Inventories	1,968	-	-	1,968
Due From Other Funds	-	-	-	-
<b><u>Total Assets</u></b>	<b><u>21,798</u></b>	<b><u>236,826</u></b>	<b><u>-</u></b>	<b><u>258,624</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>Liabilities</u></b>				
Accounts Payable	-	-	-	-
Unearned Grant Payments	-	-	-	-
Due To Other Funds	-	-	-	-
<b><u>Total Liabilities</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Fund Balances</u></b>				
<b>Nonspendable:</b>				
Inventories	1,968	-	-	1,968
<b>Restricted:</b>				
BEST Reserve	-	38,130	-	38,130
Food Services	19,830	-	-	19,830
<b>Committed:</b>				
Capital Outlay	-	198,696	-	198,696
Unassigned	-	-	-	-
<b><u>Total Fund Balances</u></b>	<b><u>21,798</u></b>	<b><u>236,826</u></b>	<b><u>-</u></b>	<b><u>258,624</u></b>
<b><u>TOTAL LIABILITIES &amp; FUND BALANCES</u></b>				
	<b><u>21,798</u></b>	<b><u>236,826</u></b>	<b><u>-</u></b>	<b><u>258,624</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Capital Reserve</u>	<u>Building</u>	
<b><u>REVENUES</u></b>				
Local Sources	10,347	5,572	-	15,919
State Sources	629	-	609	1,238
Federal Sources	<u>72,510</u>	<u>-</u>	<u>-</u>	<u>72,510</u>
<b><u>Total Revenues</u></b>	<u>83,486</u>	<u>5,572</u>	<u>609</u>	<u>89,667</u>
<b><u>EXPENDITURES</u></b>				
Food Services	143,452	-	-	143,452
Capital Outlay	<u>-</u>	<u>140,345</u>	<u>609</u>	<u>140,954</u>
<b><u>Total Expenditures</u></b>	<u>143,452</u>	<u>140,345</u>	<u>609</u>	<u>284,406</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(59,966)</u>	<u>(134,773)</u>	<u>-</u>	<u>(194,739)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In (Out)	<u>56,005</u>	<u>100,000</u>	<u>-</u>	<u>156,005</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<u>56,005</u>	<u>100,000</u>	<u>-</u>	<u>156,005</u>
<b><u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u></b>				
	<u>(3,961)</u>	<u>(34,773)</u>	<u>-</u>	<u>(38,734)</u>
<b><u>FUND BALANCES, Beginning</u></b>	<u>25,759</u>	<u>271,599</u>	<u>-</u>	<u>297,358</u>
<b><u>FUND BALANCES, Ending</u></b>	<u>21,798</u>	<u>236,826</u>	<u>-</u>	<u>258,624</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOOD SERVICE – SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2019**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Food Sales	7,000	10,040	3,040
Interest Earnings	30	49	19
Other	258	258	-
<u>Total Local Sources</u>	<u>7,288</u>	<u>10,347</u>	<u>3,059</u>
<b><u>State Sources</u></b>			
State Match	490	629	139
<u>Total State Sources</u>	<u>490</u>	<u>629</u>	<u>139</u>
<b><u>Federal Sources</u></b>			
School Breakfast	22,000	22,704	704
School Lunches	46,000	49,806	3,806
<u>Total Federal Sources</u>	<u>68,000</u>	<u>72,510</u>	<u>4,510</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>75,778</u></b>	<b><u>83,486</u></b>	<b><u>7,708</u></b>
<b><u>EXPENDITURES</u></b>			
Salaries	53,076	58,666	(5,590)
Employee Benefits	22,792	20,261	2,531
Purchased Services – Professional	4,500	4,209	291
Purchased Services - Other	1,600	1,128	472
Supplies	7,000	3,782	3,218
Food and Milk	57,250	55,406	1,844
Appropriated Reserves	22,281	-	22,281
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>168,499</u></b>	<b><u>143,452</u></b>	<b><u>25,047</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(92,721)</u></b>	<b><u>(59,966)</u></b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating Transfers In	70,000	56,005	(13,995)
<b><u>REVENUES AND SOURCES OVER (UNDER)</u></b> <b><u>EXPENDITURES AND USES</u></b>	<b><u>(22,721)</u></b>	<b><u>(3,961)</u></b>	
<b><u>FUND BALANCE, Beginning</u></b>	<b><u>22,721</u></b>	<b><u>25,759</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b><u>-</u></b>	<b><u>21,798</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2019**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
Earnings on Investments	<u>4,050</u>	<u>5,572</u>	<u>1,522</u>
<u>Total Revenues</u>	<u>4,050</u>	<u>5,572</u>	<u>1,522</u>
<b><u>EXPENDITURES:</u></b>			
Building Improvements	100,000	-	100,000
Equipment	30,000	36,973	(6,973)
Transportation	100,000	103,372	(3,372)
Appropriated Reserve	<u>145,649</u>	-	<u>145,649</u>
<u>Total Expenditures</u>	<u>375,649</u>	<u>140,345</u>	<u>235,304</u>
<u>Revenues Over (Under) Expenditures</u>	(371,599)	(134,773)	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(271,599)	(34,773)	
<u>Fund Balance, Beginning</u>	<u>271,599</u>	<u>271,599</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>236,826</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**BUILDING– CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
State Source Best Grant	<u>609</u>	<u>609</u>	<u>—</u>
<b><u>Total Revenues</u></b>	<b><u>609</u></b>	<b><u>609</u></b>	<b><u>—</u></b>
<b><u>EXPENDITURES:</u></b>			
Equipment	<u>609</u>	<u>609</u>	<u>—</u>
<b><u>Total Expenditures</u></b>	<b><u>609</u></b>	<b><u>609</u></b>	<b><u>—</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	
<b><u>FUND BALANCE, Beginning</u></b>	<b><u>—</u></b>	<b><u>-</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b><u>—</u></b>	<b><u>-</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND – AGENCY**  
**For the Year Ended June 30, 2019**

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	<u>Balance</u>	<u>Moffat Agency Fund</u>		<u>Balance</u>
	<u>7-1-2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>6-30-2019</u>
<b><u>ASSETS</u></b>				
Cash and Investments	<u>23,877</u>	<u>26,359</u>	<u>27,993</u>	<u>22,243</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	-	-	-	-
Deposits Held for Others	<u>23,877</u>	<u>26,359</u>	<u>27,993</u>	<u>22,243</u>
<u>Total Liabilities</u>	<u>23,877</u>	<u>26,359</u>	<u>27,993</u>	<u>22,243</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF ADDITIONS AND DEDUCTIONS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FIDUCIARY FUND - AGENCY**  
**For the Year Ended June 30, 2019**

	<u>Moffat Student Activity Fund</u>		
	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>75,000</u>	<u>26,359</u>	<u>(48,641)</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>98,877</u>	<u>27,993</u>	<u>70,884</u>
<b><u>CHANGES IN DUE TO STUDENT GROUPS</u></b>	<u>(23,877)</u>	<u>(1,634)</u>	
<b><u>DUE TO STUDENT GROUPS, Beginning</u></b>	<u>23,877</u>	<u>23,877</u>	
<b><u>DUE TO STUDENT GROUPS, Ending</u></b>	<u>-</u>	<u>22,243</u>	

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

**CRESTONE CHARTER SCHOOL  
COMPONENT UNIT**

**General Fund – is used to fund a Charter School’s operation such as instruction, instructional support and ongoing facility cost. Revenues in addition to revenue allocations from the general fund, may include interest income, local revenue and grant receipts.**

**Capital Reserve Capital Projects Fund – is used to account for the construction and improvement of District buildings, including the acquisition of sites, equipment, and vehicles.**

**Pupil Activity Fund – is used to account for assets held for various clubs and organizations.**

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
 CRESTONE CHARTER SCHOOL  
 COMBINING BALANCE SHEET  
 June 30, 2019

	<u>Governmental Funds</u>			<u>Fiduciary</u>	
	<u>General</u>	<u>Capital</u>	<u>Total</u>	<u>Fund</u>	
	<u>Fund</u>	<u>Reserve</u>	<u>Governmental</u>	<u>Student</u>	<u>Total</u>
		<u>Projects</u>	<u>Fund</u>	<u>Activity</u>	
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>					
Cash	962,452	181,947	1,144,399	19,934	1,164,333
Accounts Receivable	<u>27,797</u>	-	<u>27,797</u>	-	<u>27,797</u>
<b><u>Total Assets</u></b>	<b><u>990,249</u></b>	<b><u>181,947</u></b>	<b><u>1,172,196</u></b>	<b><u>19,934</u></b>	<b><u>1,192,130</u></b>
<b><u>DEFERRED OUTFLOW</u></b>					
<b><u>OF RESOURCES</u></b>					
	-	-	-	-	-
<b><u>LIABILITIES</u></b>					
Accounts Payable	18,024	-	18,024	-	18,024
Accrued Salaries	54,339	-	54,339	-	54,339
Unearned Grant Payments	25,907	-	25,907	-	25,907
Due To Other Governments	37,920	-	37,920	-	37,920
Due To Others	-	-	-	<u>19,934</u>	<u>19,934</u>
<b><u>Total Liabilities</u></b>	<b><u>136,190</u></b>	<b><u>-</u></b>	<b><u>136,190</u></b>	<b><u>19,934</u></b>	<b><u>156,124</u></b>
<b><u>DEFERRED INFLOW</u></b>					
<b><u>OF RESOURCES</u></b>					
	-	-	-	-	-
<b><u>FUND BALANCES:</u></b>					
Restricted:					
TABOR (Emergencies)	40,139	-	40,139	-	40,139
BEST Reserve	-	180,000	180,000	-	180,000
Committed:					
Capital Outlay	-	1,947	1,947	-	1,947
Unassigned	<u>813,920</u>	-	<u>813,920</u>	-	<u>813,920</u>
<b><u>Total Fund Balances</u></b>	<b><u>854,059</u></b>	<b><u>181,947</u></b>	<b><u>1,036,006</u></b>	<b><u>-</u></b>	<b><u>1,036,006</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED</u></b>					
<b><u>INFLOWS, AND FUND BALANCES</u></b>					
	<b><u>990,249</u></b>	<b><u>181,947</u></b>	<b><u>1,172,196</u></b>	<b><u>19,934</u></b>	<b><u>1,192,130</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2019**

	<u>Governmental Funds</u>			<u>Fiduciary Fund</u> <u>Student Activity Fund</u>
	<u>General Fund</u>	<u>Capital Reserve</u> <u>Capital Projects Fund</u>	<u>Total Governmental Fund</u>	
<b><u>REVENUES</u></b>				
Local Sources	47,238	343	47,581	19,963
State Sources	134,697	-	134,697	-
Federal Sources	87,256	-	87,256	-
Allocation from Moffat School	1,171,197	-	1,171,197	-
<b><u>TOTAL REVENUES</u></b>	<b><u>1,440,388</u></b>	<b><u>343</u></b>	<b><u>1,440,731</u></b>	<b><u>19,963</u></b>
<b><u>EXPENDITURES</u></b>				
Instruction	625,885	-	625,885	-
Support Services:				
Student Support	96,984	-	96,984	-
Instructional Staff	2,736	-	2,736	-
General Administration	208,314	-	208,314	-
School Administration	196,991	-	196,991	-
Operations & Maintenance	94,757	-	94,757	-
Student Transportation	19,595	-	19,595	-
Central Support	51,803	-	51,803	-
Facilities	6,790	-	6,790	-
Student Activity	-	-	-	13,557
<u>Total Support Services</u>	<u>677,970</u>	<u>-</u>	<u>677,970</u>	<u>13,557</u>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>1,303,855</u></b>	<b><u>-</u></b>	<b><u>1,303,855</u></b>	<b><u>13,557</u></b>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>136,533</u></b>	<b><u>343</u></b>	<b><u>136,876</u></b>	<b><u>6,406</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Sale of Capital Assets	3,855	-	3,855	-
Transfers In (Out)	(30,000)	30,000	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(26,145)</u>	<u>30,000</u>	<u>3,855</u>	<u>-</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u></b>	<b><u>110,388</u></b>	<b><u>30,343</u></b>	<b><u>140,731</u></b>	<b><u>6,406</u></b>
<b><u>FUND BALANCE, Beginning</u></b>	<b><u>743,671</u></b>	<b><u>151,604</u></b>	<b><u>895,275</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCE, Ending</u></b>	<b><u>854,059</u></b>	<b><u>181,947</u></b>	<b><u>1,036,006</u></b>	<b><u>-</u></b>
<b><u>DUE TO OTHERS, Beginning</u></b>				<b><u>13,528</u></b>
<b><u>DUE TO OTHERS, Ending</u></b>				<b><u>19,934</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
CRESTONE CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Earnings on Investments	550	2,021	1,471
Local Grants	25,942	16,397	(9,545)
Other Local Sources	26,480	28,820	2,340
<u>Total Local Sources</u>	<u>52,972</u>	<u>47,238</u>	<u>(5,734)</u>
<b><u>State Sources</u></b>			
State Capital Construction Grant	23,054	20,323	(2,731)
Read Act	8,842	8,842	-
Gifted and Talented BOCES	-	3,092	3,092
Small Rural School Grant	30,430	30,429	(1)
EARSS Grant	53,016	46,551	(6,465)
Direct Distribution Payment	-	13,454	13,454
State At Risk Supplemental	15,000	12,006	(2,994)
<u>Total State Sources</u>	<u>130,342</u>	<u>134,697</u>	<u>4,355</u>
<b><u>Federal Source</u></b>			
Title I A Grant	34,900	36,643	1,743
Title IV Part A Grant	2,260	1,668	(592)
REAP Grant	17,571	17,571	-
Forest Reserve	-	24,833	24,833
Title II-A	6,919	6,541	(378)
<u>Total Federal Sources</u>	<u>61,650</u>	<u>87,256</u>	<u>25,606</u>
<u>Allocation from Moffat School</u>	<u>1,099,000</u>	<u>1,171,197</u>	<u>72,197</u>
<u>Total Revenues</u>	<u>1,343,964</u>	<u>1,440,388</u>	<u>96,424</u>
<b><u>EXPENDITURES</u></b>			
<u>Instruction</u>	<u>652,982</u>	<u>625,885</u>	<u>27,097</u>
<b><u>Supporting Services:</u></b>			
Student Support	87,916	96,984	(9,068)
Instructional Staff	9,719	2,736	6,983
General Administration	224,850	208,314	16,536
School Administration	187,588	196,991	(9,403)
Operations and Maintenance	57,476	94,757	(37,281)
Student Transportation	19,862	19,595	267
Central Support	50,594	51,803	(1,209)
Facilities	21,660	6,790	14,870
<u>Total Support Services</u>	<u>659,665</u>	<u>677,970</u>	<u>(18,305)</u>
<u>Appropriated Reserves</u>	<u>744,988</u>	<u>-</u>	<u>744,988</u>
<u>Total Expenditures</u>	<u>2,057,635</u>	<u>1,303,855</u>	<u>753,780</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>Revenues Over (Under) Expenditures</u>	<u>(713,671)</u>	<u>136,533</u>	
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	-	3,855	3,855
Operating Transfers (Out)	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(30,000)</u>	<u>(26,145)</u>	<u>3,855</u>
<u>Revenues Over Expenditures and Other Financing Uses</u>	<u>(743,671)</u>	<u>110,388</u>	
<u>FUND BALANCE, Beginning</u>	<u>743,671</u>	<u>743,671</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>854,059</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<b><u>REVENUES:</u></b>			
Earnings on Investments	<u>120</u>	<u>343</u>	<u>223</u>
<u>Total Revenues</u>	<u>120</u>	<u>343</u>	<u>223</u>
<b><u>EXPENDITURES:</u></b>			
Appropriated Reserve	<u>181,729</u>	<u>-</u>	<u>181,729</u>
<u>Total Expenditures</u>	<u>181,729</u>	<u>-</u>	<u>181,729</u>
<u>Revenues Over (Under) Expenditures</u>	(181,609)	343	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(151,609)	30,343	
<u>FUND BALANCE, Beginning</u>	<u>151,609</u>	<u>151,604</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>181,947</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND – AGENCY**  
**For the Year Ended June 30, 2019**

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	<b>Balance</b>	<b>Crestone Agency Fund</b>		<b>Balance</b>
	<b><u>7-1-2018</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>6-30-2019</u></b>
<b><u>ASSETS</u></b>				
Cash and Investments	<b><u>13,528</u></b>	<b><u>19,963</u></b>	<b><u>13,557</u></b>	<b><u>19,934</u></b>
<b><u>LIABILITIES</u></b>				
Deposits Held for Others	<b><u>13,528</u></b>	<b><u>19,963</u></b>	<b><u>13,557</u></b>	<b><u>19,934</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF CHANGES IN ADDITIONS AND DEDUCTIONS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FIDUCIARY FUND – AGENCY**  
**For the Year Ended June 30, 2019**

	<u>Crestone Agency Funds</u>		<b>Variance with Final Budget- Favorable (Unfavorable)</b>
	<u>Budgeted Amounts Original &amp; Final</u>	<u>Actual</u>	
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>100,015</u>	<u>19,963</u>	<u>(80,052)</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>113,543</u>	<u>13,557</u>	<u>99,986</u>
<b><u>CHANGES IN DUE TO STUDENT GROUPS</u></b>	<u>(13,528)</u>	<u>6,406</u>	
<b><u>DUE TO STUDENT GROUPS, Beginning</u></b>	<u>13,528</u>	<u>13,528</u>	
<b><u>DUE TO STUDENT GROUPS, Ending</u></b>	<u>—</u>	<u>19,934</u>	

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

**STATE REQUIRED SCHEDULES**

**Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)**

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2800 - Moffat 2  
 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
<b>Governmental</b>							
01 General Fund	1,899,840		2,586,273		2,591,862		1,894,251
08 Riv. Mgmt. Sub-Fund of General Fund	0		0		0		0
09 Colorado Preceptor Program Fund	29,335		169,763		165,510		33,587
<b>Sub-Total</b>	<b>1,929,175</b>		<b>2,756,036</b>		<b>2,757,372</b>		<b>1,927,838</b>
11 Charter School Funds	743,671		1,414,243		1,303,855		854,059
2026-29 Special Revenue Fund	0		0		0		0
95 Supplemental Cap Const. Tech. Maint. Fund	0		0		0		0
31 Food Service Spec Revenue Fund	35,759		139,491		143,452		21,798
32 Govt Designated-Purpose Grants Fund	0		0		0		0
33 Pupil Activity Special Revenue Fund	0		0		0		0
34 Full Day Kindergarten Mill Levy Override	0		0		0		0
35 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	504,362		459,238		391,178		572,422
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		609		609		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	423,204		135,914		140,345		418,773
46 Supplemental Cap Const. Tech. Maint Fund	0		0		0		0
<b>Totals</b>	<b>3,223,571</b>		<b>4,585,617</b>		<b>4,736,812</b>		<b>3,794,590</b>
<b>Proprietary</b>							
56 Other Enterprise Funds	0		0		0		0
63-631 Risk-Related Activity Fund	0		0		0		0
60-60-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
76 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	37,405		46,322		41,550		42,177
75 GASB 34 Permanent Fund	0		0		0		0
55 Foundations	0		0		0		0
<b>Totals</b>	<b>37,405</b>		<b>46,322</b>		<b>41,550</b>		<b>42,177</b>
<b>Totals</b>	<b>3,260,976</b>		<b>4,631,939</b>		<b>4,778,362</b>		<b>3,836,767</b>
							<b>FINAL</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**

District 2800 - Moffat 2  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

ASSETS	Governmental					Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service 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)	1,978,399	967,452	37,673	0	0	19,830	496,386	418,773	0	0	0	42,177	0	3,955,689
Cash with Fiscal Agent (8105)	24,841	0	0	0	0	0	48,002	0	0	0	0	0	0	72,842
Taxes Receivable (8121,8122)	100,965	0	0	0	0	0	68,864	0	0	0	0	0	0	169,829
Interfund Loans Receivable (8131,8132)	52	0	0	0	0	0	0	0	0	0	0	0	0	52
Intergovernmental Accounts Rec (8141)	37,920	22,620	0	0	0	0	0	0	0	0	0	0	0	60,540
Grants Accounts Receivable (8142)	12,834	312	0	0	0	0	0	0	0	0	0	0	0	13,147
Other Receivables (8151-8154,8161)	3,451	4,865	0	0	0	0	0	0	0	0	0	0	0	8,316
Inventories (8171,8172,8173)	0	0	0	0	0	1,968	0	0	0	0	0	0	0	1,968
Prepaid Expenses 8181,8182	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,158,461</b>	<b>990,249</b>	<b>37,673</b>	<b>0</b>	<b>0</b>	<b>21,798</b>	<b>613,251</b>	<b>418,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,177</b>	<b>0</b>	<b>4,282,882</b>

	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
<b>LIABILITIES &amp; FUND EQUITY</b>														
<b>LIABILITIES</b>														
Interfund Payables (7401,7402)	0	0	52	0	0	0	0	0	0	0	0	0	0	52
Intergovernmental Payables (7411)	0	37,920	0	0	0	0	0	0	0	0	0	0	0	37,920
Other Payables (7421-7423)	36,246	18,024	0	0	0	250	0	0	0	0	0	0	0	54,520
Accrued Expenses (7461)	111,365	54,339	4,034	0	0	0	0	0	0	0	0	0	0	169,738
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	57,105	25,907	0	0	0	0	0	0	0	0	0	0	0	83,011
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	59,495	0	0	0	0	0	40,579	0	0	0	0	0	0	100,074
<b>Total Liabilities</b>	<b>264,211</b>	<b>136,190</b>	<b>4,086</b>	<b>0</b>	<b>0</b>	<b>40,829</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>445,315</b>

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-assignable Fund Balance 6710	0	0	0	0	0	1,968	0	0	0	0	0	0	0	0	1,968
Restricted Fund Balance 6720	0	0	0	0	0	19,630	572,422	0	0	0	0	0	0	0	592,252
TAPOR 3% Emergency Reserve 6721	82,500	40,139	0	0	0	0	0	0	0	0	0	0	0	0	122,639
TAPOR 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	33,587	0	0	0	0	0	0	0	0	0	0	0	33,587
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	218,130	0	0	0	0	0	0	218,130
Committed Fund Balance 6750	0	0	0	0	0	0	0	200,643	0	0	0	0	0	0	200,643
Assigned Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	1,811,751	813,920	0	0	0	0	0	0	0	0	0	0	0	0	2,667,847
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
<b>Total Fund Equity</b>	<b>1,894,251</b>	<b>854,059</b>	<b>33,587</b>	<b>0</b>	<b>0</b>	<b>21,798</b>	<b>572,422</b>	<b>418,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,177</b>	<b>0</b>	<b>3,837,067</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,158,461	990,249	37,673	0	0	21,798	613,251	418,773	0	0	0	0	42,177	0	4,282,382

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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