

2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020



Mesa County Valley School District 51

2115 Grand Ave., Grand Junction, Colorado 81506

<https://www.d51schools.org>

Mesa County Valley School District No. 51

2115 Grand Ave.
Grand Junction, Colorado 81501

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



Diana Sirko, Ph.D - Superintendent

Phil Onofrio, CPA - Chief Operations Officer

Prepared by:

District 51 Financial Services Department

District 51 ~ School Board Director Districts

President



Amy Davis



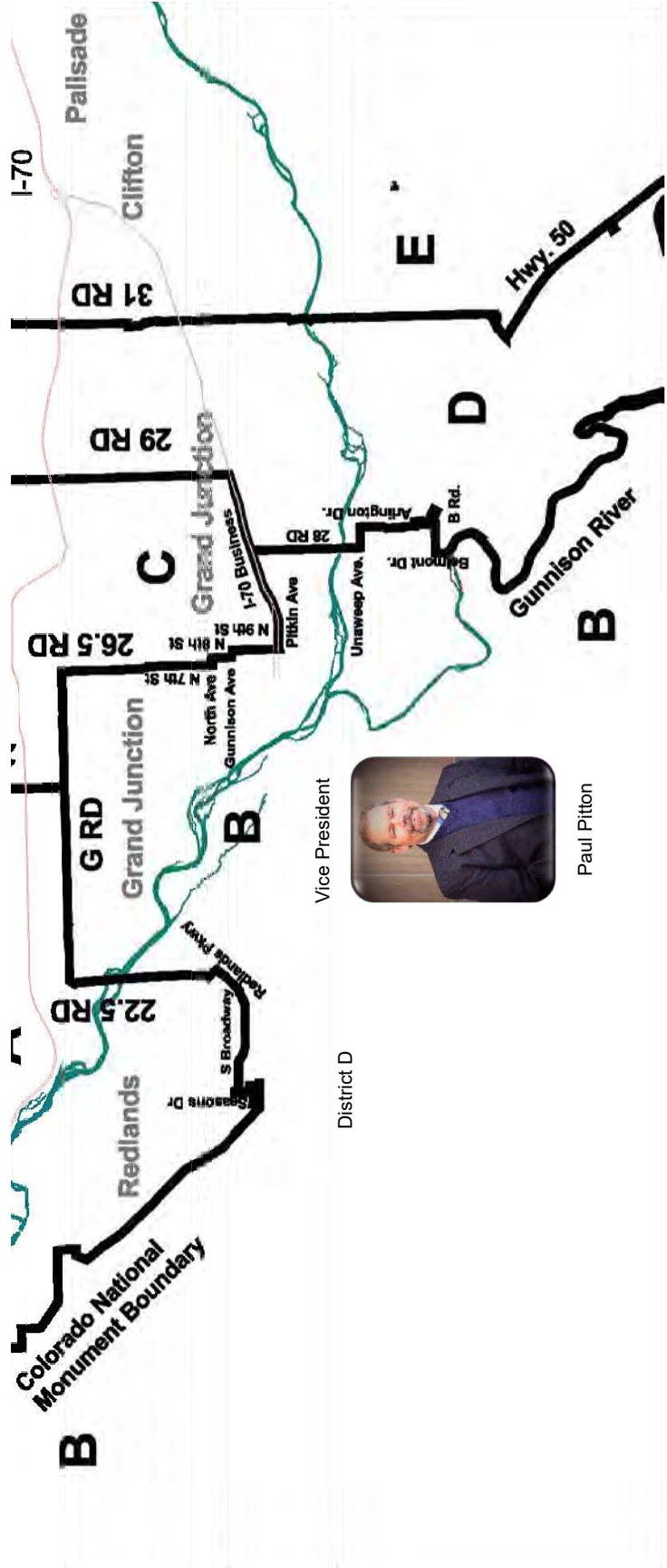
Tom Parrish



Trish Mahre



Doug Levinson



Vice President



Paul Pitton

District D

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Amelia Wimsatt, Kindergarten, Appleton Elem

INTRODUCTORY SECTION

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*Previous Image originally appeared in the Bank of Colorado Calendar contest.
Student: Amelia Wimsatt, Kindergarten, Appleton Elem*



December 10, 2020

To the President and Members of the Board of Education and the Citizens of Mesa County Valley School District No. 51:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Mesa County Valley School District No. 51 (the District) for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Chadwick, Steinkirchner, Davis, & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the specific rules and regulations of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District was formed in 1951 from a number of small, independent school districts in Mesa County, Colorado. The major purpose of the District is to provide K–12 public education for those who reside within the boundaries of the District, which cover about one-half of the county's land area, which is approximately 2,200 square miles, and about 95% of the County's population. To accomplish this purpose, the District operates twenty-four (24) elementary schools, eight (8) middle schools, one (1) 8/9 school, five (5) high schools, four (4) alternative schools and one (1) remote K-12 mountain school. The District is the largest employer in Mesa County, employing 2,639 full-time and 836 part-time and substitute employees during fiscal year 2020. The District served approximately 22,046 students during the 2019-20 school year.

The District is an independent district governed by a five-member Board of Education (the Board) whose members are elected by the qualified electors within the District's boundaries. Board members serve four year staggered terms, with two or three members elected every two years. General duties which the Board is empowered to perform include the power to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation; to fix attendance boundaries; to establish annual budgets; to determine the educational programs to be carried on in the schools of the District; and to prescribe the curriculum of any course of instruction or study in such educational programs. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

The annual budget serves as the foundation for the District's financial planning and control. Budgetary controls ensure compliance with legal requirements, Board of Education policies, and District administration guidelines. All activities of the District are budgeted, as required by state statute. Expenditures may not legally exceed appropriations at the fund level. Detailed line item records provide management the capability to monitor budgets for all funds. Budgetary control is also maintained through the use of an encumbrance/purchase order system for materials and capital purchases. Encumbrances outstanding at year end lapse, but are generally re-appropriated as a part of the following year's budget. A proposed budget must be presented to the Board of Education by May 31. The Board of Education makes final adjustments to the budget, and two budget hearings must be held prior to adoption of the budget and formal close of the District's fiscal year. The law allows a re-adoption to occur before January 31 of the fiscal year for which it was adopted, based on finalized student count. The board may authorize supplemental appropriations during the fiscal year in the event unforeseen revenue becomes available to the District.

The District and its Services

This report includes all of the activities of Mesa County Valley School District No. 51 (the Primary Government) as well as its component units. The District has entered into an agreement with three schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, as allowed under the Colorado Charter Schools Act. The charter schools are publicly funded schools through the District under the school finance act and under the general supervision of the local Board of Education. The schools meet the requirements under Governmental Accounting Standards to be presented as discrete component units.

The District 51 Foundation (Foundation) was organized in the fall of 2010, and is a nonprofit, tax-exempt corporation established for the purpose of attracting funding from business, industry and individuals to enhance educational programs and activities for students. The Foundation is not presented as part of the reporting entity for financial reporting purposes because the Foundation's financial operations are not considered to be significant in comparison to the District as a whole.

Local Factors Affecting Financial Condition

District Leadership. Dr. Diana Sirko, Ph.D. was named Superintendent of the Mesa County School District effective July 1, 2019, following her interim Superintendent term started on October 1, 2018. Diana is in her

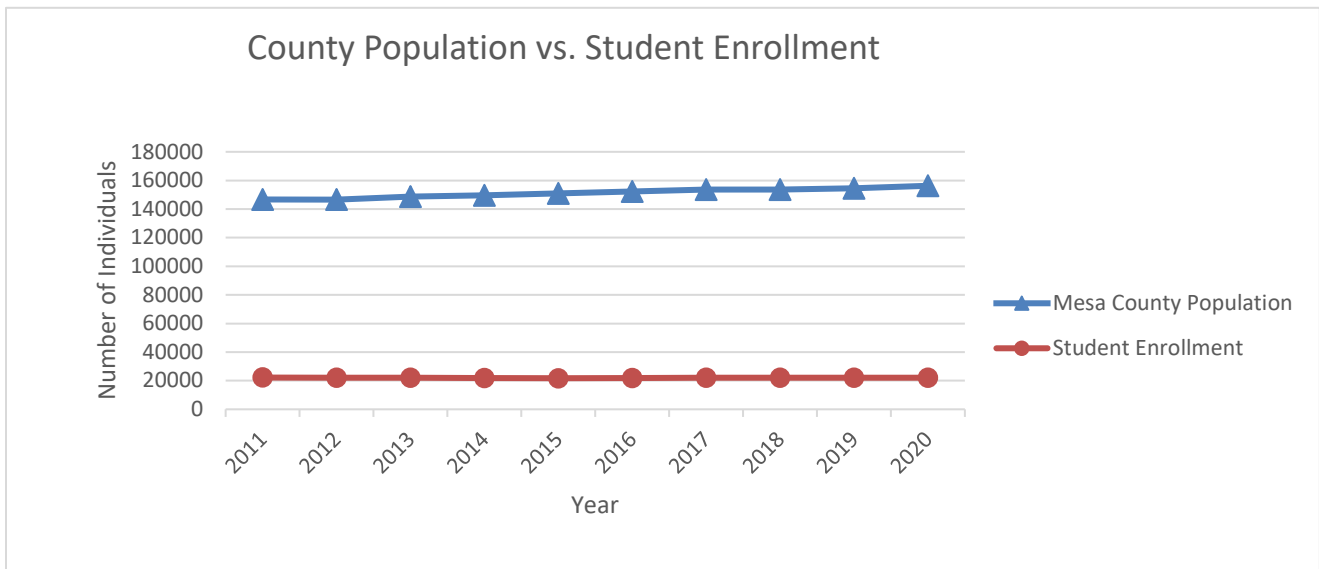
46th year as a Colorado educator. She has served as a teacher, principal, assistant superintendent, and superintendent and the Deputy Commissioner of Education in Colorado prior to her current role. Honors received by Dr. Sirko include Honorable Mention as Colorado Teacher of the Year, and nominations for Colorado Principal of the Year, two time nomination for Superintendent of the Year and winner of the Colbert Cushing Award from Colorado Association for School Executives for outstanding service to Colorado education.

Local Economy. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Population growth in Mesa County has been moderate over the last ten years. Mesa County’s population has grown from 146,723 in 2011 to 156,260 in 2020, or 6.5% for the period and 1.06% increase over the 2019 population projection. In 2010, for the first time in more than ten years, growth indicators were down. Beginning in 2013, Mesa County began seeing improvement in economic indicators such as property sales and values, unemployment rates, job growth and sales tax collections. The County unemployment rate has primarily declined every year since 2010. Economic growth indicators show the County’s unemployment rate at 6.7% compared to the state of Colorado’s rate of 10.6% as of June 2020. The highest unemployment rate state-wide in 2020 is a result of the coronavirus pandemic (COVID-19) which occurred in the spring of 2020.

The residential real estate market continued to grow at a strong pace in 2020. Beginning in 2012, prices of homes began to recover after a devastating decline in values. The average median price increased 7.5% from June 2019 (\$253,000) to June 2020 (\$272,000). Building permits for new construction stayed steady in year 2019 compared to 2018. Although the pandemic forced the housing market to ease during the spring of 2020, the new homebased working style urges people moving out of the big cities to rural areas, such as Mesa County.

The growth in the County’s population is not always mirrored by the growth in the student count of the District. The graph below illustrates the County population and District enrollment trends since 2011. While growth in County population has approximately increased 6.5% over the ten years from 2011 to 2020, student enrollment has decreased 0.2% over the same period.



Student enrollment in Mesa County has historically reflected employment growth in the County. Historically, the growth in student enrollment was attributable to the influx of working families in response to an increase in oil and gas production and construction employment opportunities. As the area's economy has diversified somewhat in recent years, student enrollment has been more stable. The October pupil counts have fluctuated year to year, with an overall decrease for the last ten years of 45 students.

Long-term financial planning. School Districts in the state of Colorado are funded based on a complex "Total Program Funding Formula", which is set forth by the School Finance Act of 1994. This formula calculates a per pupil revenue amount that is multiplied by an adjusted pupil count as of October 1st of each fiscal year, and determines approximately 83% of the District's General Fund revenue. The District has historically been one of the lowest funded of the 178 school districts in the state of Colorado. In November 2000, Amendment 23 was passed by Colorado voters. Amendment 23 required the state to increase its funding of school districts each year by the rate of inflation plus 1% for the next ten years, and thereafter at the rate of inflation. The amendment created a State Education Fund to support this level of funding. Due to economic conditions and state constitutional limitations on revenue growth, there were concerns the fund and other State resources would not be adequate to fund the mandates of the amendment in as early as 2006. A state referendum on the November 2005 ballot passed, which allowed the state to increase its tax revenues without increasing tax rates through 2010 in order to regain fiscal stability. For fiscal years 2011 through 2020, the state could not fund the increases mandated by Amendment 23, and applied a negative statewide "Budget Stabilization Factor". As a result, per pupil funding decreased \$251.12 from 2010 to 2011 and \$326 from 2011 to 2012. Per pupil funding levels were not significantly decreased for fiscal years 2013 and 2014. Funding increased slightly from 2015 through 2019 due to the reduction over time of the budget stabilization factor. The increase in 2020 was \$336.25 to \$8,049.96 per pupil.

In the spring of 2007, the Colorado state legislature passed Senate Bill 199, which froze local school district property tax mill levies. The freeze was intended to maintain a level effort of tax support for school district funding from local taxpayers, whose mill levies had declined over the years due to rising property valuations coupled with the application of the state's legal limitations on increasing tax revenues. The District assessed valuation fluctuated from 2011 to 2020, but has been relatively stable since.

In 1992, Colorado voters approved TABOR (as Article X, Section 20 of the Colorado constitution). In general, TABOR restricts the ability of the State and local governments to increase revenues. Even though the state's economy has significantly improved this restriction and increased demand from other programs funded by the state have limited revenues available to significantly increase funding to school districts. It is likely, after adjusting for inflation, revenues will decrease in future years.

A mill levy override allows a school district to request more property tax revenue for day-to-day operational expenses than is provided by the Colorado Public School Finance Act. In November 2017, MCVSD51 voters approved a mill levy override to raise property taxes within District 51 boundaries by \$6.5 million annually for ten years. The mill levy serves several purposes, including: adding additional student contact days in the school calendar, updating instructional materials and educator training, building maintenance and adding positions to support technology in schools.

Budget. The District's budget is developed to support the District's strategic plan as well as the priorities that are established annually by the Board of Education. In particular, the budget is focused on allocating limited resources to support student achievement. The budget is the primary tool to communicate the District's financial plan to citizens and staff. An initial budget is adopted by June 30th every year based on per pupil funding and estimated student enrollment. Actual student enrollment is counted on October 1st every year, and the budget is adjusted through re-adoption prior to January 31.

Fiscal Oversight committee. The District's independent auditor communicates certain matters to upper management and the Board of Education in conjunction with the Fiscal Oversight committee. The Fiscal Oversight committee includes six community members with finance and/or school district expertise, and

members of management involved in financial reporting, budget, and investments. Management through the Fiscal Oversight committee and the independent auditor report audit findings and other financial considerations to the Board of Education. The Board is responsible for the oversight of the financial reporting process.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mesa County Valley School District No. 51 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-first consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government was required to publish an easily readable and efficiently organized CAFR. The CAFR satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the dedicated staff of the Financial Services Department. The preparation of this report would not have been possible without their professionalism and expertise, not only during the reporting process, but throughout the year.

In closing, we wish to thank the members of the Board of Education for their interest, leadership, and support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Dr. Diana Sirko, Ph.D
Superintendent of Schools



Phil Onofrio
Chief Operations Officer



Melanie Trujillo
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mesa County Valley School District
No. 51, Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Mesa County Valley School District 51 Organizational Chart (Executive)

9/153

Emerson
Administration

Basil T. Knight

Diana Sirko
Superintendent of Schools

Philip Onofrio
Chief Operations Officer

Brian Hill
Assistant Superintendent

Dan Burke
Executive Director
Technology Services

Jennifer Marsh
Executive Director
Curriculum & Learning
Design

Nikki Jost
Executive Director
Human Resources

Patti Virden
Executive Director
Student Services & Support

Board of
Education

2019-20

See Org Charts for
Student Services & Support, Technology Services, Human Resources, Curriculum & Learning Design, Superintendent's Office

Mesa County Valley School District No. 51
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2020

ELECTED OFFICIALS



Doug Levinson
District A
Board Member



Paul Pitton
District B
Vice President



Trish Mahre
District C
Board Member



Tom Parrish
District D
President



Dr. Amy L. Davis
District E
Board Member

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APPOINTED OFFICIALS

Diana Sirko, Ph.D

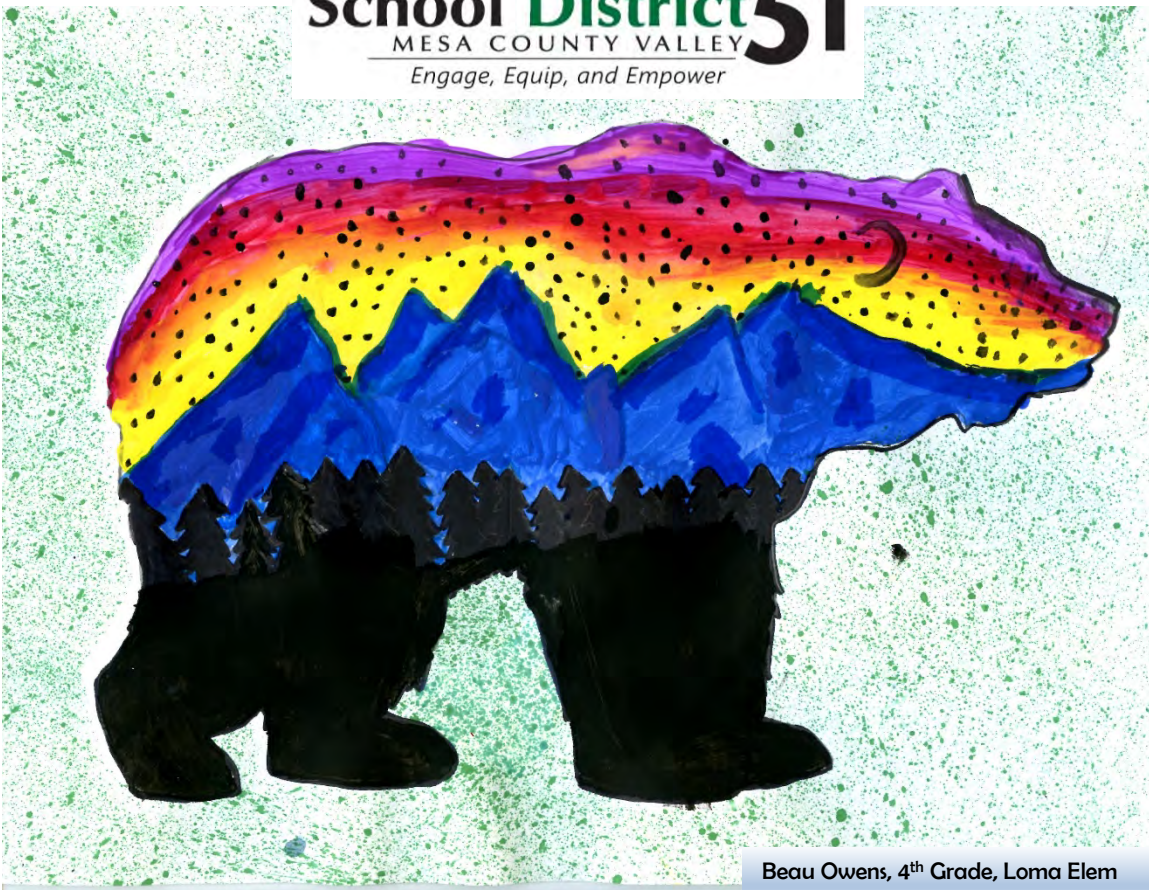
Superintendent



Superintendent Cabinet

Assistant Superintendent Brian Hill
Chief Operations Officer Phil Onofrio
Executive Director of Human Resources Nikki Jost
Executive Director of Curriculum & Learning Design Jennifer Marsh
Executive Director of Student Services & Support Patti Virden
Executive Director of Technology Services Dan Burke

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Beau Owens, 4th Grade, Loma Elem

FINANCIAL SECTION

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*Previous Image originally appeared in the Bank of Colorado Calendar contest.
Student: Beau Owens, 4th Grade, Loma Elem*



INDEPENDENT AUDITOR'S REPORT

December 10, 2020

The Board of Education
Mesa County Valley School District No. 51

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 Mesa County Valley School District No. 51 as of and for the year ended June 30, 2020, 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 did not audit the financial statements of Independence Academy Charter School, a discretely presented component unit, which represent 44 percent, (1.3) percent, and 34 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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 District'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 District'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, based on our audit and the report of other auditors, 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 Mesa County Valley School District No. 51, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.



The Board of Education
Mesa County Valley School District No. 51
December 10, 2020
Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and OPEB schedules 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 Mesa County Valley School District No.51's basic financial statements. The introductory section; combining and individual nonmajor fund financial schedules and budgetary comparisons; capital asset schedules; the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Auditors Integrity Report of the Colorado Department of Education (report) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial schedules and budgetary comparisons, capital asset schedules, the schedule of expenditures of federal awards, and the report 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020 on our consideration of Mesa County Valley School District No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The District's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.

Management's Discussion and Analysis

As management of the Mesa County Valley School District No. 51 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the District were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$321,521,651 (negative net position). Included in this amount, are funds restricted for the following purposes: \$129,888,125 net investment in capital assets, \$6,666,421 restricted for emergencies as required by an amendment to the State of Colorado's constitution, \$15,694,012 restricted for debt service, and \$36,190,644 restricted for capital projects. The District ended fiscal year 2019-20 with an unrestricted negative net position of \$509,960,853.
- In 2017, voters approved a bond and mill levy override. The mill levy funds are used to add student contact days, improve school buildings, provide updated curriculum, and hire positions in technology support. The mill levy fund is combined with the Colorado preschool program (CPP) fund and the General Fund to make up the General Fund presented in the financial statements. During the fiscal year, the fund balance in the District's General Fund decreased by \$96,564. As of fiscal-year-end 2020, the General Fund balance was 7.71 percent of expenditures.
- As of June 30, 2020, fund balance for the general fund was \$14,932,320. The General Fund has recorded a liability of \$11,508,153 for salaries and benefits of school personnel who work ten months of the fiscal year and are paid over twelve months. Colorado state law allows the liability to be budgeted and funded in the year in which it is paid. Therefore, these school personnel costs are recorded in 2019-20 to be paid from 2020-21 funds.
- The District has three charter schools. In 2019-20, the District's first charter school, Independence Academy Charter School, continued into its sixteenth year of operations. The charter school served 400 full-time-equivalent (FTE) students which increased from 364.68 FTE students in the prior year. The second charter school, Juniper Ridge Community School, continued its seventh year of operations as a District charter school in 2019-20. Juniper Ridge Community School served 359 FTE in 2019-20 compared to 311.90 FTE students in 2018-19. Mesa Valley Community School, the District's third operational charter school, began operations in 2014-15. The pupil count at Mesa Valley Community School on October 1, 2019 was 387.60 compared to 391.60 in the prior year. In accordance with state law, the District passed through funding on a per student basis to the charter schools during fiscal year 2020. The charter schools are component units of the District, and their separate financial information is reported in the Discretely Presented Component Units Statement of Net Position and Statement of Activities on pages 50 and 51.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They include the *Statement of Net Position and the Statement of Activities*.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the remainder reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. There was a significant revision in reporting requirements beginning in 2014-15, when Governmental Accounting Standards Board statement 68 (GASB 68) was required to be implemented by the District. Since the 2014-15 year, the District has shown a large negative fund balance because of implementing GASB 68. In 2017-18 the District adopted the provisions of GASB 75 to account for other postemployment benefits (OPEB). To follow Generally Accepted Accounting Principles (GAAP), the District must report balances related to participation in the cost-sharing defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (COPERA) and the Health Care Trust Fund (HCTF).

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave payout).

The *governmental activities* of the District include instructional services, pupil services, instructional staff services, general administration services, school administration services, business services, maintenance and capital asset services, transportation services, central administrative services, and community services.

The government-wide financial statements include not only the District but also three legally separate charter schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the District itself on pages 39 and 40 combined in the government-wide *Statement of Net Position and Statement of Activities* on pages 31 and 33.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

❖ Governmental funds

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the impact of the government's near-term financing decisions. Both the

governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances have a reconciliation to aid this comparison between *governmental funds* and *governmental activities*.

As of fiscal year-end 2020, the District maintains eleven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Governmental Designated Purpose Grants Special Revenue Fund, the Nutrition Services Special Revenue Fund, the Building Fund Capital Projects Fund, the Capital Projects Capital Projects Fund and the Bond Redemption Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation in the aforementioned statements. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* on pages 92 and 93.

The District adopts an annual appropriated budget for all funds. Budgetary comparison statements or schedules have been provided for all funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 31-53 of this report.

❖ **Proprietary funds**

The District maintains one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for risk management services provided to other departments or employees of the District on a cost reimbursement basis. Because these services benefit governmental activities of the District, they have been included within the *governmental activities* column in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide combined information for the three internal service funds of the District. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 103-105. The basic proprietary fund financial statements can be found on pages 46-48 of this report.

❖ **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 49 of this report.

❖ **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-81 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$321,521,651 (negative net position) at the close of the most recent fiscal year.

The District's net investment in capital assets represents a significant portion of the net position (e.g., land and improvements, buildings, and equipment less accumulated depreciation and any debt used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the indebtedness. Property taxes are levied annually for the restricted purpose of debt service on general obligation bonds. The debt service property tax mill and resulting levy must follow statutory limitations on carryover amounts and collection amounts for any debt service funding.

MESA COUNTY VALLEY SCHOOL DISTRICT NO 51's Net Position

	Governmental	
	Activities	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 149,166,650	\$ 192,990,774
Capital assets	307,877,656	254,645,822
Total assets	<u>457,044,306</u>	<u>447,636,596</u>
Deferred outflow s of resources	<u>44,935,051</u>	<u>124,357,318</u>
Long-term liabilities	560,257,064	638,290,031
Other liabilities	45,226,678	38,618,347
Total liabilities	<u>605,483,742</u>	<u>676,908,378</u>
Deferred inflow s of resources	<u>218,017,266</u>	<u>286,841,161</u>
Net position:		
Net investment in capital assets	129,888,125	117,356,631
Restricted	58,551,077	109,237,276
Unrestricted	(509,960,853)	(618,349,532)
Total net position	<u>\$ (321,521,651)</u>	<u>\$ (391,755,625)</u>

The District's net position includes \$58,551,077 of resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is negative.

At the end of the current fiscal year, the District reported a negative balance in unrestricted net position and positive balances in the other portions of net position. Current and other assets comprised about 48% of total assets. The remaining 52% of the District's total assets are its investment in capital assets net of accumulated depreciation. Deferred outflows of resources decreased 63.9% over the prior year due to a decrease in the deferred outflows of resources (costs expected to be expensed in the future) related to pensions and OPEB. A more involved explanation of GASB 68 and 75 is included in this Management's Discussion and Analysis under the header Capital Asset and Debt Administration. A liability of \$12,909,174 represents accrued salaries and fringe benefits. This liability occurs when teachers and certain other District employees work ten months of the year, but are paid over twelve months. The liability is recognized in the current year even though it is paid in the next fiscal year. This is a decrease of \$3,936,616 from the prior year mostly caused by an early retirement incentive paid during the fiscal year.

Governmental activities

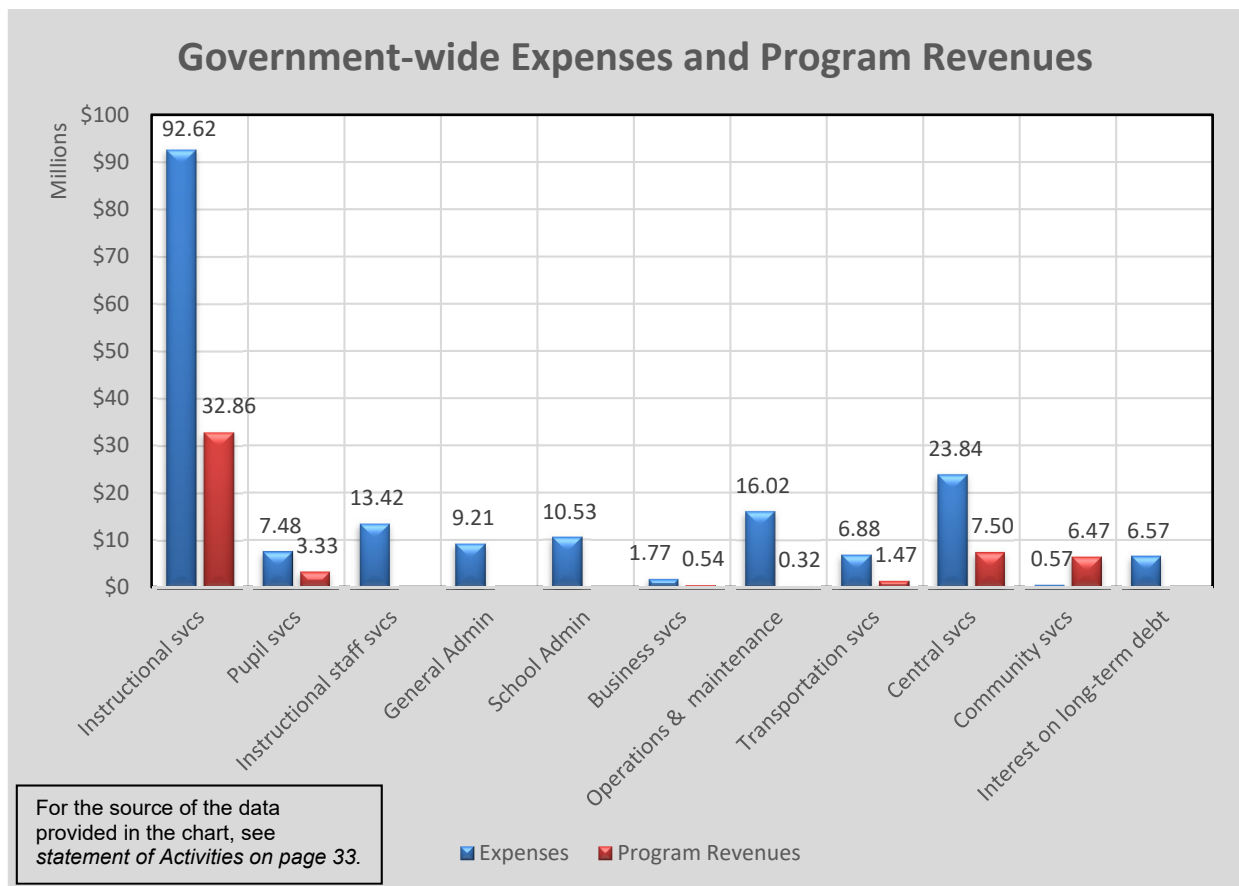
Governmental activities increased the District's net position by \$70,233,974. These changes are presented as follows:

	<u>Governmental activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Charges for services	\$ 9,245,540	\$ 8,184,012
Operating grants and contributions	42,440,443	41,362,913
Capital grants and contributions	801,648	422,040
General revenues		
Property taxes levied for general purposes	63,347,136	55,617,230
Property taxes levied for debt service	17,944,544	17,396,241
State equalization not restricted to specific programs	111,239,365	107,783,096
Specific ownership taxes	11,042,879	10,965,626
Investment earnings	2,062,893	4,144,129
Miscellaneous unrestricted revenue	1,034,759	1,867,740
Total revenues	<u>259,159,207</u>	<u>247,743,027</u>
Expenses:		
Instructional services	92,624,793	87,502,165
Pupil services	7,483,163	9,844,288
Instructional staff services	13,421,665	10,828,451
General administration services	9,212,484	2,563,901
School administration services	10,532,775	11,614,493
Business services	1,767,423	1,973,796
Operations and maintenance	16,017,775	17,983,759
Transportation services	6,880,587	7,124,778
Central services	23,841,064	28,118,422
Community services	569,315	6,110,879
Interest on long-term debt	6,574,189	8,015,380
Total expenses	<u>188,925,233</u>	<u>191,680,312</u>
Increase (decrease) in net position	70,233,974	56,062,715
Net position - beginning	<u>(391,755,625)</u>	<u>(447,818,340)</u>
Net position - ending	<u>\$ (321,521,651)</u>	<u>\$ (391,755,625)</u>

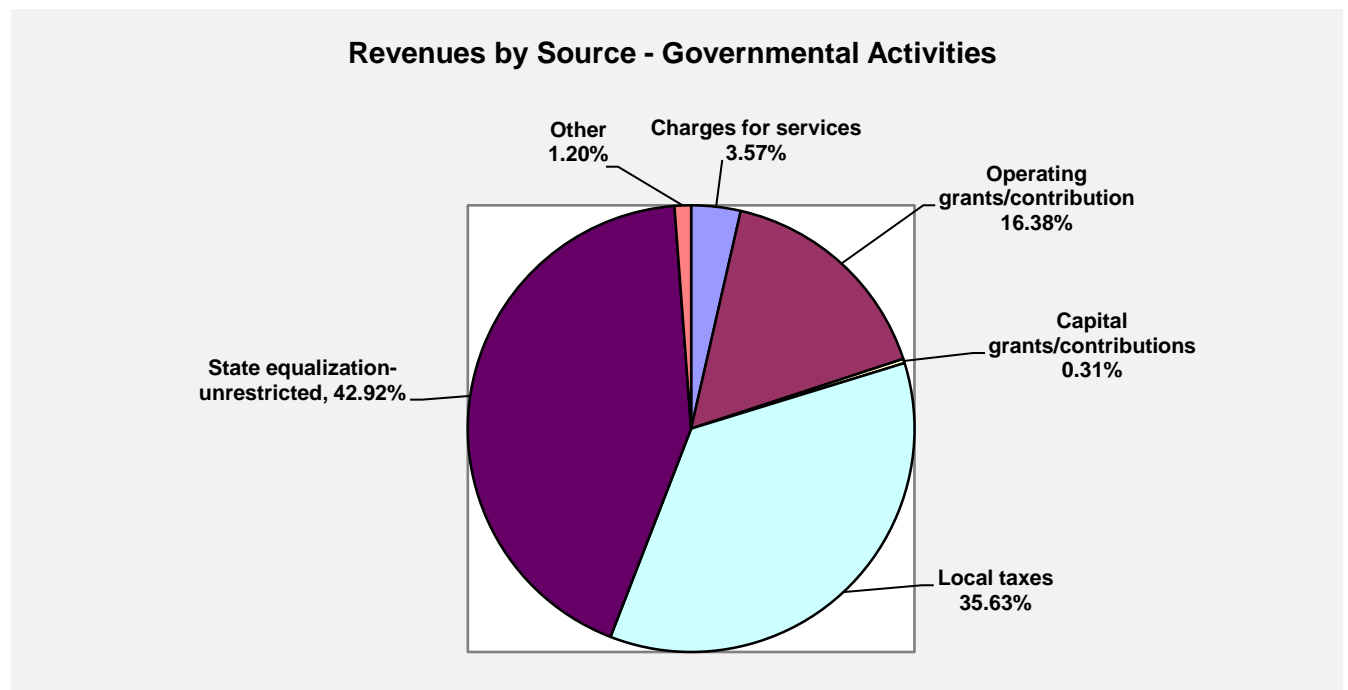
Key elements of the overall increase in net position are as follows:

- General property tax revenues based on collections increased by \$7,729,906 (13.9%) during the year. Whereas, unrestricted state equalization increased by \$3,456,269 (3.2%) during the year. These factors point to consistent revenues from property tax valuations combined with back fill funding from the state when compared to the prior year.
- In November 2000, Colorado voters passed Amendment 23 to the state constitution. The amendment requires that school funding be increased by the rate of inflation plus an additional 1% for ten years (through 2011) and thereafter at the rate of inflation. Since 2011, the State funded the rate of inflation only.
- Expenses for governmental activities decreased \$2,755,079, or 1.4%, which is largely due to the COVID-19 caused transition to remote learning which reduced operating expenses in the fourth quarter.

The following chart depicts the expenses and program revenues of the governmental activities by category of the District. Governmental activities and programs of the District are supported primarily by state funds and local taxes.



The following chart depicts revenues by source for governmental activities:



Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$80,790,234, a decrease of \$54,289,017 in comparison with the prior year. The decrease is primarily due to the bond measure which allowed for building a new middle school and improving various school sites. Many of these capital projects were completed during the 2019-20 year. This activity is accounted for in the *Capital Projects Building Fund*. In 2018, the District took out Certificates of Participation (COP's) on behalf of Juniper Ridge and Mesa Valley community schools. The proceeds were recorded in the capital building fund, and used to build a new school for Juniper Ridge and purchase property for Mesa Valley. The majority of the building project for Juniper Ridge was completed by the end of fiscal year 2019-20. *Unassigned fund balance* in the *Governmental funds* is \$13,738,166. *Assigned fund balance* must be spent for designated purposes including \$6,546,891 to pay for future capital projects and \$445,880 for purposes within the special revenue (non-major governmental) funds. *Restricted fund balance* reflects resources that are subject to externally enforceable legal restrictions, and includes: 1) \$6,666,421 required by Colorado law to fund defined emergencies, 2) \$759,232 to operate the preschool program, 3)

\$15,694,012 to pay debt service and 4) \$36,190,644 for capital projects. *Nonspendable fund balance* represents current assets that will never be converted to cash, and is comprised of \$713,522 in inventory.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the total General Fund balance was \$14,932,320, of which \$13,936,198 (93%) was unassigned.

The fund balance of the District's General Fund decreased \$96,564 during the current fiscal year, a decrease of 0.64%. Per the budget for the general fund a slight decrease in fund balance was expected.

The Bond Redemption Debt Service Fund has a total fund balance of \$15,694,012, all of which is restricted for the payment of debt service. The mill levy is adjusted annually to maintain adequate resources to meet scheduled debt payments without accumulating an excessive fund balance. The mill levy was set at 9.431 mills for 2020, a decrease of 8.8% from 2019, however, because of increased assessed valuations the overall property taxes collected increased \$452,996 from 2019.

The District has restricted \$6,666,421 of fund balance in its Capital Projects Capital Projects Fund for emergencies. The restriction is required by an amendment to the Colorado Constitution, known as the TABOR Amendment. The amendment requires local government units to set aside three percent of fiscal year eligible expenditures for certain emergencies. The funds may not be used to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

Proprietary funds

The District's proprietary funds financial statements act as a summary of the internal service fund financial statements contained elsewhere in this report.

General Fund Budgetary Highlights

An increased appropriation of \$173,918 from the original budget to the final amended budget is attributed to adjustments for the following increases and decreases in anticipated revenue and expenditures:

- The District appropriates for all anticipated revenues and beginning fund balance. The original budget, developed in June 2019, was based on an 11.14% anticipated increase to 2019 ending fund balance. The budget was prepared prior to fiscal-year-end accruals and final issuance of the 2019 CAFR. The actual ending fund balance for 2019 increased by 9.0% due primarily to the mill levy override and fund balance adjustment. The increase in fund balance was reflected in the 2020 re-adopted budget.
- Actual funded October student count was 36.68 FTE less than anticipated in the original budget.
- Adjustments to other general fund anticipated revenues, primarily an increase to projected specific ownership tax collections due to the strong local economy.

Capital Asset and Debt Administration

Capital assets

The District's capital assets for its governmental activities as of June 30, 2020 amount to \$307,877,656 (net of accumulated depreciation). These capital assets include land and improvements such as parking lots and sidewalks, buildings and building improvements, construction in progress, and equipment. The total increase in the District's capital assets for the current year was 20.9%, and is primarily attributable to the building construction and maintenance projects at various school sites.

Additional information on the District's capital assets can be found in the Note 4 – Capital Assets.

Long-term debt

At the end of the current fiscal year, the District had total outstanding long-term debt of \$251,513,590 a net pension liability of \$322,868,806, and a net OPEB liability of \$15,874,668. Of the long-term debt amount, \$166,930,000 represents general obligation bonds that are backed by the full faith and credit of the District, \$28,841,414 represents unamortized premiums on general obligation bonds and Certificates of Participation, \$16,305,000 represents Certificates of Participation collateralized by capital assets, and \$7,474,635 represents capital lease obligations collateralized by computers, photocopiers and phone systems under lease. The remainder consists of compensated absences and claims payable.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the District is \$385,218,374, which is in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 5 – Long-Term Debt of this report.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), establishes accounting and financial reporting standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for pensions that are provided to the employees of state and local governmental employers through pension plans. More information on the District's pension related items can be found in Note 8.

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. (GASB 75), was adopted for the ended June 30, 2018. The District participates in the Health Care Trust Fund (HCTF) and implemented the provisions of GASB 75 in the financial statements including recognition of net OPEB liability, deferred outflows and inflows of resources, and OPEB expense. For more information on the District's OPEB plan see Note 9 in the financial statements.

Economic Factors and Next Year's Budgets

Colorado economy continues to improve at a faster rate than the national economy.

TABOR revenue exceeded the cap in FY 2018-19 by \$428.3 million and is currently being distributed to taxpayers through an income tax rate reduction and Senior and Disabled Veteran Homestead Exemption. TABOR subject revenues are not expected to exceed the cap in the current forecast. The forecasts are updated quarterly.

- The assessed valuation of properties in Mesa County increased slightly for 2020 for collection in next fiscal year. The result is a proportionate increase in general fund property taxes as mill levies are not adjusted. Because per pupil funding is comprised of local property taxes and state funding, any increases or reductions in assessed valuation adjust the amount of burden on the state to fund the per pupil amounts. The Coronavirus pandemic (COVID-19) caused a significant slowdown of the state economy and resulting higher unemployment rates in the fourth quarter of 2020. Consumer spending was greatly decreased, contributing to revenue shortages at the state level. Per pupil funding was reduced an average of five percent for 2020-21 across school districts, through a \$528 million increase in the Budget Stabilization factor.

In November 2000 voters in Colorado approved Amendment 23 to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years (through 2011) and thereafter, growth plus inflation. This provision was intended to stabilize and remove funding from the political process. Beginning in 2013, due to continued state budget shortfalls, the state applied a negative "state budget stabilization factor" to the required funding. Funding for schools increased in 2019-20 by the rate of inflation. Due to required increases in program costs at the state level, funding of K-12 education for 2020 and beyond is expected to increase only at the rate of inflation as envisioned in Amendment 23 for the foreseeable future.

Component Units

Only summary information regarding component units appears in the District's financial statements. The District has three component units, which are charter schools. Their financial information is presented in a separate column in the Government-wide Statement of Net Position and in the Statement of Activities.

Complete financial statements for each charter school are available at each school's administrative office.

Independence Academy
Charter School
675 29 Road
Grand Junction, CO 81504
Phone: 970-254-6850

Juniper Ridge
Community School
615 Community Lane
Grand Junction, CO 81506
Phone: 970-986-8219

Mesa Valley
Community School
609 25 Rd
Grand Junction, CO 81505
Phone: 970-254-7202

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, 2115 Grand Avenue, Grand Junction, Colorado 81501.

BASIC FINANCIAL STATEMENTS

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Mesa County Valley School District No. 51
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		Discretely Presented Component Units
	Governmental Activities	Total	
ASSETS			
Cash and investments	\$ 128,903,887	\$ 128,903,887	\$ 6,695,425
Receivables:			
Accounts	1,089,121	1,089,121	72,754
Intergovernmental	2,940,601	2,940,601	123,684
Property taxes	5,616,204	5,616,204	-
Inventories	713,522	713,522	-
Other assets	9,903,315	9,903,315	48,549
Capital assets (net of accumulated depreciation):			
Land, improvements, and construction in progress	53,042,611	53,042,611	1,451,349
Buildings and improvements	249,348,781	249,348,781	15,867,562
Equipment	5,486,264	5,486,264	168,632
Total assets	457,044,306	457,044,306	24,427,955
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	39,359,043	39,359,043	2,016,354
Related to OPEB	1,128,002	1,128,002	124,988
Deferred charge on refunding	4,448,006	4,448,006	-
Total deferred outflows of resources	44,935,051	44,935,051	2,141,342
LIABILITIES			
Accounts payable	11,573,560	11,573,560	298,069
Accrued salaries and benefits	12,909,174	12,909,174	332,424
Accrued interest payable	794,891	794,891	81,775
Unearned revenue	19,949,053	19,949,053	53,753
Noncurrent liabilities:			
Due within one year	18,329,157	18,329,157	295,000
Due in more than one year	203,184,433	203,184,433	14,909,005
Net pension liability	322,868,806	322,868,806	10,635,563
Net OPEB liability	15,874,668	15,874,668	522,828
Total liabilities	605,483,742	605,483,742	27,128,417
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	215,043,564	215,043,564	7,095,023
Related to OPEB	2,973,702	2,973,702	129,244
Total deferred outflows of resources	218,017,266	218,017,266	7,224,267
NET POSITION			
Net investment in capital assets	129,888,125	129,888,125	3,000,525
Restricted for:			
Emergencies	6,666,421	6,666,421	334,447
Debt service	15,694,012	15,694,012	653,790
Capital projects	36,190,644	36,190,644	-
Unrestricted	(509,960,853)	(509,960,853)	(11,772,149)
Total net position	\$ (321,521,651)	\$ (321,521,651)	\$ (7,783,387)

The notes to the financial statements are an integral part of this statement.

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Mesa County Valley School District No. 51
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
Primary government:						
Governmental activities:						
Instructional services	\$ 92,624,793	\$ 496,742	\$ 31,878,928	\$ 482,365	\$ (59,766,758)	\$ (4,390,458)
Support services:						
Pupil services	7,483,163	-	3,333,008	-	(4,150,155)	(1,220,953)
Instructional staff services	13,421,665	-	-	-	(13,421,665)	-
General administration services	9,212,484	-	-	-	(9,212,484)	-
School administration services	10,532,775	-	-	-	(10,532,775)	(1,759,016)
Business services	1,767,423	-	538,378	-	(1,229,045)	(96,066)
Operations and maintenance	16,017,775	-	-	319,283	(15,698,492)	(261,486)
Transportation services	6,880,587	-	1,472,991	-	(5,407,596)	-
Central services	23,841,064	7,498,958	-	-	(16,342,106)	-
Community services	569,315	1,249,840	5,217,138	-	5,897,663	-
Interest on long-term debt	6,574,189	-	-	-	(6,574,189)	(497,647)
Depreciation - unallocated	-	-	-	-	-	-
Total support services	<u>96,300,440</u>	<u>8,748,798</u>	<u>10,561,515</u>	<u>319,283</u>	<u>(76,670,844)</u>	<u>(3,835,168)</u>
Total governmental activities	<u>188,925,233</u>	<u>9,245,540</u>	<u>42,440,443</u>	<u>801,648</u>	<u>(136,437,602)</u>	<u>(8,225,626)</u>
Total primary government	<u>\$ 188,925,233</u>	<u>\$ 9,245,540</u>	<u>\$ 42,440,443</u>	<u>\$ 801,648</u>	<u>(136,437,602)</u>	<u>(8,225,626)</u>
Component units	<u>\$ 9,196,386</u>	<u>\$ 400,895</u>	<u>\$ 239,177</u>	<u>\$ 330,688</u>		<u>\$ (8,225,626)</u>
General revenues:						
Property taxes levied for general purposes					63,347,136	802,957
Property taxes levied for debt service					17,944,544	-
State equalization not restricted to specific programs					111,239,365	9,242,266
Specific ownership taxes					11,042,879	-
Investment earnings					2,062,893	43,233
Miscellaneous unrestricted revenue					1,034,759	70,203
Total general revenues					<u>206,671,576</u>	<u>10,158,659</u>
Change in net position					<u>70,233,974</u>	<u>1,933,033</u>
Net position - beginning					<u>(391,755,625)</u>	<u>(9,716,420)</u>
Net position - ending					<u>\$ (321,521,651)</u>	<u>\$ (7,783,387)</u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Governmental Designated Purpose Grants Special Revenue	Nutrition Services Special Revenue
ASSETS			
Cash and investments	\$ 30,554,859	\$ 18,445,645	\$ -
Due from other funds	543,709	-	-
Receivables:			
Accounts	276,595	-	618,702
Intergovernmental	-	2,940,601	-
Property tax	4,681,415	-	-
Inventories	236,890	-	476,632
Total assets	\$ 36,293,468	\$ 21,386,246	\$ 1,095,334
LIABILITIES			
Accounts payable	\$ 6,862,510	\$ 323,044	\$ 62,540
Due to other funds	-	-	509,863
Accrued salaries and benefits	11,508,153	1,122,335	241,087
Unearned revenue	-	19,940,867	3,244
Total liabilities	18,370,663	21,386,246	816,734
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	2,990,485	-	-
FUND BALANCES			
Nonspendable:			
Inventories	236,890	-	476,632
Restricted for:			
TABOR emergency reserve	-	-	-
Preschool	759,232	-	-
Debt service	-	-	-
Capital projects	-	-	-
Assigned to:			
Capital projects	-	-	-
Special revenue funds	-	-	-
Unassigned	13,936,198	-	(198,032)
Total fund balances	14,932,320	-	278,600
Total liabilities, deferred inflows of resources and fund balances	\$ 36,293,468	\$ 21,386,246	\$ 1,095,334

The notes to the financial statements are an integral part of this statement.

	Capital Projects Building Fund	Capital Projects Capital Projects	Bond Redemption Debt Service	Other Governmental Funds	Total Governmental Funds
\$	38,074,132	\$ 13,387,141	\$ 15,203,984	\$ 418,414	\$ 116,084,175
	-	-	-	-	543,709
	-	2,400	-	177,307	1,075,004
	-	-	-	-	2,940,601
	-	-	934,789	-	5,616,204
	-	-	-	-	713,522
	<u>38,074,132</u>	<u>13,389,541</u>	<u>16,138,773</u>	<u>595,721</u>	<u>126,973,215</u>
\$	1,883,488	\$ 176,229	\$ -	\$ 75,587	\$ 9,383,398
	-	-	-	33,846	543,709
	-	-	-	-	12,871,575
	-	-	-	4,942	19,949,053
	<u>1,883,488</u>	<u>176,229</u>	<u>-</u>	<u>114,375</u>	<u>42,747,735</u>
	-	-	444,761	-	3,435,246
	-	-	-	-	713,522
	-	6,666,421	-	-	6,666,421
	-	-	-	-	759,232
	-	-	15,694,012	-	15,694,012
	36,190,644	-	-	-	36,190,644
	-	6,546,891	-	35,466	6,582,357
	-	-	-	445,880	445,880
	-	-	-	-	13,738,166
	<u>36,190,644</u>	<u>13,213,312</u>	<u>15,694,012</u>	<u>481,346</u>	<u>80,790,234</u>
\$	<u>38,074,132</u>	<u>13,389,541</u>	<u>16,138,773</u>	<u>595,721</u>	<u>126,973,215</u>

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Mesa County Valley School District No. 51
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION**
 June 30, 2020

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

Total fund balance - governmental funds \$ 80,790,234

Receivables that are not available soon enough to pay for the current year's expenditures are unavailable revenues in the funds and reported as an increase in net position. 3,435,246

Capital outlay used to provide facilities for other entities are expenditures in the funds, but are notes receivable in the government-wide statements. 9,903,315

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of these assets is \$427,086,170 and the accumulated depreciation is \$119,208,514. 307,877,656

The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences is as follows:

<u>Long-term debt:</u>	<u>Amount</u>	
Debt premiums	(25,841,414)	
Losses on bond refundings	4,448,006	(21,393,408)

Internal service funds are used by management to account for the costs of employee medical and dental insurance, workman compensation insurance, and other industrial coverage. The assets (\$12,833,829) and liabilities (\$2,924,600) of the internal service funds are included in governmental activities in the statement of net position. 9,909,229

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (see note 5).

Long-term liabilities	\$ (221,513,590)	
Retainage payable	(2,077,132)	
Bond premium payable	25,841,414	
Internal service funds claims payable	2,746,542	
Internal service funds compensated absences	<u>27,429</u>	(194,975,337)

The amount by which deferred outflows of resources are greater/less than deferred inflows of resources related to pensions and OPEB, both are not recorded in the funds (\$40,487,045 - \$218,017,266). (177,530,221)

Net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (338,743,474)

Interest accrued on long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (794,891)

Total net position - governmental activities (page 20) \$ (321,521,651)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General	Governmental Designated Purpose Grants Special Revenue	Nutrition Services Special Revenue
REVENUES			
Local sources	\$ 74,677,046	\$ 968,348	\$ 1,252,013
State sources	123,628,416	10,463,861	128,658
Federal sources	464,990	14,575,100	4,669,392
Total revenues	<u>198,770,452</u>	<u>26,007,309</u>	<u>6,050,063</u>
EXPENDITURES			
Current:			
Instructional services	117,026,262	7,946,765	-
Instructional support	40,308,159	8,518,171	-
Business support	33,689,592	1,195,836	-
Community services	74,236	820,639	-
Physical activities	-	-	-
Nutrition services	-	-	6,602,638
Capital outlay:	1,288,657	7,525,898	53,113
Debt Service:			
Lease financing principal	1,373,158	-	-
Lease financing interest and other	1,000	-	-
GO Bond principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>193,761,064</u>	<u>26,007,309</u>	<u>6,655,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,009,388</u>	<u>-</u>	<u>(605,688)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	-	-	79,982
Transfers out to other funds	(5,105,952)	-	-
Proceeds from sale of real property	-	-	-
Issuance of capital lease debt	-	-	-
Total other financing sources (uses)	<u>(5,105,952)</u>	<u>-</u>	<u>79,982</u>
Net change in fund balances	(96,564)	-	(525,706)
Fund balances - beginning	<u>15,028,884</u>	<u>-</u>	<u>804,306</u>
Fund balances - ending	<u>\$ 14,932,320</u>	<u>\$ -</u>	<u>\$ 278,600</u>

The notes to the financial statements are an integral part of this statement.
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Capital Projects Building Fund	Capital Projects Capital Projects	Bond Redemption Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,272,573	\$ 1,097,564	\$ 17,864,195	\$ 575,457	\$ 97,707,196
-	-	-	-	134,220,935
-	-	-	-	19,709,482
<u>1,272,573</u>	<u>1,097,564</u>	<u>17,864,195</u>	<u>575,457</u>	<u>251,637,613</u>
-	-	-	104,682	125,077,709
-	-	-	256	48,826,586
-	-	-	-	34,885,428
-	-	-	7,505	902,380
-	-	-	564,708	564,708
-	-	-	-	6,602,638
52,673,337	4,304,266	-	3,186,156	69,031,427
-	675,467	-	-	2,048,625
-	697,094	-	179,142	877,236
-	-	8,535,000	-	8,535,000
-	-	8,621,463	-	8,621,463
<u>52,673,337</u>	<u>5,676,827</u>	<u>17,156,463</u>	<u>4,042,449</u>	<u>305,973,200</u>
<u>(51,400,764)</u>	<u>(4,579,263)</u>	<u>707,732</u>	<u>(3,466,992)</u>	<u>(54,335,587)</u>
-	2,375,970	-	150,000	2,605,952
-	-	-	-	(5,105,952)
-	423,475	-	-	423,475
-	2,123,096	-	-	2,123,096
-	4,922,541	-	150,000	46,571
<u>(51,400,764)</u>	<u>343,278</u>	<u>707,732</u>	<u>(3,316,992)</u>	<u>(54,289,016)</u>
<u>87,591,408</u>	<u>12,870,034</u>	<u>14,986,280</u>	<u>3,798,338</u>	<u>135,079,250</u>
\$ <u>36,190,644</u>	\$ <u>13,213,312</u>	\$ <u>15,694,012</u>	\$ <u>481,346</u>	\$ <u>80,790,234</u>

Mesa County Valley School District No. 51
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$	(54,289,016)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets from capital outlay exceeded depreciation.		
Capital outlays capitalized	\$ 62,428,002	
Depreciation expense - governmental activities	<u>(8,177,191)</u>	54,250,811
Governmental funds do not report capital assets and, therefore, do not report the net book value of capital assets and any gain or loss on their disposal.		
		(1,018,978)
Capital outlay used to provide facilities for other entities are expenditures in the funds, but are notes receivable in the government-wide statements. This is the change in the notes.		
		2,773,723
Governmental funds do not record retainage payable and, therefore, the addition of the capital expenditures are also not reported. This is the change in the payable.		
		(659,643)
The governmental funds report debt issuance proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt is as follows:		
Debt principal payments	\$ 11,575,327	
Amortization of debt premiums	2,913,767	
Amortization of deferred loss on refunding	(1,005,931)	
Capital lease proceeds	(2,123,096)	
Accrued interest payable - beginning	819,863	
Accrued interest payable - ending	<u>(794,891)</u>	11,385,039
In the governmental funds, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas, in the statement of activities, they are measured as the benefits are earned by employees during the year. This is the amount compensated absences changed in the current year.		
		(117,130)
Internal service funds are used by management to account for the costs of employee medical and dental insurance, workman compensation insurance, and other industrial coverage. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities plus \$8,549 of changes in compensated absences liability.		
Revenues	\$ 22,646,838	
Expenses	<u>21,769,332</u>	877,506
Property tax receivables that will not be collected soon enough for reporting as available revenue in the funds and are reported as revenue in the statement of activities. This is the change in current deferred inflow from prior year.		
		2,201,710
In the governmental funds, expenditures related to pension and OPEB obligations are measured by the amount of financial resources used (essentially, the amounts actually paid to the plans), whereas, in the statement of activities, they are measured on the full accrual basis. This is the amount of the decrease in deferred outflows of resources (\$40,487,045 - \$118,903,381), the decrease in net pension and OPEB liabilities (\$338,743,474 - \$403,165,867) and the decrease in deferred inflows of resources (\$218,017,266 - \$286,841,161) during the year, amortization related to prior year amounts, and on-behalf negative revenue.		
		<u>54,829,952</u>
Change in net position of governmental activities (page 21)	\$	<u><u>70,233,974</u></u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Property taxes	\$ 58,360,495	\$ 61,779,826	\$ 61,543,589	\$ (236,237)
Delinquent taxes	40,000	40,000	25,440	(14,560)
Specific ownership tax	10,016,415	10,269,115	11,042,879	773,764
Interest and penalties on taxes	-	-	1,946	1,946
Tuition	25,000	25,000	10,225	(14,775)
Investment income	465,000	465,000	476,850	11,850
District services to charter school	-	-	347,473	347,473
Miscellaneous	949,151	949,151	1,228,644	279,493
	69,856,061	73,528,092	74,677,046	1,148,954
State sources:				
State equalization entitlement	113,900,145	110,803,423	110,894,165	90,742
Special education	5,685,823	5,817,590	5,903,030	85,440
Transportation	1,320,170	1,418,002	1,472,991	54,989
Vocational education	2,064,398	2,064,398	1,785,800	(278,598)
Small attendance center	79,427	78,679	324,107	245,428
English language proficiency	135,217	146,617	146,617	-
	123,185,180	120,328,709	120,526,710	198,001
Federal sources:				
Mineral leases	430,720	123,368	397,336	273,968
Other	66,661	66,661	67,654	993
	497,381	190,029	464,990	274,961
 Total revenues	193,538,622	194,046,830	195,668,746	1,621,916

(Continued)

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
Instructional services:				
Elementary education	29,197,533	29,231,365	25,645,390	3,585,975
Middle school education	15,816,959	15,916,959	15,459,940	457,019
High school education	19,782,071	19,782,071	19,898,353	(116,282)
Vocational education/WCCC	2,608,832	2,608,832	2,374,566	234,266
High school programs	978,469	978,469	888,856	89,613
Gifted and talent program	1,258,522	1,258,522	1,149,656	108,866
Integrated educational programs	2,085,334	2,085,334	1,896,887	188,447
Preschool/extended day programs	5,633,063	5,633,063	8,349,901	(2,716,838)
Library	416,672	416,672	424,337	(7,665)
General instruction	9,465,574	9,470,405	10,138,467	(668,062)
Music activities	3,889,948	3,889,948	3,845,035	44,913
Physical Education	3,976,193	3,976,193	3,854,932	121,261
Special education	19,344,616	19,576,733	19,236,630	340,103
Cocurricular activities	1,856,164	1,856,164	1,814,273	41,891
Total instructional services	116,309,950	116,680,730	114,977,223	1,703,507
Instructional support:				
Instructional:				
Social work/attendance	1,354,378	1,354,378	1,103,085	251,293
Counseling	6,001,130	6,001,130	5,664,059	337,071
Nursing/mental health	2,607,902	2,607,902	1,833,254	774,648
Psychologists	2,433,746	2,433,746	2,204,151	229,595
Audiologists/therapists	269,210	269,210	245,228	23,982
Assessment/staff development	4,505,811	4,505,811	4,561,629	(55,818)
Media services	1,910,637	1,943,044	1,911,675	31,369
Instructional technology	946,654	946,654	936,269	10,385
Program administration	2,135,806	2,135,806	2,399,842	(264,036)
	22,165,274	22,197,681	20,859,192	1,338,489
General administration:				
Board of Education	151,783	151,783	184,859	(33,076)
Legal services	290,000	290,000	492,081	(202,081)
Treasurer's fee	135,000	135,000	222,474	(87,474)
Audit services	32,000	32,000	34,600	(2,600)
Office of the superintendent	686,534	686,534	653,584	32,950
Community relations services	62,766	62,766	39,119	23,647
Other executive administration services	1,661,468	1,661,468	1,616,866	44,602
School administration	15,214,535	15,257,777	15,492,158	(234,381)
	18,234,086	18,277,328	18,735,741	(458,413)
Total instructional support	40,399,360	40,475,009	39,594,933	880,076

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Business support:				
Business:				
Business fiscal services	1,480,155	1,480,155	1,600,958	(120,803)
Indirect cost reimbursements	(848,000)	(848,000)	(676,750)	(171,250)
Purchasing	346,144	346,144	292,394	53,750
Warehouse	460,068	460,068	487,010	(26,942)
Print shop	180,806	180,806	132,285	48,521
Maintenance	2,223,850	2,223,850	2,357,848	(133,998)
Custodial	10,260,608	10,295,208	10,101,516	193,692
Grounds maintenance	1,721,615	1,721,615	1,854,883	(133,268)
Craftsmen	2,345,516	2,345,516	2,556,526	(211,010)
Transportation	6,488,495	6,488,700	6,900,900	(412,200)
	<u>24,659,257</u>	<u>24,694,062</u>	<u>25,607,570</u>	<u>(913,508)</u>
Central:				
Communication	1,043,584	1,043,584	1,118,239	(74,655)
Human resources	1,743,032	1,743,032	1,536,578	206,454
Information technology	4,039,326	4,039,326	4,116,043	(76,717)
Risk Management	25,200	25,200	91,697	(66,497)
Other support services	248,857	248,857	880,024	(631,167)
	<u>7,099,999</u>	<u>7,099,999</u>	<u>7,742,581</u>	<u>(642,582)</u>
Total business support	<u>31,759,256</u>	<u>31,794,061</u>	<u>33,350,151</u>	<u>(1,556,090)</u>
Community Services:	<u>64,732</u>	<u>64,732</u>	<u>74,236</u>	<u>(9,504)</u>
Total current expenditures	<u>188,533,298</u>	<u>189,014,532</u>	<u>187,996,543</u>	<u>1,017,989</u>
Capital Outlay	<u>1,355,364</u>	<u>1,355,364</u>	<u>1,288,657</u>	<u>66,707</u>
Contingency	<u>14,864,264</u>	<u>13,596,683</u>	<u>-</u>	<u>13,596,683</u>
Debt Service:				
Principal	-	-	1,373,158	(1,373,158)
Interest and fiscal charges	2,500	2,500	1,000	1,500
Total debt service expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,374,158</u>	<u>(1,371,658)</u>
Total expenditures	<u>204,755,426</u>	<u>203,969,079</u>	<u>190,659,358</u>	<u>13,309,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,216,804)</u>	<u>(9,922,249)</u>	<u>5,009,388</u>	<u>14,931,637</u>
OTHER FINANCE SOURCES (USES)				
Transfers out	<u>(4,105,952)</u>	<u>(5,105,952)</u>	<u>(5,105,952)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,105,952)</u>	<u>(5,105,952)</u>	<u>(5,105,952)</u>	<u>-</u>
Net change in fund balances	(15,322,756)	(15,028,201)	(96,564)	14,931,637
Fund balances - beginning	<u>15,322,756</u>	<u>15,028,201</u>	<u>15,028,884</u>	<u>683</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,932,320</u>	<u>\$ 14,932,320</u>

Note: The above statement does not include \$3,101,706 on-behalf payment for revenue and expense

(Concluded)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
GOVERNMENTAL DESIGNATED PURPOSE GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 522,631	\$ 1,203,884	\$ 968,348	\$ (235,536)
State sources	12,026,432	14,080,002	10,463,861	(3,616,140)
Federal sources	21,618,899	33,548,058	14,575,100	(18,972,959)
Total revenues	34,167,962	48,831,944	26,007,309	(22,824,635)
EXPENDITURES				
Current:				
Instructional services:				
Salaries	4,954,355	5,487,777	4,294,583	1,193,194
Fringe benefits	1,619,562	1,792,874	1,470,640	322,234
Contracted services	693,610	768,374	397,634	370,740
Supplies	2,596,765	2,876,071	1,783,908	1,092,163
	9,864,292	10,925,095	7,946,765	2,978,331
Instructional support:				
Salaries	10,554,484	11,670,657	5,336,081	6,334,576
Fringe benefits	1,899,739	2,085,715	1,819,242	266,474
Contracted services	1,424,804	1,578,916	1,142,168	436,748
Supplies	280,177	11,293,261	220,679	11,072,582
	14,159,204	26,628,551	8,518,171	18,110,380
Business support:				
Salaries	246,009	348,041	331,790	16,252
Fringe benefits	27,335	48,854	46,429	2,425
Contracted services	146,922	162,502	140,868	21,634
Supplies	690,193	765,314	676,750	88,563
	1,110,459	1,324,710	1,195,836	128,874
Community services:				
Salaries	276,761	250,976	205,362	45,614
Fringe benefits	71,853	79,797	66,314	13,483
Contracted services	314,345	349,400	324,805	24,594
Supplies	263,093	290,067	224,157	65,910
	926,052	970,239	820,639	149,601
Total current	26,060,007	39,848,596	18,481,410	21,367,185
Capital outlay	8,107,955	8,983,348	7,525,898	1,457,450
Total expenditures	34,167,962	48,831,944	26,007,309	22,824,635
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
NUTRITION SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 1,613,485	\$ 1,687,701	\$ 1,249,844	\$ (437,857)
State sources	143,778	153,780	128,658	(25,122)
Federal sources	5,028,349	5,008,387	4,669,392	(338,995)
Miscellaneous revenue	2,150	3,000	2,169	(831)
Total revenues	6,787,762	6,852,868	6,050,063	(802,805)
EXPENDITURES				
Current:				
Food service direction:				
Salaries	439,788	439,156	441,450	(2,294)
Fringe benefits	130,850	133,803	131,298	2,505
Contracted services and supplies	519,762	543,901	527,943	15,958
	1,090,400	1,116,860	1,100,691	16,169
Food service preparation/serving				
Salaries	2,004,494	2,013,674	2,010,466	3,208
Fringe benefits	786,346	788,187	770,801	17,386
Contracted services and supplies	2,711,992	2,767,892	2,489,205	278,687
	5,502,832	5,569,753	5,270,472	299,281
Food delivery				
Salaries	130,896	121,863	123,948	(2,085)
Fringe benefits	47,175	42,496	43,585	(1,089)
Contracted services and supplies	35,000	23,400	22,582	818
	213,071	187,759	190,115	(2,356)
Catering				
Salaries	1,250	2,000	1,387	613
Fringe benefits	277	443	295	148
Contracted services and supplies	2,000	3,700	3,138	562
	3,527	6,143	4,820	1,323
Support services:				
Administration	35,000	32,000	36,540	(4,540)
	35,000	32,000	36,540	(4,540)
Contingency	762,716	824,641	-	824,641
Total current expenditures	7,607,546	7,737,156	6,602,638	1,134,518
Capital Outlay				
	-	-	53,113	(53,113)
Total expenditures	7,607,546	7,737,156	6,655,751	1,081,405
Excess (deficiency) of revenues over (under) expenditures	(819,784)	(884,288)	(605,688)	278,600
OTHER FINANCE SOURCES (USES)				
Transfer In	79,982	79,982	79,982	-
Total other financing sources (uses)	79,982	79,982	79,982	-
Net change in fund balances	(739,802)	(804,306)	(525,706)	278,600
Fund balances - beginning	739,802	804,306	804,306	-
Fund balances - ending	\$ -	\$ -	\$ 278,600	\$ 278,600

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Governmental Activities-- Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 12,819,712
Accounts receivable	14,117
Total current assets	12,833,829
Total assets	
LIABILITIES	
Current liabilities:	
Accounts payable	113,030
Accrued wages and benefits	37,599
Claims payable	1,751,667
Compensated absences payable	24,929
Total current liabilities	1,927,225
Noncurrent liabilities:	
Claims payable	994,875
Future compensated absences payable	2,500
Total noncurrent liabilities	997,375
Total liabilities	2,924,600
NET POSITION	
Unrestricted	9,909,229
Total net position	\$ 9,909,229

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Governmental Activities-- Internal Service Funds
Operating revenues:	
Charges for sales and services:	
Premiums and copays for employees	\$ 19,916,640
Other professional services	118,709
Total operating revenues	20,035,349
Operating expenses:	
Worker compensation	1,277,875
Insurance premiums	711,823
Losses or claims	18,532,613
Other operating expenses	1,255,570
Total operating expenses	21,777,881
Operating income (loss)	(1,742,532)
Non-operating revenues (expenses):	
Investment income	111,489
Total nonoperating revenues	111,489
Income before other financing sources	(1,631,043)
Transfer in (out)	2,500,000
Change in net position	868,957
Total net position - beginning	9,040,272
Total net position - ending	\$ 9,909,229

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Governmental Activities-- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 20,209,926
Payments to employees	(1,259,284)
Payments to vendors	(22,378,990)
Net cash provided (used) by operating activities	(3,428,348)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	2,500,000
Net cash provided by noncapital financing activities	2,500,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	111,489
Net cash provided by investing activities	111,489
Net increase (decrease) in cash and cash equivalents	(816,859)
Cash and cash equivalents, July 1	16,140,137
Cash and cash equivalents, June 30	\$ 15,323,278
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (1,742,532)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	174,577
Increase (decrease) in accounts payable	(517,278)
Increase (decrease) in accrued salaries and benefits	10,042
Increase (decrease) in claims payable	(1,361,706)
Increase (decrease) in compensated absences	8,549
Total adjustments	(1,685,816)
Net cash provided (used) by operating activities	\$ (3,428,348)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
STATEMENT OF FIDUCIARY NET POSITON
STUDENT BODY ACTIVITY AGENCY FUND
June 30, 2020

ASSETS

Cash and investments \$ 2,856,254

LIABILITIES

Accounts payable \$ 1,177

Due to student groups 2,855,077

Total liabilities \$ 2,856,254

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

	Independence Academy Charter School	Juniper Ridge Community School	Mesa Valley Community School	Total Discretely Presented Component Units
ASSETS				
Cash and investments	\$ 4,259,346	\$ 712,759	\$ 1,069,530	\$ 6,041,635
Restricted cash and investments	653,790	-	-	653,790
Due from District	-	123,684	-	123,684
Accounts receivable (less allowance)	-	62,093	10,661	72,754
Prepaid expenses	-	17,713	14,167	31,880
Other assets	-	16,669	-	16,669
Capital assets, not depreciated	922,191	-	529,158	1,451,349
Capital assets (net of accumulated depreciation)	4,853,545	8,111,000	3,071,649	16,036,194
Total assets	<u>10,688,872</u>	<u>9,043,918</u>	<u>4,695,165</u>	<u>24,427,955</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	559,194	632,265	824,895	2,016,354
Related to OPEB	26,036	55,416	43,536	124,988
Total deferred outflows	<u>585,230</u>	<u>687,681</u>	<u>868,431</u>	<u>2,141,342</u>
LIABILITIES				
Accounts payable	53,348	10,237	16,049	79,634
Due to Agency Fund	12,864	-	-	12,864
Due to District	205,571	-	-	205,571
Interest payable	71,708	-	10,067	81,775
Accrued salaries and benefits	114,817	60,641	156,966	332,424
Unearned revenue	28,758	24,995	-	53,753
Current portion of long-term liabilities	125,000	85,000	85,000	295,000
Long term liabilities due more than one year:				
Compensated absences payable	-	-	63,197	63,197
Notes payable	5,112,493	7,164,367	2,568,948	14,845,808
Net pension liability	3,251,276	4,010,327	3,373,960	10,635,563
Net OPEB liability	159,807	197,179	165,842	522,828
Total liabilities	<u>9,135,642</u>	<u>11,552,746</u>	<u>6,440,029</u>	<u>27,128,417</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	2,199,749	2,895,485	1,999,789	7,095,023
Related to OPEB	37,601	61,007	30,636	129,244
Total deferred inflows	<u>2,237,350</u>	<u>2,956,492</u>	<u>2,030,425</u>	<u>7,224,267</u>
NET POSITION				
Net investment in capital assets	1,192,033	861,633	946,859	3,000,525
Restricted for:				
Emergencies	117,000	109,709	107,738	334,447
Debt service	653,790	-	-	653,790
Unrestricted	(2,061,713)	(5,748,981)	(3,961,455)	(11,772,149)
Total net position	<u>\$ (98,890)</u>	<u>\$ (4,777,639)</u>	<u>\$ (2,906,858)</u>	<u>\$ (7,783,387)</u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Independence Academy Charter School	Juniper Ridge Community School	Mesa Valley Community School	Total
Independence Academy Charter School:								
Governmental activities:								
Instructional services:								
Interest expense on long-term debt	\$ 1,253,297	\$ 44,176	\$ 13,609	\$ -	\$ (1,195,512)	\$ -	\$ -	\$ (1,195,512)
Support services:	215,924	-	-	-	(215,924)	-	-	(215,924)
School administration services	1,503,861	-	33,028	109,355	(1,361,478)	-	-	(1,361,478)
Total support services	1,503,861	-	33,028	109,355	(1,361,478)	-	-	(1,361,478)
Total - Independence Academy Charter School	2,973,082	44,176	46,637	109,355	(2,772,914)	-	-	(2,772,914)
Juniper Ridge Community School:								
Governmental activities:								
Instructional services:								
Interest expense on long-term debt	\$ 1,812,419	\$ 343,264	\$ 86,888	\$ 113,697	\$ -	\$ (1,268,570)	\$ -	\$ (1,268,570)
Support services:	165,436	-	-	-	-	(165,436)	-	(165,436)
Student support	357,207	-	-	-	-	(357,207)	-	(357,207)
School administration services	275,923	-	-	-	-	(275,923)	-	(275,923)
Business services	13,069	-	-	-	-	(13,069)	-	(13,069)
Operations and maintenance	256,139	-	-	-	-	(256,139)	-	(256,139)
Total support services	902,338	-	-	-	-	(902,338)	-	(902,338)
Total - Juniper Ridge Community School	2,880,193	343,264	86,888	113,697	-	(2,336,344)	-	(2,336,344)
Mesa Valley Community School:								
Governmental activities:								
Instructional services:								
Support services:								
Student support	\$ 2,038,739	\$ 12,790	\$ 99,573	\$ -	\$ -	\$ -	\$ (1,926,376)	\$ (1,926,376)
School administration services	863,746	-	-	-	-	-	(863,746)	(863,746)
Business services	121,615	-	-	-	-	-	(121,615)	(121,615)
Operations and maintenance	82,997	-	-	-	-	-	(82,997)	(82,997)
Total support services	119,727	665	6,079	107,636	-	-	(5,347)	(5,347)
Interest on long-term debt	1,188,085	665	6,079	107,636	-	-	(1,073,705)	(1,073,705)
Total - Mesa Valley Community School	3,343,111	13,455	105,652	107,636	-	-	(116,287)	(116,287)
Total component units	\$ 9,196,386	\$ 400,895	\$ 239,177	\$ 330,688	(2,772,914)	(2,336,344)	(3,116,368)	(8,225,626)
General revenues:								
State equalization not restricted to specific programs					3,219,984	2,902,117	3,120,165	9,242,266
Mill levy					278,976	253,653	270,328	802,957
Investment earnings					27,458	2,411	13,364	43,233
Miscellaneous unrestricted revenue					28,384	41,819	-	70,203
Total general revenues					3,554,802	3,200,000	3,403,857	10,158,659
Change in net position					781,888	863,656	287,489	1,933,033
Net position - beginning					(880,778)	(5,641,295)	(3,194,347)	(9,716,420)
Net position - ending					\$ (98,890)	\$ (4,777,639)	\$ (2,906,858)	\$ (7,783,387)

The notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mesa County Valley School District No. 51 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

The following is a summary of the District's significant accounting policies:

A. Reporting Entity

The District is governed by a five member Board of Education and is organized and operates in accordance with Colorado statutes. Board of Education members are elected by the citizens of Mesa County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District independently issues debt for short and long-term financing. The District meets the criteria of a primary government: its' Board is the publicly elected governing body; it is a legally separate entity; and, it is fiscally independent. The District is not included in any other governmental reporting entity.

Discretely Presented Component Units. The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District's Board of Education must approve all charter school applications and budgets. There are three charter schools in the District: Independence Academy Charter School (IACS), Juniper Ridge Community School (JRCS), and Mesa Valley Community School (MVCS). The charter schools are discretely presented component units because the District is accountable for their financial reporting.

Complete financial statements for each charter school are available at each school's administrative office.

Independence Academy
Charter School
675 29 Road
Grand Junction, CO 81504
Phone: 970-254-6850

Juniper Ridge
Community School
615 Community Lane
Grand Junction, CO 81506
Phone: 970-986-8219

Mesa Valley
Community School
609 25 Rd
Grand Junction, CO 81505
Phone: 970-254-7202

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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Likewise, the *primary government* is reported separately from its legally separate *component units* for which the primary government is financially accountable.

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 or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are

provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary 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. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial 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.

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

The agency fund does not have a measurement focus, as it is merely a custodial fund.

Property taxes, interest and expended grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Governmental Designated Purpose Grants Special Revenue Fund** accounts for revenue and expenditures of funds as proscribed by various federal, state and local grantors as awarded to the District.

The **Nutrition Services Special Revenue Fund** accounts for revenue and expenditures of nutrition services related funds as proscribed by various federal, state and local grantors as awarded to the District.

The **Building Capital Projects Fund** accounts for revenues and expenditures for acquisition of capital sites, buildings and equipment.

The **Capital Projects Capital Projects Fund** accounts for revenues allocated to fund ongoing capital needs, such as site acquisition, building additions and renovations, and equipment purchases.

The **Bond Redemption Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund types:

Internal Service Funds account for insurance provided to other departments or employees of the District on a cost reimbursement basis.

The **Student Body Activity Agency Fund** accounts for assets held by the District for student and teacher clubs and organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Generally, this means that direct expenses for employee benefits are not eliminated from the various functional categories, whereas indirect expenses have been eliminated. Interfund activity is not eliminated in the fund financial statements.

The only proprietary funds at the District are the Internal Service funds. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for industrial insurance, workmen's compensation and employee dental and health insurance provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, supplies and insurance premiums and claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, obligations unconditionally guaranteed by U.S. agencies, certain international agency securities, certain types of bonds of U.S. local government entities, bankers acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and guaranteed investment contracts.

Investments for the District are reported at fair value.

2. Interfund Receivables and Payables

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments.

3. Inventories

Inventories of expendable supplies and materials are valued at cost using the weighted average basis. Inventory items are charged to expenditures when they are consumed. United States Department of Agriculture commodity inventories are valued using Federal guidelines.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., parking lots, sidewalks, and similar items), are reported in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	75
Modular buildings and improvements	25
Building improvements	20
Land improvements and infrastructure	15
Grounds and shop equipment	12
Instructional equipment and phone systems	10
Vehicles and software	7
Office equipment and computers	5
Leased computers and servers	4

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The first is the deferred charge on long-term debt refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two are the deferred outflow of resources related to the cost-sharing, multiple employer defined benefit pension and OPEB plans that they are affiliated with the Public Employees' Retirement Association. See Note 8 and 9 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports unavailable property taxes in this category. The property tax deferral is recognized as revenues in the period when received or within the subsequent fiscal year. The District also reports deferred inflow of resources related to the cost-sharing, multiple employer defined benefit pension and OPEB plans that they are affiliated with the Public Employees' Retirement Association. See Note 8 and 9 for additional information.

6. *Future Compensated Absences*

Future compensated absences consist of accumulated vacation and sick leave. The District's policy is to permit twelve-month employees to accumulate a limited amount of earned but unused vacation, which will be taken after June 30, 2020 or paid upon separation from District service. All employees will be compensated for unused accumulated leave based on various formulas, depending upon the employee's position.

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they

have matured, for example as a result of employee resignations and retirements. There were no such matured compensated absences as of June 30, 2020.

7. Long-term obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statements of net position. Long-term debt premiums and discounts and loss on defeasance are deferred and amortized over the life of the related debt using the straight-line method, which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net Position Flow Assumption

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.

9. Fund Balance Policies and Flow Assumptions

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types.

Fund balances in the fund financial statements are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with the statement, fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned and 5) unassigned. Nonspendable fund balance represents assets that will never be converted to cash. Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions. Committed fund balance is the portion that is limited in use by the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education. Assigned fund balances represent resources intended for a certain use by the District that do not meet the criteria to be classified as restricted or committed. Only the Board of Education assigns amounts for specific purposes. Unassigned fund balance for the general fund represents the net resource balances in excess of the prior classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has directed otherwise in its commitment or assignment actions.

10. Property Taxes

The District's property taxes certified by the Board of Education by December 15 and levied on assessed valuation by the Mesa County Commissioners by December 22 are due and payable in

the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28 and the remaining one-half on or before June 15. The Mesa County Treasurer collects all property taxes. The District portion of property taxes collected are received by the 10th of the month following the month of collection, except for the months of March, May and June, when two payments are received.

11. Pensions

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

12. Defined Benefit Other Post Employment Benefit Plan (OPEB)

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all funds on a basis consistent with GAAP, with two exceptions. Proceeds and subsequent payment to bond escrow agents of any bond refinancing transaction are not budgeted in the Bond Redemption Debt Service fund, as applicable. The Nutrition Services Special Revenue Fund budget differs from GAAP in that revenue and expenditures for commodities received from the U.S. Department of Agriculture are not budgeted as they are non-cash items. The General Fund budgetary schedule differs from the GAAP statement since it does not include the State's on-behalf pension payment in the revenue and expenditure accounts.

In June, the Board of Education adopts the budget for the following fiscal year. In accordance with Colorado statutes, the Board makes final changes, if any, when it “readopts” the budget on or before January 31. The Board may amend or adopt supplemental budgets during the budget year.

B. Budgeted level of expenditures

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Education. At year-end, all appropriations lapse in accordance with Colorado statutes.

Encumbrance accounting is employed in the governmental funds and proprietary funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. At June 30, 2020, the District had outstanding encumbrances of \$830,531 in General Fund, \$110,207 in Governmental Designated Purpose Grants Special Revenue Fund, \$1,662 in Nutrition Services Special Revenue Fund, and \$166,798 in Capital Projects Capital Projects Fund. The Governmental Designated Purpose Grants Special Revenue Fund’s encumbrances of \$110,207 are included in unearned revenue.

The Capital Projects Capital Projects Fund expenditures are made pursuant to an annual resolution adopted by the Board of Education. Appropriations for capital expenditures are carried forward until such time as the project is completed or terminated. At year end, appropriations for any incomplete projects will be carried into the next year and added to the new year budget. This procedure allows for accurate presentation of budget to actual expenditures.

Appropriations for the Governmental Designated Purpose Grants Special Revenue Fund are made by the Board of Education as new grants are approved during the year. Many of the grants have fiscal year ends that differ from the District. In these circumstances, appropriations for these grants are carried into the next fiscal year and added to the new fiscal year’s budget. This allows for accurate presentation of budget to actual expenditures.

C. Proprietary and fiduciary funds appropriations

The schedule below is presented to demonstrate compliance with School District Budget Law.

	<u>Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Internal Service Funds:			
Insurance Reserve	\$ 7,413,428	\$ 2,993,022	\$ 4,420,406
Dental Insurance	2,548,506	1,157,137	1,391,369
Medical Insurance	21,609,639	17,627,722	3,981,917
Student Body Activity Agency Fund	16,000,000	4,707,259	11,292,741

NOTE 3 – CASH AND INVESTMENTS

Cash Deposits

The District’s deposits are governed by Colorado statute. 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 maintained by another institution or held in trust for all uninsured

public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. All deposits of the District and the component units are insured or collateralized with securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2020, the District's cash deposits had a bank balance and a carrying balance as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 49,026
Insured deposits	250,000	250,000
Certificates of deposit	520,745	520,745
Deposits collateralized in single institution pools	<u>5,129,662</u>	<u>4,273,728</u>
	<u>\$ 5,900,407</u>	<u>\$ 5,093,499</u>

Investments

At June 30, 2020, the District's investments were as follows:

<u>Investment Name</u>	<u>Fair Value</u>
Local government investment Pools	\$ 125,600,126
Certificates of deposit NR	<u>2,066,516</u>
Total Investments	<u>126,666,642</u>
Total cash and investments	<u>\$ 131,760,141</u>

Interest rate risk. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes do not allow investment maturities to exceed five years.

The District voluntarily participates in local government investment pools, CSAFE and COLOTRUST, that exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The pools are similar to money market funds, with each share valued at \$1. Assets of the pools are limited to those authorized by state statute, have a maximum slated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7, and have a rating of AAAM by S&P. The fair value of the position in the investment pools approximates the value of the District's investment in the pools. The weighted average maturity of the pool's investments is less than sixty days which indicates the District's ability to withdraw money based on cash flow needs rather than when investments mature.

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which Colorado school districts may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's investment policy is to apply the "prudent investor" rule, which states "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculations, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's investments are in public entity investment pools. These investments are 99% of the District's total investments.

NOTE 4 – CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,707,412	\$ 541,117	\$ –	\$ 15,248,529
Construction in Progress	<u>38,875,026</u>	<u>60,098,631</u>	<u>(62,868,923)</u>	<u>36,104,734</u>
Total Capital assets, not being depreciated	53,582,438	60,639,748	(62,868,923)	51,353,263
Capital assets, being depreciated:				
Buildings and building improvements	281,842,780	62,875,263	(2,280,439)	342,437,604
Land improvements	11,754,379	12,016	(99,045)	11,667,350
Equipment	<u>19,924,444</u>	<u>1,769,898</u>	<u>(66,390)</u>	<u>21,627,952</u>
Total capital assets being depreciated	313,521,603	64,657,177	(2,445,873)	375,732,907
Less accumulated depreciation for:				
Buildings and building improvements	(88,518,864)	(5,831,421)	1,261,461	(93,088,823)
Land improvements	(9,822,324)	(254,723)	99,045	(9,978,002)
Equipment	<u>(14,117,030)</u>	<u>(2,091,048)</u>	<u>66,390</u>	<u>(16,141,688)</u>
Total accumulated depreciation	<u>(112,458,218)</u>	<u>(8,177,191)</u>	<u>1,426,896</u>	<u>(119,208,514)</u>
Total capital assets being depreciated, net	<u>201,063,385</u>	<u>56,479,986</u>	<u>1,018,978</u>	<u>256,524,393</u>
Governmental activities capital assets, net	<u>\$ 254,645,823</u>	<u>\$ 117,119,734</u>	<u>\$ 63,887,901</u>	<u>\$ 307,877,656</u>

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

Governmental activities:	
Instructional services	\$4,753,089
Pupil services	91,668
Instructional staff services	2,358,659
General administration services	2,900
School administration services	147,670
Business services	112,152
Maintenance and capital asset services	160,015
Transportation services	41,746
Central service	<u>509,292</u>
Total depreciation expense – governmental activities	<u>\$8,177,191</u>

NOTE 5 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$175,465,000	\$ –	\$(8,535,000)	\$166,930,000	\$8,825,000
Certificates of Participation	16,830,000	–	(525,000)	16,305,000	555,000
Debt issuance premiums	28,755,181	–	(2,913,767)	25,841,414	2,207,162
Capital leases	7,866,866	2,123,096	(2,515,327)	7,474,635	2,595,453
Claims payable	4,108,248	17,870,399	(19,232,105)	2,746,542	2,746,542
Compensated absences	<u>2,098,869</u>	<u>1,597,061</u>	<u>(1,479,931)</u>	<u>2,215,999</u>	<u>1,400,000</u>
Governmental activities Long-term liabilities	<u>\$235,124,164</u>	<u>\$21,590,556</u>	<u>\$(35,201,130)</u>	<u>\$221,513,590</u>	<u>\$18,329,157</u>

Internal service funds serve the governmental funds. Accordingly, liabilities for them are included as \$2,746,542 of claims payable and \$27,429 of compensated absences in the above amounts. For the governmental activities, compensated absences are generally liquidated by the general fund.

General Obligation Bonds

In January 2018, the district issued \$118,500,000 of General Obligation Bonds, Series 2018 for priority 1 maintenance projects.

In July 2012, the District issued \$7,560,000 of General Obligation Refunding Bonds, Series 2012 to partially advance refund the Series 2004A General Obligation Bonds.

In September 2011, the District issued \$76,575,000 of General Obligation Refunding Bonds, Series 2011 to advance refund \$76,710,000 of the 2004A General Obligation Bonds.

Debt service for the 2011, 2012 and 2018 series bonds is accounted for in the Bond Redemption fund. The bond registrar and paying agent for the 2011 and 2012 bonds is Wells Fargo Bank, N.A., Denver, Colorado.

Bonds of the 2018 issue are dated February 13, 2018 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 5.0% to 5.5%, depending on maturity date. The bonds mature on June 1, 2018 through December 1, 2037 and are not subject to redemption prior to their respective maturities.

Bonds of the 2011 issue are dated September 22, 2011 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 2.0% to 5.0%, depending on maturity date. The bonds mature on December 1, 2012 through December 1, 2024 and are not subject to redemption prior to their respective maturities.

Bonds of the 2012 refunding issue are dated July 25, 2012 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 2.0% to 4.0%, depending on maturity date. The bonds mature on December 1, 2024 and are not subject to redemption prior to their maturity.

The District participates in the Colorado State Treasurer intercept program, in which the State of Colorado guarantees payment of principal and interest if the District defaults as such payments come due. As a condition of participation in the program, the Mesa County Treasurer is assigned to act as the third party trustee of the cash and investments in the Bond Redemption Debt Service Fund.

Debt service requirements to maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
Maturity – June 30,				
2021	\$ 8,825,000	\$ 8,265,163	\$ 17,090,163	2.25 – 5.00%
2022	9,260,000	7,865,357	17,125,357	2.25 – 5.00%
2023	9,650,000	7,439,563	17,089,563	0.00 – 5.00%
2024	10,100,000	6,947,063	17,047,063	2.50 – 5.00%
2025	10,595,000	6,434,000	17,029,000	2.50 – 5.00%
2026-2030	36,815,000	26,438,313	63,253,313	5.00%
2031-2035	47,060,000	15,900,869	62,960,869	5.00 – 5.25%
2036-2038	<u>34,625,000</u>	<u>2,924,488</u>	<u>37,549,488</u>	5.50%
	<u>\$ 166,930,000</u>	<u>\$ 82,214,816</u>	<u>\$ 249,144,816</u>	

Certificates of Participation

On September 15, 2015, the District issued \$7,355,000 in Certificates of Participation for construction of an alternative secondary school building that replaced existing sites. The Certificates were issued with an interest rate ranging from 2.00% to 4.25% with Nisley Elementary School acting as collateral for the Certificates. The first optional call date for the Certificates is on November 15, 2020 and the initial principal plus interest payment was due November 15, 2016.

In 2019, the District issued two Certificates of Participation to construct and purchase buildings for Juniper Ridge Charter School and Mesa Valley Community Charter School respectively. The Certificates were issued with an interest rate ranging from 4.00 to 5.00% with R5 High School acting as collateral for the Certificates. The first optional call date for the Certificates is on December 1, 2028 and the initial principal plus interest payment was due December 1, 2019. Because the debt is held and being paid by the District, the District recognizes a note receivable from both of the charter schools with the balance at June 30, 2020 of \$9,903,315. The District collects monthly from the Charter Schools and holds the funds in an escrow account to pay the debt as it comes due.

Debt service requirements to maturity for certificates of participation are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
Maturity – June 30,				
2021	\$ 555,000	\$ 675,994	\$ 1,230,994	3.00 – 5.00%
2022	580,000	656,719	1,236,719	3.00 – 5.00%
2023	605,000	630,394	1,235,394	3.00 – 5.00%
2024	625,000	606,094	1,231,094	3.00 – 5.00%
2025	650,000	579,144	1,229,144	3.00 – 5.00%
2026-2030	3,710,000	2,422,631	6,132,631	3.00 – 4.00%
2031-2035	4,595,000	1,523,803	6,118,803	3.25 – 4.25%
2036-2040	3,165,000	632,544	3,797,544	3.50 – 4.25%
2041-2044	<u>1,820,000</u>	<u>149,000</u>	<u>1,969,000</u>	3.50 – 4.25%
	<u>\$ 16,305,000</u>	<u>\$ 7,876,322</u>	<u>\$ 24,181,322</u>	

Capitalized Lease Obligations

During 2009 through 2011, the District entered into leases for energy improvements with a capitalized value of \$9,506,583. Payments on the leases began in August, 2011. The final lease payments are due in May, 2027.

In June, 2016, the District entered into a \$1,543,930 lease agreement for telephones. The phones were installed and operational as of June 30, 2016; however, payments on the lease did not begin until July 2016. Lease payments are annual.

In June, 2016, the District entered into two lease agreements in the amounts of \$112,458 and \$290,595 for replacement computers. Payments on the leases commenced August, 2016.

In June, 2017, the District entered into three lease agreements in the amounts of \$72,058, \$1,224,470, and \$214,470 for replacement computers. Payments on the leases began August 2017.

In September 2017, the District entered into a lease agreement of \$704,438 to lease busses. Payments are biannual starting September 2017.

In June 2018, the District entered into three Dell leases agreement in the amounts of \$281,448, \$18,816 and \$1,093,924 for computers. Payments on the leases began August 2018.

In May 2019, the District renewed Dell leases agreement in the amount of \$1,397,045 for Chromebooks. Payments on the leases began August 2019.

In May 2020, the District renewed Dell leases agreement in the amount of \$362,392 for Chromebooks. Payments on the leases begin August 2020.

In April 2020, the District entered into a new lease agreement of \$363,660 to lease busses. Payments are biannual starting October 2020.

Debt Service payments on all leases are subject to annual appropriation.

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The original assets acquired through capital leases are as follows:

Asset:	<u>Governmental Activities</u>
Equipment	\$ 7,679,704
Building improvements	<u>9,506,583</u>
Total asset acquisition value	<u>\$ 17,186,287</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

	<u>Governmental Activities</u>
2021	\$ 2,848,262
2022	2,007,965
2023	1,098,206
2024	1,118,307
2025	750,614
2026	<u>273,387</u>
	8,096,741
Less amount representing interest	<u>(622,105)</u>
Present value of net minimum lease payments	<u>\$ 7,474,636</u>

NOTE 6 – FUND BALANCES

The Capital Projects Capital Projects Fund has a restricted fund balance for TABOR emergency reserve of \$6,666,421. The reserve is required by an amendment to the State Constitution, Article X, Section 20, known as the Tabor Amendment, which requires local government units to establish emergency reserves. The designation is three percent of fiscal year 2020 eligible expenditures. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 7 – INTERFUND TRANSFERS

Interfund transfers during fiscal year 2020 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Physical Activities Special Revenue Fund	\$ 150,000	\$ --
Capital Projects Capital Projects Fund	2,375,970	--
Nutrition Services Special Revenue Fund	79,982	--
Medical Insurance Fund	1,000,000	--
Insurance Reserve Fund	1,500,000	--
General Fund	--	5,105,952
	<u>\$ 5,105,952</u>	<u>\$ 5,105,952</u>

The \$150,000 transfer from the General Fund to the Physical Activities Special Revenue Fund was made to fund costs in excess of revenues for sports programs of the District.

The \$2,375,970 transfer from the General Fund to the Capital Projects Capital Projects Fund was made to fund capital projects and building maintenance.

The \$79,982 transfer from the General Fund to the Nutrition Services Fund was made to subsidize the cost of additional student contact days added in the 2017 Mill Levy Override.

The \$1,000,000 transfer from the General Fund to the Medical Insurance Fund was made to fund deficiencies of the self-insured medical fund due to increased claims cost.

The \$1,500,000 transfer from the General Fund to the Insurance Reserve Fund was made to fund risk management services for the District.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2019. 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.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent 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 of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in 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.

Contributions provisions as of June 30, 2020: Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.38%

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

As specified in C.R.S. § 24-51-414, 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.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$24,860,077 for the year ended June 30, 2020.

On-behalf contributions to SCHDTF. The State of Colorado makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, State of Colorado contributions recognized by the District were based on the State's proportionate share of the collective NPL associated with the District, and the District recognized revenue and expenditures of \$3,101,706 in pension contributions from the State of Colorado.

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the District reported a liability of \$322.868.806 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 District 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 the District were as follows:

District proportionate share of the net pension liability	\$322,868,806
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ 36,342,249
Total	\$ 359,211,055

At December 31, 2019, the District proportion was 2.1611 percent, which was a decrease of 0.1558 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized negative pension expense of \$(30,993,495) and negative revenue of \$1,295,362 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,596,562	\$ -
Changes of assumptions or other inputs	9,217,412	146,450,231
Net difference between projected and actual earnings on pension plan investments	-	38,247,024
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	30,346,309
Contributions subsequent to the measurement date	12,545,069	N/A
Total	\$ 39,359,043	\$215,043,564

\$12,545,069 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, 2021. 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	
2021	\$ (103,881,319)
2022	(71,790,065)
2023	452,299
2024	(13,010,505)
2025	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2018 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	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) ¹	1.25 percent compound annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Increase Reserve

For 2019, the annual increase was 0.00 percent.

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.

Post-retirement non-disabled mortality assumptions 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 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, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected

return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric 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 percent.

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 percent.
- 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 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced 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.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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 rate determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District 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	\$428,193,166	\$ 322,868,806	\$ 234,439,828

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

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a

publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$1,308,424 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$15,874,668 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District proportion was 1.41234 percent, which was an increase of 0.00274 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,306,682. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 52,680	\$ 2,667,528
Changes of assumptions or other inputs	131,701	–
Net difference between projected and actual earnings on OPEB plan investments	–	264,969
Changes in proportion and differences between contributions recognized and proportionate share of contributions	283,355	41,205
Contributions subsequent to the measurement date	660,266	N/A
Total	\$ 1,128,002	\$ 2,973,702

\$660,266 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, 2021. 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:	
2021	\$ (507,916)
2022	(507,887)
2023	(431,169)
2024	(519,772)
2025	(508,423)
Thereafter	(30,799)

Actuarial assumptions. The total OPEB liability in the December 31, 2018 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 OPEB 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	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, valuation 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 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 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
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services

are referenced in the development of these rates. Effective December 31, 2018, 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
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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.

Post-retirement non-disabled 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.

Post-retirement non-disabled 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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 percent.

Sensitivity of the District 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
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	15,497,573	15,874,668	16,310,431

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, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- 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.
- 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 District 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	17,949,508	15,874,668	14,100,247

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

NOTE 10 – RISK MANAGEMENT

The District has established an Insurance Reserve Internal Service Fund to account for insuring against loss or damage to property; payment of premiums on loss insurances; and payment of judgments, administrative and legal claims.

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation as a member of the Colorado School District Self-Insurance Pool (the Pool), which operates as a risk-sharing public entity risk pool comprised of various school districts and other related public educational entities within the State of Colorado. The Pool provides the District with general, property and vehicle liability insurance. For the year ended June 30, 2020, the District paid \$636,680 in premiums to the Pool. In the event of the impairment or insolvency of the Pool, the District may be assessed such amounts as may be necessary to ensure the solvency of the Pool. The likelihood of an event of this type occurring is remote.

Commercial insurance companies are used to provide coverage for life insurance and other insurance programs maintained by the District. For each of the past three years, no settlements have exceeded the amount of insurance coverage. The District self-insures for vehicle comprehensive and collision coverage and worker's compensation coverage. Health, vision and life employee benefit insurances are not included in this fund and such premiums are recorded as employee benefits in the same funds as the salary expenditure.

The District had established a self-insured employee benefit dental insurance plan in 2002. In January, 2004 the District established a self-insured employee benefit medical insurance plan. Premiums paid

by employees and District contributions are remitted to the Medical Insurance Internal Service Fund and the Dental Insurance Internal Service Fund by the fund that pays the salary expenditure. Payments of medical and dental claims and administrative costs are an expense of the internal service funds and these transactions are accounted for in the respective internal service funds.

Claims liabilities of \$1,494,875 in the Insurance Reserve Internal Service Fund, \$1,186,043 in the Medical Insurance Internal Service Fund and \$65,624 in the Dental Insurance Internal Service Fund were recorded at June 30, 2020 for the District's share of estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts in 2019 and 2020 were:

	July 1 <u>Claims payable</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	June 30 <u>Claims payable</u>
Dental coverage:				
2019	\$ 75,740	\$ 1,131,799	\$ (1,102,762)	\$ 104,777
2020	104,777	1,025,945	(1,065,098)	65,624
Medical coverage:				
2019	\$ 2,035,835	\$ 15,931,898	\$ (15,391,882)	\$ 2,575,851
2020	2,575,851	16,077,417	(17,467,225)	1,186,043
Insurance reserve:				
2019	\$ 1,044,041	\$ 1,968,102	\$ (1,584,523)	\$ 1,427,620
2020	1,427,620	1,345,130	(1,277,875)	1,494,875

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants – The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. Based on prior experience, the District administration believes such disallowance, if any, would be immaterial.

Litigation – The District is involved in various litigations. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the District.

Tabor Amendment – Colorado voters passed an amendment to the State Constitution, Article X, Section 20, known as the Tabor Amendment, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. In a general election held on November 2, 1999, voters approved a ballot issue, which allows the school district to exceed the revenue limitations for the year ended June 30, 1999 and in future years.

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REQUIRED SUPPLEMENTARY INFORMATION

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Mesa County Valley School District No. 51

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

June 30, 2020

	Employer proportion of NOPEBL	Employer proportionate share of NOPEBL	Covered payroll	Employer proportionate share of NOPEBL as a percentage of covered payroll	OPEB plan's fiduciary net position as a percentage of total OPEB liability
<u>Measurement date:</u>					
December 31, 2017	1.3809%	\$ 17,945,907	\$ 112,094,703	16%	18%
December 31, 2018	1.4096%	19,177,865	119,202,566	16%	17%
December 31, 2019	1.4123%	15,874,668	126,303,921	13%	24%
December 31, 2020	-	-	-	-	-
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-
December 31, 2024	-	-	-	-	-
December 31, 2025	-	-	-	-	-
December 31, 2026	-	-	-	-	-

Mesa County Valley School District No. 51

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2020

	Employer proportion of NPL	Employer proportionate share of NPL	Nonemployer contributing entity proportionate share of NPL associated with employer	Total of employer and nonemployer proportionate share of NPL	Covered payroll	Employer proportionate share of NPL as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of total pension liability
<u>Measurement date:</u>							
December 31, 2014	2.6793%	\$ 363,135,378	\$ -	\$ 363,135,378	\$ 104,046,561	349%	63%
December 31, 2015	2.4552%	375,508,406	-	375,508,406	106,992,550	351%	59%
December 31, 2016	2.4403%	726,578,219	-	726,578,219	110,846,175	655%	43%
December 31, 2017	2.4303%	785,867,412	-	785,867,412	112,094,703	701%	44%
December 31, 2018	2.3169%	383,988,002	46,189,284	430,177,286	119,202,566	322%	57%
December 31, 2019	2.1611%	322,868,806	36,342,249	359,211,055	126,303,921	256%	65%
December 31, 2020	-	-	-	-	-	-	-
December 31, 2021	-	-	-	-	-	-	-
December 31, 2022	-	-	-	-	-	-	-
December 31, 2023	-	-	-	-	-	-	-

Mesa County Valley School District No. 51

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2020

	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2015	\$ 18,812,548	\$ 18,812,548	\$ -	\$ 105,086,978	17.90%
June 30, 2016	19,376,687	19,376,687	-	109,269,410	17.73%
June 30, 2017	20,282,919	20,282,919	-	110,335,833	18.38%
June 30, 2018	21,641,878	21,641,878	-	114,601,772	18.88%
June 30, 2019	23,653,869	23,653,869	-	123,647,973	19.13%
June 30, 2020	24,860,077	24,860,077	-	128,276,883	19.38%
June 30, 2021	-	-	-	-	-
June 30, 2022	-	-	-	-	-
June 30, 2023	-	-	-	-	-
June 30, 2024	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

For the measurement period ended December 31, 2019, there were no changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

Note 2: Subsequent Event

Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA's investment portfolio, as well the short-medium term impact on the Trust Fund's membership and demographics, remains uncertain.

BB 20-1379: Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year, passed during the 2020 legislative session and signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, \$225 million (in actual dollars) direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Governmental accounting standards require the net pension liabilities for financial reporting purposes be measured using the plan provisions in effect as of the pension plan's year end. The passage of HB 20-1379 into law is considered a nonrecognized subsequent event as these statutory changes to plan provisions did not exist as of the December 31, 2019, measurement date.

Mesa County Valley School District No. 51

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

June 30, 2020

	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2018	\$ 1,168,938	\$ 1,168,938	\$ -	\$ 114,601,772	1.02%
June 30, 2019	1,261,209	1,261,209	-	123,647,973	1.02%
June 30, 2020	1,308,424	1,308,424	-	128,276,883	1.02%
June 30, 2021	-	-	-	-	-
June 30, 2022	-	-	-	-	-
June 30, 2023	-	-	-	-	-
June 30, 2024	-	-	-	-	-
June 30, 2025	-	-	-	-	-
June 30, 2026	-	-	-	-	-
June 30, 2027	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

Note 2: Subsequent Event

Subsequent to December 31, 2019, as a result of the COVID-19 pandemic, the global economic outlook has changed. The duration and full effects of the pandemic are currently unknown, as the global picture continues to evolve. Although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA's investment portfolio, as well the short-medium term impact on the Trust Fund's membership and demographics, remains uncertain.



Colorado Department of Education
Auditors Integrity Report
 District: 2000 - Mesa County Valley 51
 Fiscal Year 2019-20
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	13,807,608		210,423,003		210,057,522		14,173,089
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	1,221,277		2,329,197		2,791,242		759,232
Sub-Total	15,028,885		212,752,200		212,848,764		14,932,321
11 Charter School Fund	5,662,993		14,642,910		14,049,737		6,256,166
20.26-29 Special Revenue Fund	421,274		126,559		122,317		425,516
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
07 Total Program Reserve Fund	0		0		0		0
21 Food Service Spec Revenue Fund	804,306		6,130,045		6,655,751		278,601
22 Govt Designated-Purpose Grants Fund	0		26,007,309		26,007,309		0
23 Pupil Activity Special Revenue Fund	25,252		559,820		564,708		20,364
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	14,986,280		17,864,195		17,156,462		15,694,013
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	90,943,220		1,311,651		56,028,760		36,226,110
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	12,870,034		6,020,105		5,676,827		13,213,312
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	140,742,242		285,414,794		339,110,635		87,046,402
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	6,103,154		4,478,383		4,150,159		6,431,377
60.65-69 Other Internal Service Funds	2,937,118		18,168,456		17,627,722		3,477,852
Totals	9,040,272		22,646,839		21,777,882		9,909,229
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	2,497,452		5,066,061		4,707,259		2,856,254
79 GASB 34/Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	2,497,452		5,066,061		4,707,259		2,856,254

FINAL

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULE

Component of General fund Component - 2018 Mill Levy

In November 2017, School District 51 voters approved a mill levy override to raise property taxes within District 51 boundaries by \$6.5 million annually for ten years. The funds are for the purpose of adding additional student counts days, updating instructional materials and educator training, and helping extend the life of buildings and additional positions for technology support. The 2018 Mill Levy fund is part of the General fund.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Career Center Grant Fund – accounts for the use of donations and revenues generated by the building construction projects of the students in the career center program. Due to the depressed housing market, the program did not construct a house this year.

Physical Activities Fund – accounts for most of the revenue and expenditures associated with the athletic programs at the high schools.

Beverage Fund – accounts for the money received from a “Sponsorship Agreement” entered into with Swire Pacific Holding, Inc. and expenditure of the funds as per management directives.

Adult Education/Local Projects Fund – accounts for the tuition and fees received from students of adult education and online programs and expenditures related to conducting the programs and miscellaneous grant revenues and expenditures from non-government grantors.

Capital Projects Juniper and MV Charter Fund – In 2019, the District issued two Certificates of Participation to construct and purchase buildings for Juniper Ridge Charter School and Mesa Valley Community Charter School respectively.

Major Governmental Funds

Capital Projects Fund

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major capital equipment or facilities.

Building Fund – accounts for funds from Certificates of Participation proceeds and related expenditures for construction of a new R5/Summit School facility.

Capital Projects – accounts for funds transferred from the General Fund and proceeds of capital leases and related expenditures for capital acquisitions, capital maintenance, and capital projects.

Debt Service Fund

Debt service funds are used to account for the accumulation of resources and payment of principal and interest related to the District’s general obligation bond debt.

Bond Redemption Fund – accounts for the property taxes received and the payment of principal and interest on the District’s General Obligation bonds: Series 1996 approved by the voters in November, 1996 and the related partial refunding issue Series 2004, and Series 2004A approved by the voters in November, 2004 and the related partial refunding issue Series 2011.

Mesa County Valley School District No. 51
BALANCE SHEET
COMPONENT OF GENERAL FUND - MILL LEVY 2018
June 30, 2020

ASSETS

Current assets:

Cash and investments	\$ 2,574,089
Total current assets	<u>\$ 2,574,089</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 602,512
Accrued wages and benefits	9,470
Total current liabilities	<u>611,982</u>
Total liabilities	<u>611,982</u>

NET POSITION

Unrestricted	1,962,107
Total net position	<u>\$ 1,962,107</u>

Mesa County Valley School District No. 51
COMPONENT OF GENERAL FUND - MILL LEVY 2018
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Property taxes	\$ 6,500,000	\$ 6,500,000	\$ 6,468,578	\$ (31,422)
Specific ownership tax	850,000	850,000	585,543	(264,457)
Investment income	70,000	70,000	38,912	(31,088)
	<u>7,420,000</u>	<u>7,420,000</u>	<u>7,093,033</u>	<u>(326,967)</u>
EXPENDITURES				
Current:				
Instructional services:				
General instruction	1,097,424	1,102,255	2,754,300	(1,652,045)
Instructional support:				
Treasurer's fee	-	-	16,171	(16,171)
Business support:				
Craftsmen	1,000,000	1,000,000	958,203	41,797
Information technology	300,000	300,000	271,617	28,383
Contingency	<u>4,836,227</u>	<u>3,884,565</u>	<u>-</u>	<u>3,884,565</u>
Total expenditures	<u>7,233,651</u>	<u>6,286,820</u>	<u>4,000,291</u>	<u>2,286,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>186,349</u>	<u>1,133,180</u>	<u>3,092,742</u>	<u>1,959,562</u>
OTHER FINANCE SOURCES (USES)				
Transfers out	<u>(4,996,428)</u>	<u>(4,991,597)</u>	<u>(4,989,051)</u>	<u>2,546</u>
Total other financing sources (uses)	<u>(4,996,428)</u>	<u>(4,991,597)</u>	<u>(4,989,051)</u>	<u>2,546</u>
Net change in fund balances	(4,810,079)	(3,858,417)	(1,896,309)	1,962,108
Fund balances - beginning	<u>4,810,079</u>	<u>3,858,417</u>	<u>3,858,416</u>	<u>(1)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,962,107</u>	<u>\$ 1,962,107</u>

Mesa County Valley School District No. 51
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue				Capital Projects	Total Nonmajor Governmental Funds
	Career Center Grant	Physical Activities	Beverage	Adult Education/ Local Projects	Capital Projects Juniper Ridge	
ASSETS						
Cash and investments	\$ -	\$ 20,364	\$ 284,353	\$ 12,340	\$ 101,357	\$ 418,414
Accounts receivable	177,127	-	-	180	-	177,307
Total assets	<u>\$ 177,127</u>	<u>\$ 20,364</u>	<u>\$ 284,353</u>	<u>\$ 12,520</u>	<u>\$ 101,357</u>	<u>\$ 595,721</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 9,696	\$ -	\$ 65,891	\$ 75,587
Due to other Funds	33,846	-	-	-	-	33,846
Unearned revenue	-	-	-	4,942	-	4,942
Total liabilities	<u>33,846</u>	<u>-</u>	<u>9,696</u>	<u>4,942</u>	<u>65,891</u>	<u>114,375</u>
FUND BALANCES						
Assigned to:						
Capital projects	-	-	-	-	35,466	35,466
Special revenue funds	<u>143,281</u>	<u>20,364</u>	<u>274,657</u>	<u>7,578</u>	<u>-</u>	<u>445,880</u>
Total fund balances	<u>143,281</u>	<u>20,364</u>	<u>274,657</u>	<u>7,578</u>	<u>35,466</u>	<u>481,346</u>
Total liabilities and fund balances	<u>\$ 177,127</u>	<u>\$ 20,364</u>	<u>\$ 284,353</u>	<u>\$ 12,520</u>	<u>\$ 101,357</u>	<u>\$ 595,721</u>

Mesa County Valley School District No. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	Special Revenue				Capital Projects	Total Nonmajor Governmental Funds
	Career Center Grant	Physical Activities	Beverage	Adult Education/ Local Projects	Capital Projects Juniper	
REVENUES						
Local sources	\$ 59,111	\$ 409,820	\$ 58,612	\$ 8,836	\$ 39,078	\$ 575,457
Total revenues	<u>59,111</u>	<u>409,820</u>	<u>58,612</u>	<u>8,836</u>	<u>39,078</u>	<u>575,457</u>
EXPENDITURES						
Current:						
Instructional services	58,890	-	35,344	10,448	-	104,682
Instructional support	-	-	256	-	-	256
Community services	-	-	-	7,505	-	7,505
Physical activities	-	564,708	-	-	-	564,708
Capital outlay	-	-	9,873	-	3,176,283	3,186,156
Debt Service:						
COP Interest	-	-	-	-	179,142	179,142
Total expenditures	<u>58,890</u>	<u>564,708</u>	<u>45,473</u>	<u>17,953</u>	<u>3,355,425</u>	<u>4,042,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>221</u>	<u>(154,888)</u>	<u>13,139</u>	<u>(9,117)</u>	<u>(3,316,347)</u>	<u>(3,466,992)</u>
OTHER FINANCING SOURCES						
Transfer in	-	150,000	-	-	-	150,000
Total other financing sources (uses)	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net change in fund balances	221	(4,888)	13,139	(9,117)	(3,316,347)	(3,316,992)
Fund balances - beginning	<u>143,060</u>	<u>25,252</u>	<u>261,518</u>	<u>16,695</u>	<u>3,351,813</u>	<u>3,798,338</u>
Fund balances - ending	<u>\$ 143,281</u>	<u>\$ 20,364</u>	<u>\$ 274,657</u>	<u>\$ 7,578</u>	<u>\$ 35,466</u>	<u>\$ 481,346</u>

Mesa County Valley School District No. 51
CAREER CENTER GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Career Center grant	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Project sales	200,000	200,000	58,890	(141,110)
Investment income	-	-	221	221
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>59,111</u>	<u>(170,889)</u>
EXPENDITURES				
Current:				
Instructional services:				
Supplies	<u>200,000</u>	<u>200,000</u>	<u>58,890</u>	<u>141,110</u>
Contingency:	<u>144,043</u>	<u>143,060</u>	<u>-</u>	<u>143,060</u>
Total current	<u>344,043</u>	<u>343,060</u>	<u>58,890</u>	<u>284,170</u>
Capital outlay:				
Land Acquisition	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>374,043</u>	<u>373,060</u>	<u>58,890</u>	<u>314,170</u>
Excess (deficiency) of revenues over (under) expenditures	(144,043)	(143,060)	221	143,281
Fund balances - beginning	<u>144,043</u>	<u>143,060</u>	<u>143,060</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,281</u>	<u>\$ 143,281</u>

Mesa County Valley School District No. 51
PHYSICAL ACTIVITIES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Athletic fees	\$ 340,000	\$ 340,000	\$ 213,422	\$ (126,578)
Gate receipts	260,000	260,000	192,995	(67,005)
Contributions	36,000	36,000	3,403	(32,597)
Total revenues	<u>636,000</u>	<u>636,000</u>	<u>409,820</u>	<u>(226,180)</u>
EXPENDITURES				
Current:				
Physical activities:				
Basketball, girls	52,000	52,000	62,090	(10,090)
Cheerleader/Poms	15,000	15,000	10,244	4,756
Golf, girls	8,000	8,000	220	7,780
Soccer, girls	24,000	24,000	-	24,000
Softball, girls	40,000	40,000	38,044	1,956
Swimming, girls	12,000	12,000	6,425	5,575
Tennis, girls	6,500	6,500	836	5,664
Volleyball	48,000	48,000	55,162	(7,162)
LaCrosse, girls	27,000	27,000	160	26,840
Baseball	40,000	4,000	602	3,398
Basketball, boys	52,000	52,000	63,806	(11,806)
Football	130,500	130,500	129,856	644
Golf, boys	8,000	8,000	11,085	(3,085)
Soccer, boys	24,000	24,000	24,521	(521)
Swimming, boys	10,000	10,000	-	10,000
Tennis, boys	6,500	6,500	6,883	(383)
Wrestling	48,000	48,000	50,502	(2,502)
LaCrosse, boys	27,000	27,000	2,169	24,831
Cross country	12,000	12,000	15,982	(3,982)
Track	32,000	32,000	-	32,000
Schoarships	1,000	1,000	-	1,000
Athletic Director Travel	3,000	3,000	1,324	1,676
Other Professionla Services	159,500	159,500	84,797	74,703
Contingency	72,202	61,252	-	61,252
Total expenditures	<u>858,202</u>	<u>811,252</u>	<u>564,708</u>	<u>246,544</u>
Excess (deficiency) of revenues over (under) expenditures	(222,202)	(175,252)	(154,888)	20,364
Other financing sources:				
Transfer in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(72,202)	(25,252)	(4,888)	20,364
Fund balances - beginning	<u>72,202</u>	<u>25,252</u>	<u>25,252</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,364</u>	<u>\$ 20,364</u>

Mesa County Valley School District No. 51
BEVERAGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenue	\$ 58,308	\$ 58,308	\$ 54,242	\$ (4,066)
Investment income	<u>1,200</u>	<u>1,200</u>	<u>4,370</u>	<u>3,170</u>
Total revenues	<u>59,508</u>	<u>59,508</u>	<u>58,612</u>	<u>(896)</u>
EXPENDITURES				
Current:				
Instructional services:				
Student programs	<u>39,000</u>	<u>39,000</u>	<u>35,344</u>	<u>3,656</u>
Instructional support:				
Staff development	<u>28,308</u>	<u>28,308</u>	<u>256</u>	<u>28,052</u>
Contingency	<u>239,013</u>	<u>238,518</u>	<u>-</u>	<u>238,518</u>
Total current	<u>306,321</u>	<u>305,826</u>	<u>35,600</u>	<u>270,226</u>
Capital outlay	<u>15,200</u>	<u>15,200</u>	<u>9,873</u>	<u>5,327</u>
Total expenditures	<u>321,521</u>	<u>321,026</u>	<u>45,473</u>	<u>275,553</u>
Excess (deficiency) of revenues over (under) expenditures	(262,013)	(261,518)	13,139	274,657
Fund balances - beginning	<u>262,013</u>	<u>261,518</u>	<u>261,518</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,657</u>	<u>\$ 274,657</u>

Mesa County Valley School District No. 51
ADULT EDUCATION/LOCAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Tuition and fees	\$ 8,000	\$ 8,000	\$ 1,525	\$ (6,475)
Donations	5,942	9,742	7,311	(2,431)
	13,942	17,742	8,836	(8,906)
EXPENDITURES				
Current:				
Instructional services:				
Salaries	-	-	2,939	(2,939)
Employee benefits	-	-	646	(646)
Supplies	10,942	14,742	6,863	7,879
	10,942	14,742	10,448	4,294
Instructional support:				
Staff development	2,000	2,000	-	2,000
Community services:				
Supplies	8,000	8,000	7,505	495
Contingency	6,047	8,339	-	8,339
Total current	26,989	33,081	17,953	15,128
Total expenditures	26,989	33,081	17,953	15,128
Excess (deficiency) of revenues over (under) expenditures	(13,047)	(15,339)	(9,117)	6,222
Fund balances - beginning	13,047	15,339	16,695	1,356
Fund balances - ending	\$ -	\$ -	\$ 7,578	\$ 7,578

Mesa County Valley School District No. 51
CAPITAL PROJECTS BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Investment income	\$ 2,400,000	\$ 3,100,000	\$ 1,272,573	\$ (1,827,427)
Total revenues	<u>2,400,000</u>	<u>3,100,000</u>	<u>1,272,573</u>	<u>(1,827,427)</u>
EXPENDITURES				
Capital outlay:				
New Construction	77,774,342	90,691,408	52,264,357	38,427,051
Equipment	-	-	127,408	(127,408)
Furniture and fixtures	-	-	134,478	(134,478)
Other professional services	-	-	147,094	(147,094)
Total expenditures	<u>77,774,342</u>	<u>90,691,408</u>	<u>52,673,337</u>	<u>38,018,071</u>
Excess (deficiency) of revenues over (under) expenditures	(75,374,342)	(87,591,408)	(51,400,764)	36,190,644
Fund balances - beginning	<u>75,374,342</u>	<u>87,591,408</u>	<u>87,591,408</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,190,644</u>	<u>\$ 36,190,644</u>

Mesa County Valley School District No. 51
CAPITAL PROJECTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Investment income	\$ 210,000	\$ 210,000	\$ 158,138	\$ (51,862)
Lease Revenue	691,575	691,575	861,987	170,412
Miscellaneous	700,000	700,000	77,439	(622,561)
Total revenues	1,601,575	1,601,575	1,097,564	(504,011)
EXPENDITURES				
Capital outlay:				
Ground improvements/land	135,000	135,000	297,552	(162,552)
Buildings	1,190,000	1,190,000	1,069,501	120,499
Equipment	375,000	475,000	2,454,211	(1,979,211)
Other capital outlay	793,915	793,915	483,002	310,913
Contingency	10,784,400	12,181,714	-	12,181,714
Total capital outlay	13,278,315	14,775,629	4,304,266	10,471,363
Debt service:				
Lease financing principal	2,032,667	2,032,667	675,467	1,357,200
Lease financing interest and other	705,783	705,783	697,094	8,689
Total debt service	2,738,450	2,738,450	1,372,561	1,365,889
Total expenditures	16,016,765	17,514,079	5,676,827	11,837,252
Excess (deficiency) of revenues over (under) expenditures	(14,415,190)	(15,912,504)	(4,579,263)	11,333,241
OTHER FINANCING SOURCES (USES)				
Transfers in	2,375,970	2,375,970	2,375,970	-
Proceeds from sale of real property	425,000	425,000	423,475	(1,525.00)
Issuance of capital lease debt	241,500	241,500	2,123,096	1,881,596
Total other financing sources (uses)	3,042,470	3,042,470	4,922,541	1,880,071
Net change in fund balances	(11,372,720)	(12,870,034)	343,278	13,213,312
Fund balances - beginning	11,372,720	12,870,034	12,870,034	-
Fund balances - ending	\$ -	\$ -	\$ 13,213,312	\$ 13,213,312

Mesa County Valley School District No. 51
CAPITAL PROJECTS BUILDING - JUNIPER RIDGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Investment income	\$ 200,000	\$ 300,000	\$ 39,078	\$ (260,922)
Total revenues	<u>200,000</u>	<u>300,000</u>	<u>39,078</u>	<u>(260,922)</u>
EXPENDITURES				
Capital outlay:				
Building Construction	2,965,017	3,651,813	3,019,804	632,009
Other Professional Services	-	-	156,479	(156,479)
Total capital outlay	<u>2,965,017</u>	<u>3,651,813</u>	<u>3,176,283</u>	<u>475,530</u>
Debt service:				
COP Interest	-	-	179,142	(179,142)
Total debt service	<u>-</u>	<u>-</u>	<u>179,142</u>	<u>(179,142)</u>
Total expenditures	<u>2,965,017</u>	<u>3,651,813</u>	<u>3,355,425</u>	<u>296,388</u>
Excess (deficiency) of revenues over (under) expenditures	(2,765,017)	(3,351,813)	(3,316,347)	35,466
Fund balances - beginning	<u>2,765,017</u>	<u>3,351,813</u>	<u>3,351,813</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,466</u>	<u>\$ 35,466</u>

Mesa County Valley School District No. 51
BOND REDEMPTION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Property taxes	\$ 17,423,118	\$ 17,956,463	\$ 17,855,222	\$ (101,241)
Delinquent taxes	10,000	10,000	8,973	(1,027)
Total revenues	<u>17,433,118</u>	<u>17,966,463</u>	<u>17,864,195</u>	<u>(102,268)</u>
EXPENDITURES				
Debt service:				
Principal	8,535,000	8,535,000	8,535,000	-
Interest and fiscal charges	8,621,463	8,621,463	8,621,463	-
Contingency	15,091,485	15,796,280	-	15,796,280
Total expenditures	<u>32,247,948</u>	<u>32,952,743</u>	<u>17,156,463</u>	<u>15,796,280</u>
Net change in fund balances	(14,814,830)	(14,986,280)	707,732	15,694,012
Fund balances - beginning	<u>14,814,830</u>	<u>14,986,280</u>	<u>14,986,280</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,694,012</u>	<u>\$ 15,694,012</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance Reserve Fund – accounts for the cost of District insurance services provided to schools and departments in the District, including property, liability, and worker's compensation coverage.

Dental Insurance Fund – accounts for the premiums collected from employees and District contributions and costs of administration and dental claims of a self-insured employee benefit dental plan.

Medical Insurance Fund – accounts for the premiums collected from employees and District contributions and costs of administration and medical claims of a self-insured employee benefit medical plan.

Mesa County Valley School District No. 51
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

	Insurance Reserve Fund	Dental Insurance Fund	Medical Insurance Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 6,779,904	\$ 1,382,660	\$ 4,657,148	\$ 12,819,712
Accounts receivable	66	-	14,051	14,117
Total current assets	<u>6,779,970</u>	<u>1,382,660</u>	<u>4,671,199</u>	<u>12,833,829</u>
LIABILITIES				
Current liabilities:				
Accounts payable	75,119	37,911	-	113,030
Accrued wages and benefits	30,294	-	7,305	37,599
Claims payable	500,000	65,624	1,186,043	1,751,667
Compensated absences payable	24,929	-	-	24,929
Total current liabilities	<u>630,342</u>	<u>103,535</u>	<u>1,193,348</u>	<u>1,927,225</u>
Noncurrent liabilities:				
Claims payable	994,875	-	-	994,875
Future compensated absences payable	2,500	-	-	2,500
Total noncurrent liabilities	<u>997,375</u>	<u>-</u>	<u>-</u>	<u>997,375</u>
Total liabilities	<u>1,627,717</u>	<u>103,535</u>	<u>1,193,348</u>	<u>2,924,600</u>
NET POSITION				
Unrestricted	<u>\$ 5,152,253</u>	<u>\$ 1,279,125</u>	<u>\$ 3,477,851</u>	<u>\$ 9,909,229</u>

Mesa County Valley School District No. 51
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the fiscal year ended June 30, 2020

	<u>Insurance Reserve Fund</u>	<u>Dental Insurance Fund</u>	<u>Medical Insurance Fund</u>	<u>Total</u>
Operating revenues:				
Premiums and copays for employees	\$ 1,609,328	\$ 1,274,963	\$ 17,032,349	\$ 19,916,640
Other professional services	8,139	74	110,496	118,709
Total operating revenues	<u>1,617,467</u>	<u>1,275,037</u>	<u>17,142,845</u>	<u>20,035,349</u>
Operating expenses:				
Worker compensation	1,277,875	-	-	1,277,875
Insurance premiums	711,823	-	-	711,823
Losses or claims	290	1,065,098	17,467,225	18,532,613
Other operating expenses	1,003,034	92,039	160,497	1,255,570
Total operating expenses	<u>2,993,022</u>	<u>1,157,137</u>	<u>17,627,722</u>	<u>21,777,881</u>
Operating income (loss)	<u>(1,375,555)</u>	<u>117,900</u>	<u>(484,877)</u>	<u>(1,742,532)</u>
Non-operating revenues:				
Investment income	85,879	-	25,610	111,489
Transfers in (out)	1,500,000	-	1,000,000	2,500,000
Total non-operating revenues	<u>1,585,879</u>	<u>-</u>	<u>1,025,610</u>	<u>2,611,489</u>
Change in net position	210,324	117,900	540,733	868,957
Total net position - beginning	<u>4,941,929</u>	<u>1,161,225</u>	<u>2,937,118</u>	<u>9,040,272</u>
Total net position - ending	<u>\$ 5,152,253</u>	<u>\$ 1,279,125</u>	<u>\$ 3,477,851</u>	<u>\$ 9,909,229</u>

Mesa County Valley School District No. 51
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2020

	Insurance Reserve Fund	Dental Insurance Fund	Medical Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,626,179	\$ 1,284,452	\$ 17,299,295	\$ 20,209,926
Payments to employees	(1,260,654)	-	1,370	(1,259,284)
Payments to vendors	<u>(1,670,583)</u>	<u>(1,165,995)</u>	<u>(19,542,412)</u>	<u>(22,378,990)</u>
Net cash provided (used) by operating activities	<u>(1,305,058)</u>	<u>118,457</u>	<u>(2,241,747)</u>	<u>(3,428,348)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	<u>1,500,000</u>	<u>-</u>	<u>1,000,000</u>	<u>2,500,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	<u>85,879</u>	<u>-</u>	<u>25,610</u>	<u>111,489</u>
Net cash provided by investing activities	<u>85,879</u>	<u>-</u>	<u>25,610</u>	<u>111,489</u>
Net increase (decrease) in cash and cash equivalents	280,821	118,457	(1,216,137)	(816,859)
Cash and cash equivalents, July 1	6,499,081	1,264,204	5,873,285	13,636,570
Cash and cash equivalents, June 30	<u>\$ 6,779,902</u>	<u>\$ 1,382,661</u>	<u>\$ 4,657,148</u>	<u>\$ 12,819,711</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,375,555)	\$ 117,900	\$ (484,877)	\$ (1,742,532)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
(Increase) decrease in accounts receivable	8,712	9,415	156,450	174,577
Increase (decrease) in accounts payable	(22,691)	30,295	(524,882)	(517,278)
Increase (decrease) in accrued salaries and benefits	8,672	-	1,370	10,042
Increase (decrease) in claims payable	67,255	(39,153)	(1,389,808)	(1,361,706)
Increase (decrease) in liability for future compensated absences	<u>8,549</u>	<u>-</u>	<u>-</u>	<u>8,549</u>
Total adjustments	<u>70,497</u>	<u>557</u>	<u>(1,756,870)</u>	<u>(1,685,816)</u>
Net cash provided (used) by operating activities	<u>\$ (1,305,058)</u>	<u>\$ 118,457</u>	<u>\$ (2,241,747)</u>	<u>\$ (3,428,348)</u>

Fiduciary Fund

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Student Body Activity Agency Fund – accounts for assets held by the District for student and teacher clubs and organizations.

Mesa County Valley School District No. 51
STUDENT BODY ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2020

	<u>Balances</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2020</u>
Assets				
Cash and investments	\$ <u>2,497,452</u>	\$ <u>5,066,061</u>	\$ <u>4,707,259</u>	\$ <u>2,856,254</u>
Liabilities				
Accounts payable	\$ 1,177	\$ -	\$ -	\$ 1,177
Due to student groups	<u>2,496,275</u>	<u>5,066,061</u>	<u>4,707,259</u>	<u>2,855,077</u>
Total liabilities	<u>\$ 2,497,452</u>	<u>\$ 5,066,061</u>	<u>\$ 4,707,259</u>	<u>\$ 2,856,254</u>

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

Mesa County Valley School District No. 51
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE

June 30, 2020

Governmental funds capital assets:	
Land and improvements	\$ 26,915,879
Buildings	377,787,734
Equipment	<u>22,382,556</u>
Total governmental funds capital assets	<u>\$ 427,086,169</u>
Investment in governmental funds capital assets by source:	
Assets acquired prior to January 1, 1988 not categorized by source	\$ 18,931,152
General fund	20,822,621
Special revenue funds	55,067,403
Capital projects funds	327,865,692
Agency funds	749,570
Donations and other	<u>3,649,731</u>
Total governmental funds capital assets	<u>\$ 427,086,169</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2020

<u>Function and Activity</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Instructional services	\$ 15,230,335	\$ 356,479,535	\$ 10,662,765	\$ 382,372,635
Pupil services	153,651	2,427,656	322,249	2,903,556
Instructional staff services	-	469,888	26,938	496,826
General administration services	-	78,266	-	78,266
School administration services	764,172	16,382,058	446,891	17,593,121
Business services	979,407	282,905	274,333	1,536,645
Maintenance services	-	300,652	2,527,874	2,828,526
Transportation services	378,287	200,000	991,431	1,569,718
Central services	83,817	227,757	3,444,726	3,756,300
Community services	-	-	3,565,662	3,565,662
Unallocated	9,326,210	939,017	119,687	10,384,914
	<u>\$ 26,915,879</u>	<u>\$ 377,787,734</u>	<u>\$ 22,382,556</u>	<u>\$ 427,086,169</u>

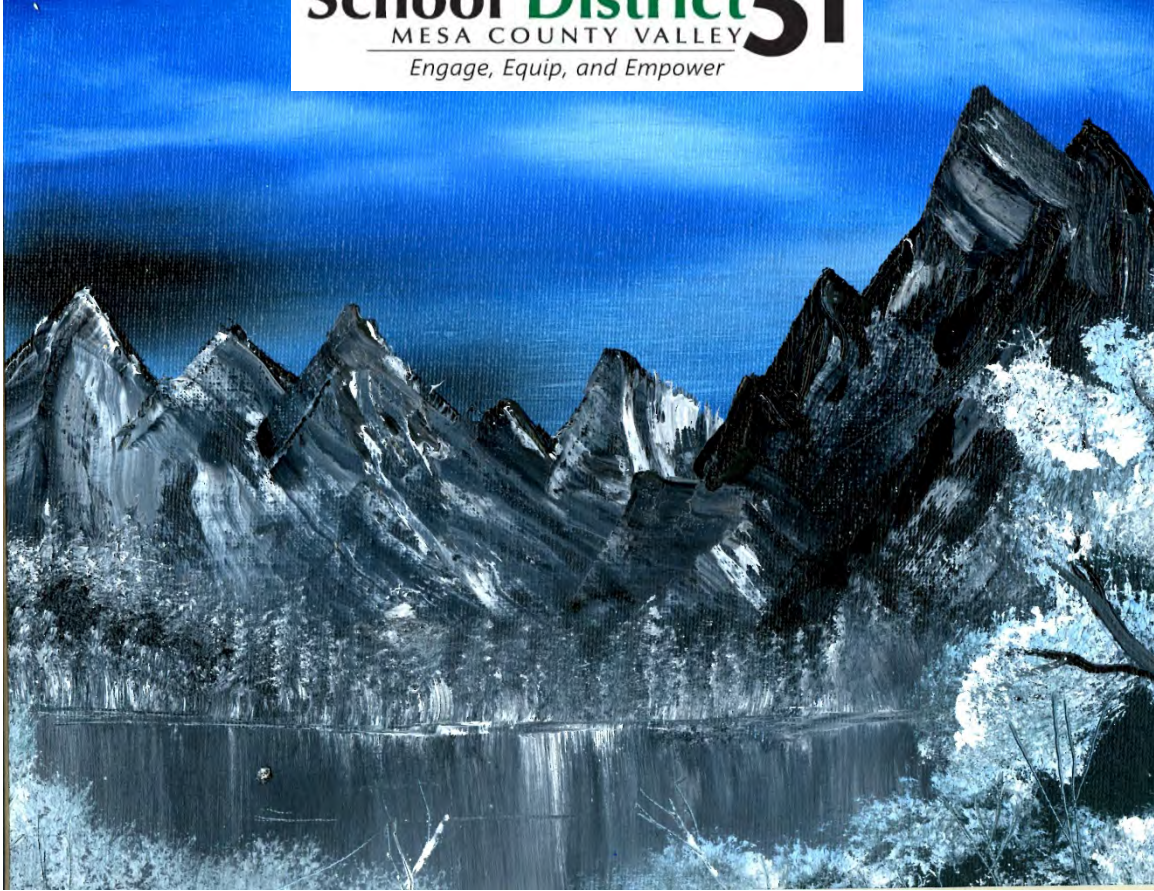
This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the fiscal year ended June 30, 2020

<u>Function and Activity</u>	Governmental Funds Capital Assets July 1, 2019	<u>Additions</u>	<u>Deductions</u>	Governmental Funds Capital Assets June 30, 2020
Instructional services	\$ 323,478,372	\$ 124,209,060	\$ (65,314,797)	\$ 382,372,635
Pupil services	2,903,556	-	-	2,903,556
Instructional staff services	496,826	-	-	496,826
General administration services	78,266	-	-	78,266
School administration services	17,593,121	-	-	17,593,121
Business services	995,528	541,117	-	1,536,645
Maintenance services	2,645,438	183,088	-	2,828,526
Transportation services	1,206,058	363,660	-	1,569,718
Central services	3,756,300	-	-	3,756,300
Community services	3,565,662	-	-	3,565,662
Unallocated	10,384,914	-	-	10,384,914
	<u>\$ 367,104,041</u>	<u>\$ 125,296,925</u>	<u>\$ (65,314,797)</u>	<u>\$ 427,086,169</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

NOTE: Unallocated includes Work In Progress



STATISTICAL SECTION

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Statistical Section

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	118-122
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	123-128
Debt Capacity assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	129-132
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	133-135
Operating Information These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	136-139

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

SCHEDULE 1

Mesa County Valley School District No. 51

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 129,888,125	\$ 117,356,631	\$ 115,137,562	\$ 111,140,665	\$ 106,908,230	\$ 96,397,273	\$ 100,323,737	\$ 86,566,794	\$ 91,141,569	\$ 87,339,112
Restricted	58,992,332	109,237,276	149,203,595	24,394,335	25,700,649	28,818,154	23,049,475	21,852,846	24,842,142	20,586,912
Unrestricted	(510,402,108)	(618,349,532)	(712,159,497)	(437,459,202)	(322,627,457)	(309,046,875)	14,969,324	17,282,076	5,261,769	5,425,790
Total governmental activities net position	\$ (321,521,651)	\$ (391,755,625)	\$ (447,818,340)	\$ (301,924,202)	\$ (190,018,578)	\$ (183,831,448)	\$ 138,342,836	\$ 125,701,716	\$ 121,245,480	\$ 113,351,814
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068,385	\$ 1,045,893	\$ 1,152,578	\$ 1,170,705
Restricted	-	-	-	-	-	-	468,640	690,476	491,954	364,003
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,537,025	\$ 1,736,369	\$ 1,644,532	\$ 1,534,708
Primary government										
Net investment in capital assets	\$ 129,888,125	\$ 117,356,631	\$ 115,137,562	\$ 111,140,665	\$ 106,908,230	\$ 96,397,273	\$ 101,392,122	\$ 87,612,687	\$ 92,294,147	\$ 88,509,817
Restricted	58,992,332	109,237,276	149,203,595	24,394,335	25,700,649	28,818,154	23,518,115	22,543,322	25,334,096	20,950,915
Unrestricted	(510,402,108)	(618,349,532)	(712,159,497)	(437,459,202)	(322,627,457)	(309,046,875)	14,969,324	17,282,076	5,261,769	5,425,790
Total primary government net position	\$ (321,521,651)	\$ (391,755,625)	\$ (447,818,340)	\$ (301,924,202)	\$ (190,018,578)	\$ (183,831,448)	\$ 139,879,561	\$ 127,438,085	\$ 122,890,012	\$ 114,886,522

SCHEDULE 2

Mesa County Valley School District No. 51

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
Instructional services:	\$ 92,624,793	\$ 87,502,165	\$ 195,108,436	\$ 176,966,621	\$ 116,985,950	\$ 125,766,049	\$ 103,736,456	\$ 102,104,939	\$ 102,556,880	\$ 109,308,814
Support services:										
Pupil services	7,483,163	9,844,288	24,494,987	27,127,646	11,104,927	11,689,141	11,304,103	12,548,235	11,055,506	11,219,069
Instructional staff services	13,421,665	10,828,451	19,491,190	9,629,866	10,357,135	8,558,900	8,791,412	6,219,763	7,758,296	8,869,080
General administration services	9,212,484	2,563,901	4,173,553	3,843,550	2,187,709	2,128,667	1,905,190	1,831,525	1,668,985	1,663,922
School administration services	10,532,775	11,614,493	26,227,769	22,264,358	13,828,255	12,764,674	10,877,332	11,434,213	11,377,157	12,642,438
Business Services	1,767,423	1,973,798	4,242,106	10,019,665	2,289,277	3,169,113	3,012,228	5,965,398	4,827,250	1,131,949
Maintenance and capital asset services	16,017,775	17,983,759	27,812,878	15,733,043	14,408,219	13,241,380	17,459,417	14,651,378	16,478,042	16,516,848
Transportation services	6,880,587	7,124,778	7,475,488	6,075,325	6,016,818	6,037,842	5,548,008	5,641,820	5,799,980	5,732,643
Central services	23,841,064	28,118,422	28,835,936	28,385,565	18,466,052	18,441,764	7,111,686	3,409,459	1,818,481	4,628,731
Community services	569,315	6,110,879	9,720,468	9,067,812	7,165,995	7,355,621	621,274	424,227	455,491	415,628
Interest on long-term debt	6,574,189	8,015,380	5,475,729	4,189,427	3,459,246	3,667,809	3,296,778	3,289,755	(180,704)	5,616,219
Depreciation - unallocated	-	-	-	23,670	6,241	8,055	259,894	261,013	314,650	293,700
Business-type activities expenses	188,925,231	191,680,312	353,058,540	313,326,548	206,285,824	212,829,015	173,923,778	167,781,725	163,930,014	178,039,041
Food services	-	-	-	-	-	-	5,592,221	5,596,849	5,938,865	6,343,117
Total primary government expenses	\$ 188,925,231	\$ 191,680,312	\$ 353,058,540	\$ 313,326,548	\$ 206,285,824	\$ 212,829,015	\$ 179,515,999	\$ 173,378,574	\$ 169,868,879	\$ 184,382,158
Program Revenues										
Governmental activities:										
Charges for services:	\$ 496,742	\$ 727,409	\$ 1,006,960	\$ 1,044,573	\$ 736,313	\$ 712,469	\$ 658,031	\$ 699,615	\$ 646,441	\$ 507,784
Instructional	-	-	-	-	-	-	35,175	319,774	305,062	202,672
Business services	7,498,958	5,801,070	7,233,685	3,991,413	117,385	-	46,892	20,918	67,850	158,138
Central services	1,249,840	1,655,533	1,369,001	1,279,513	1,307,832	1,346,493	-	-	-	-
Community services	42,440,443	41,362,913	30,382,666	27,043,480	33,386,472	38,346,832	22,705,890	20,593,476	20,670,557	29,341,309
Operating grants and contributions	801,648	422,040	435,323	-	68,217	607,855	295,176	321,771	11,074	940,143
Capital grants and contributions	52,487,631	49,968,965	40,427,635	33,358,979	35,616,219	41,013,649	23,741,164	21,955,554	21,700,984	31,150,046
Business-type activities:										
Charges for services:										
Food services	-	-	-	-	-	-	1,332,813	1,563,188	1,876,413	2,217,233
Operating grants and contributions	-	-	-	-	-	-	4,058,872	4,123,948	4,171,313	4,364,847
Total business-type activities program revenues	-	-	-	-	-	-	5,391,685	5,687,136	6,047,726	6,582,080
Total primary government program revenues	\$ 52,487,631	\$ 49,968,965	\$ 40,427,635	\$ 33,358,979	\$ 35,616,219	\$ 41,013,649	\$ 29,132,849	\$ 27,642,690	\$ 27,748,710	\$ 37,732,126

SCHEDULE 2

Mesa County Valley School District No. 51

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Governmental activities	\$ (136,437,600)	\$ (141,711,347)	\$ (312,630,905)	\$ (279,967,569)	\$ (170,669,605)	\$ (171,815,366)	\$ (150,182,614)	\$ (145,826,171)	\$ (142,229,030)	\$ (146,888,995)
Business-type activities	-	-	-	-	-	-	(200,536)	90,287	108,861	238,963
Total primary government net expense	\$ (136,437,600)	\$ (141,711,347)	\$ (312,630,905)	\$ (279,967,569)	\$ (170,669,605)	\$ (171,815,366)	\$ (150,383,150)	\$ (145,735,884)	\$ (142,120,169)	\$ (146,650,032)
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes for general purposes	\$ 63,347,136	\$ 55,617,230	\$ 54,455,668	\$ 50,360,125	\$ 49,769,891	\$ 48,216,179	\$ 49,731,685	\$ 50,849,711	\$ 51,342,512	\$ 58,843,607
Property taxes for debt service	17,944,544	17,396,241	16,623,491	11,075,880	10,944,960	11,384,094	11,598,287	11,403,276	9,910,500	11,098,038
State equalization	111,239,365	107,783,096	99,148,831	95,725,754	93,806,039	90,949,243	85,582,234	79,883,953	79,121,233	72,696,877
Specific ownership taxes	11,042,879	10,965,626	10,215,553	8,227,547	7,972,710	7,889,729	7,867,676	7,386,680	7,561,939	7,852,806
Investment earnings	2,062,893	4,144,129	1,825,437	401,128	143,917	89,650	81,175	98,820	102,528	173,379
Miscellaneous	1,034,759	1,867,740	1,883,342	2,084,836	1,168,710	2,397,011	2,510,243	1,370,295	2,083,984	2,071,204
Gain (loss) on sale of capital assets	-	-	-	186,675	676,248	-	-	-	-	-
Total governmental activities	206,671,576	197,774,062	184,152,322	168,061,945	164,482,475	160,925,906	157,371,300	150,992,735	150,122,696	152,735,911
Business-type activities:										
Investment earnings	-	-	-	-	-	-	1,192	1,550	963	481
Total business-type activities	-	-	-	-	-	-	1,192	1,550	963	481
Total primary government	\$ 206,671,576	\$ 197,774,062	\$ 184,152,322	\$ 168,061,945	\$ 164,482,475	\$ 160,925,906	\$ 157,372,492	\$ 150,994,285	\$ 150,123,659	\$ 152,736,392
Change in Net Position										
Governmental activities	\$ 70,233,976	\$ 56,062,715	\$ (128,478,583)	\$ (111,905,624)	\$ (6,187,130)	\$ (10,889,460)	\$ 7,188,686	\$ 5,166,564	\$ 7,893,666	\$ 5,846,916
Business-type activities	-	-	-	-	-	-	(199,344)	91,837	109,824	239,444
Total primary government	\$ 70,233,976	\$ 56,062,715	\$ (128,478,583)	\$ (111,905,624)	\$ (6,187,130)	\$ (10,889,460)	\$ 6,989,342	\$ 5,258,401	\$ 8,003,490	\$ 6,086,360

SCHEDULE 3

Mesa County Valley School District No. 51

Fund Balance, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

General Fund	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Nonspendable	\$ 236,890	\$ 281,423	\$ 248,040	\$ 272,000	\$ 279,559	\$ 287,481	\$ 269,092	\$ 239,452	\$ 260,025	\$ 222,019
Restricted	759,232	1,221,274	1,396,561	1,326,724	1,021,913	809,507	333,669	307,707	260,180	257,269
Assigned	-	-	-	61,821	680,858	52,113	179,644	-	243,829	548,238
Unassigned	13,936,198	13,526,186	12,142,902	8,041,245	7,676,462	8,846,551	8,304,944	8,425,937	8,004,030	7,380,886
Total general fund	\$ 14,932,320	\$ 15,028,883	\$ 13,787,503	\$ 9,701,790	\$ 9,658,792	\$ 9,995,652	\$ 9,087,349	\$ 8,973,096	\$ 8,768,064	\$ 8,408,412
All Other Governmental Funds										
Nonspendable	\$ 476,632	\$ 363,052	\$ 325,299	\$ 370,540	\$ 388,820	\$ 340,652	\$ -	\$ -	\$ -	\$ -
Restricted	58,551,077	109,237,276	149,203,595	17,087,884	16,835,743	16,127,959	15,459,895	15,290,706	14,842,387	16,277,929
Assigned	7,028,237	10,450,040	7,972,762	8,190,498	9,840,641	8,309,650	8,054,292	7,022,282	5,977,936	4,762,938
Unassigned	(198,032)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 65,857,914	\$ 120,050,368	\$ 157,501,656	\$ 25,648,922	\$ 27,065,204	\$ 24,778,261	\$ 23,514,187	\$ 22,312,988	\$ 20,820,323	\$ 21,040,867

Note: In fiscal year 2011, the District adopted GASB Statement No. 54. Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balances.

SCHEDULE 4

Mesa County Valley School District No. 51

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016	Fiscal Year 2015	2014	2013	2012	2011
Revenues										
Local sources	\$ 97,707,196	\$ 94,584,343	\$ 89,850,204	\$ 73,531,140	\$ 72,818,522	\$ 70,695,150	\$ 69,530,584	\$ 71,901,862	\$ 71,372,053	\$ 80,464,592
State sources	134,220,935	128,312,794	112,024,838	106,430,245	104,918,780	106,398,938	95,041,524	88,020,683	86,636,336	80,533,133
Federal sources	19,709,482	19,953,900	16,984,742	15,937,757	17,547,688	17,313,559	13,185,496	12,999,367	13,740,234	22,776,343
Total revenues	251,637,613	242,851,037	218,859,784	195,899,142	195,284,990	194,407,647	177,757,604	172,921,912	171,748,623	183,774,068
Expenditures										
Instructional services	125,077,709	119,819,781	110,317,739	104,377,501	104,269,806	100,008,691	99,409,868	98,378,215	97,138,297	104,039,748
Instructional support	48,826,586	45,141,595	42,266,450	38,350,224	38,831,614	33,949,186	33,555,814	31,195,729	31,713,700	34,162,383
Business support	34,885,428	35,422,401	30,015,503	27,873,566	26,231,563	25,371,253	25,566,053	24,891,735	25,711,656	26,332,923
Community services	902,380	854,372	739,209	969,112	592,327	476,040	386,463	432,899	453,326	415,627
Physical activities	564,708	755,390	698,378	729,238	700,554	659,900	650,108	556,619	640,211	615,667
Nutrition services	6,602,638	6,575,366	6,373,951	6,069,977	5,516,887	5,719,817	-	-	-	-
Capital outlay	69,031,427	60,258,563	20,290,321	6,361,582	11,872,294	7,532,147	5,891,025	3,117,871	4,344,355	11,699,428
Debt service:										
Lease financing principal*	2,048,625	1,594,690	1,410,787	2,103,116	-	-	-	-	-	-
Lease financing interest*	877,236	634,371	547,057	872,737	-	-	-	-	-	-
GO Bond principal	8,535,000	8,265,000	7,980,000	7,625,000	9,357,701	9,331,776	8,595,848	8,292,093	7,593,866	7,297,975
Bond Issuance Costs	-	-	752,897	-	-	-	-	-	-	-
Interest and fiscal charges	8,621,463	8,904,175	4,854,106	3,312,613	3,923,570	4,466,814	4,547,940	4,884,361	4,320,465	6,117,478
Total expenditures	305,973,200	288,225,704	226,246,398	198,644,666	201,296,316	187,515,624	178,603,119	171,749,522	171,915,876	190,681,229
Excess of revenues over (under) expenditures	(54,335,587)	(45,374,667)	(7,386,614)	(2,745,524)	(6,011,326)	6,892,023	(845,515)	1,172,390	(167,253)	(6,907,161)
Other financing sources (uses)										
Proceeds from issuance of bonds/ COPs	-	-	142,726,435	-	7,355,000	-	-	7,560,000	76,575,000	-
Bond/ COPs premium	-	-	-	-	257,930	-	-	388,658	11,811,544	-
Bond Issuance costs	-	-	-	-	-	-	-	(117,408)	(522,816)	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(7,831,250)	(89,142,228)	-
Proceeds from sale of real property	423,475	419,757	-	1,355,137	-	-	-	-	-	-
Proceeds from sale of capital assets	-	10,245,000	2,098,626	1,510,998	351,500	-	20,000	-	1,584,861	14,998,993
Issuance of capital lease debt	2,123,096	-	-	6,105	1,946,982	2,696,875	2,140,967	525,307	-	(6,789,340)
Refinanced capital lease debt payoff	-	-	-	-	-	-	-	-	-	-
Charter school allocations**	-	-	-	-	-	(5,585,158)	-	-	-	-
Transfers in	2,605,952	2,402,756	2,356,030	2,326,363	3,196,363	3,587,829	3,218,890	3,242,021	3,397,166	11,477,122
Transfers out	(5,105,952)	(3,902,756)	(3,856,030)	(3,826,363)	(5,146,363)	(5,887,832)	(3,218,890)	(3,242,021)	(3,397,166)	(11,477,122)
Total other financing sources (uses)	46,571	9,164,757	143,325,061	1,372,240	7,961,412	(5,188,286)	2,160,967	525,307	306,361	8,209,653
Net change in fund balances	\$(54,289,016)	\$(36,209,910)	135,938,447	\$(1,373,284)	1,950,086	1,703,737	1,315,452	1,697,697	139,108	1,302,492
Debt service as a percentage of noncapital expenditures	7.04%	7.23%	6.08%	5.61%	6.98%	7.60%	7.50%	7.77%	7.04%	7.40%

* Prior to fiscal year 2017, lease financing principal and interest were not separately categorized from General Obligation bond payments.

** Beginning in fiscal year 2016, charter school allocations are shown as a reduction in state source revenues.

SCHEDULE 5

Mesa County Valley School District No. 51

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Mesa County-Wide Valuations							Total Assessed Value	Total Taxable Value	Tax-Exempt Property	District Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual District Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Commercial/Industrial Property	Agricultural Property	Residential Property	Total Assessed Value	Total Taxable Value	Tax-Exempt Property	Total Assessed Value							
2011	\$ 1,232,962,680	\$ 23,758,270	1,057,712,590	\$ 2,314,433,540	390,774,200	\$ 2,705,207,740	\$ 2,082,515,800	\$ 33.549	\$ 16,653,885,680	12.50%				
2012	1,160,101,560	25,467,880	846,491,630	2,032,061,070	462,550,440	2,494,611,510	1,737,738,630	34.823	13,564,865,060	12.81%				
2013	1,138,499,380	25,680,910	853,052,530	2,017,232,820	473,074,220	2,490,307,040	1,721,134,040	36.094	13,551,487,970	12.70%				
2014	1,064,212,210	27,249,000	734,716,840	1,826,178,050	381,085,680	2,207,263,730	1,610,605,670	36.693	12,129,218,540	13.28%				
2015	1,032,666,110	27,839,710	744,510,470	1,805,016,290	449,483,850	2,254,500,140	1,584,339,243	36.572	12,119,081,320	13.07%				
2016	1,017,803,470	32,936,330	838,018,250	1,888,758,050	452,929,650	2,341,687,700	1,649,727,000	36.845	13,184,337,400	12.51%				
2017	962,779,190	33,401,450	849,295,690	1,845,476,330	451,552,500	2,297,028,830	1,687,046,060	36.079	13,344,282,620	12.64%				
2018	969,971,530	36,397,010	850,360,870	1,856,729,410	395,583,340	2,252,312,750	1,674,830,529	43.784	14,500,114,390	11.55%				
2019	997,324,630	36,655,800	864,390,840	1,903,371,270	405,432,970	2,308,804,240	1,685,347,113	43.768	14,680,257,950	11.48%				
2020	1,161,320,500	35,264,880	1,004,807,290	2,201,392,670	451,591,130	2,652,983,800	1,926,091,870	41.971	16,974,938,850	11.35%				

Source: Mesa County Assessor's Office
 Summary of Levies published on their website
 Actual Value per December certification of values

SCHEDULE 6

Mesa County Valley School District No. 51

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Levy Year	Collection Year	School District No. 51 Direct Rates				Overlapping Rates		
		General Fund	Debt Service	Special Capital Fund	School District No. 51 Total	Mesa County	Cities and Towns	Other Special Districts
2010	2011	28.249	5.30	0.000	33.549	12.202	35.646	115.130
2011	2012	29.183	5.64	0.000	34.823	12.273	35.646	119.740
2012	2013	29.454	6.64	0.000	36.094	12.281	35.646	121.749
2013	2014	29.743	6.95	0.000	36.693	12.272	35.646	120.025
2014	2015	29.582	6.99	0.000	36.572	12.214	35.646	112.600
2015	2016	30.186	6.659	0.000	36.845	12.297	35.646	116.674
2016	2017	29.596	6.483	0.000	36.079	12.214	35.646	117.707
2017	2018	33.644	10.140	0.000	43.784	12.246	35.646	113.255
2018	2019	33.430	10.338	0.000	43.768	12.357	35.646	126.369
2019	2020	32.540	9.431	0.000	41.971	12.192	35.646	117.580

Source: Mesa County Assessor's Office
Summary of Levies published on their website
District December 2018 Certification of Mill Levy

SCHEDULE 7

Mesa County Valley School District No. 51

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2020			2011			Percentage of Total District Assessed Taxable Value	Rank	Type of Business	Taxable Assessed Value	Rank	Percentage of Total District Assessed Taxable Value
	Type of Business	Taxable Assessed Value	Rank	Percentage of Total District Assessed Taxable Value	Rank	Type of Business						
Laramie Energy, LLC	Oil & Gas	\$ 189,774,290	1	9.85 %	**	**		**				
Public Service Co of Colorado- Xcel Energy	Utility	61,509,300	2	3.19	Public Utility	\$ 40,803,800	3	2.01 %				
Collbran Valley Gas Gathering, LLC	Oil & Gas	27,072,540	3	1.41	Oil & Gas	16,246,100	7	0.80				
Union Pacific Railroad Company RR361	Railroad	26,152,900	4	1.36	Railroad	15,388,400	8	0.76				
Grand Valley Power Lines	Utility	13,651,800	5	0.71	**	**		**				
Bresnan Communications	Utility	13,014,530	6	0.68	**	**		**				
Qwest Corporation TL393	Utility	12,550,400	7	0.65	Utility	17,958,800	4	0.88				
Enterprise Gas Processing LLC	Oil & Gas	12,342,050	8	0.64	Oil & Gas	13,347,480	9	0.66				
Helmerich and Payne International Drilling	Oil & Gas	10,674,750	9	0.55	Oil & Gas	16,309,250	6	0.80				
SG Interests I LTD	Oil & Gas	9,580,760	10	0.50	**	**		**				
Oxy USA Inc	*	*		*	Oil & Gass	92,853,500	1	4.57				
Delta Petroleum Corporation	*	*		*	Oil & Gas	44,458,550	2	2.19				
Encana Oil & Gas USA Inc	*	*		*	Oil & Gass	17,296,610	5	0.85				
Nabors Drilling USA LLC	*	*		*	Oil & Gas	11,577,030	10	0.57				
Total Principal Taxpayers Assessed Valuation		376,323,320				286,239,520						
Total Other Taxpayers Assessed Valuation		1,549,768,550				1,745,821,550						
Total Assessed Valuation		\$ 1,926,091,870				\$ 2,032,061,070						

Source: Mesa County Assessor's Office.

* Not in the Top 10 in 2020

** Not in the Top 10 2011

SCHEDULE 8

Mesa County Valley School District No. 51

History of Assessed and Statutory "Actual" Valuations for the District

Last Ten Fiscal Years
(Unaudited)

Levy/ Collection Year	Assessed Valuation	(1) Percentage Change	Statutory "Actual" Valuation	(1) Percentage Change
2010/2011	2,082,515,800	2.68%	16,653,885,680	3.38%
2011/2012	1,737,738,630	-16.56%	13,564,865,060	-18.55%
2012/2013	1,721,134,040	-0.96%	13,551,487,970	-0.10%
2013/2014	1,610,605,670	-6.42%	12,129,218,540	-10.50%
2014/2015	1,584,339,243	-1.63%	12,119,081,320	-0.08%
2015/2016	1,649,727,000	4.13%	13,184,337,400	8.79%
2016/2017	1,687,046,060	2.26%	13,344,282,620	1.21%
2017/2018	1,674,830,529	-0.72%	14,500,114,390	8.66%
2018/2019	1,685,347,113	0.63%	14,680,257,950	1.24%
2019/2020	1,926,091,870	14.28%	16,974,938,850	15.63%

(1) Assessed Value and Statutory "Actual" Value are taken from Certification of Values dated December of each year from the Mesa County Assessors Office and used to certify the levies for the following year.

SCHEDULE 9

Mesa County Valley School District No. 51

Property Tax Levies and Collections

Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ^(a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^(c)	Total Collections to Date	
		Amount ^(b)	Percentage of Levy		Amount	Percentage of Levy
2011	69,866,323	69,488,226	99.46	312,986	69,801,212	99.91 %
2012	60,513,272	60,730,621	100.36	78	60,730,699	100.36
2013	62,871,372	61,915,577	98.48	228	61,915,805	98.48
2014	59,097,954	57,594,080	97.46	9,233	57,603,313	97.47
2015	57,942,632	57,946,869	100.01	-	57,946,869	100.01
2016	60,784,527	60,170,315	98.99	-	60,170,315	98.99
2017	60,866,935	57,694,675	94.79	-	57,694,675	94.79
2018	73,331,524	71,607,575	97.65	-	71,607,575	97.65
2019	73,764,272	73,779,371	100.02	-	73,779,371	100.02
2020	80,840,836	76,470,707	94.59	-	76,470,707	94.59

Note: The county treasurer provides collection data in "current" and "delinquent" categories. Collections of delinquent taxes are presented as collected for the prior year, which may result in total collections to appear in excess of 100%. Data for reporting delinquent taxes in the year of assessment rather than year of collection is unavailable prior to 2013.

Source:

- ^(a) Mesa County Assessor's Office
- ^(b) Mesa County Treasurer
- ^(c) Mesa County Treasurer

SCHEDULE 10

Mesa County Valley School District No. 51

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	School District #51					Mesa County	Cities and Towns	Other Special Districts	Totals
		General Fund	Debt Service	Special Capital Fund	School District #51 Total					
2010	2011	28.249	5.30	0.000	33.549	12.202	35.646	115.130	196.527	
2011	2012	29.183	5.64	0.000	34.823	12.273	35.646	119.740	202.482	
2012	2013	29.454	6.64	0.000	36.094	12.281	35.646	121.749	205.770	
2013	2014	29.743	6.95	0.000	36.693	12.272	35.646	120.025	204.636	
2014	2015	29.582	6.99	0.000	36.572	12.214	35.646	112.600	197.032	
2015	2016	30.186	6.659	0.000	36.845	12.297	35.646	116.674	201.462	
2016	2017	29.596	6.483	0.000	36.079	12.214	35.646	117.707	201.646	
2017	2018	33.644	10.14	0.000	43.784	12.246	35.646	113.255	204.931	
2018	2019	33.430	10.338	0.000	43.768	12.357	35.646	126.369	218.140	
2019	2020	32.540	9.431	0.000	41.971	12.192	35.646	124.025	213.834	

		PROPERTY TAX LEVY									
Year	Collection Year	General Fund	Debt Service	Special Capital Fund	School District #51 Total	Mesa County	Cities and Towns	Other Special Districts	Totals		
2009	2010	\$ 57,507,796	\$ 11,985,861	-	\$ 69,493,657	\$ 26,831,594	\$ 10,897,420	\$ 16,578,415	\$ 123,801,086		
2010	2011	58,828,988	11,037,334	-	69,866,322	27,900,366	11,232,613	16,889,635	125,888,936		
2011	2012	50,712,427	9,800,846	-	60,513,273	24,638,833	9,572,878	15,127,485	109,852,469		
2012	2013	51,305,297	11,566,075	-	62,871,372	24,646,254	9,434,809	15,252,567	112,205,002		
2013	2014	47,904,244	11,193,709	-	59,097,954	22,410,858	9,050,361	15,686,145	106,245,318		
2014	2015	46,868,101	11,074,531	-	57,942,632	21,922,758	8,884,212	17,758,672	106,508,274		
2015	2016	49,798,995	10,985,532	-	60,784,527	23,226,058	8,978,166	16,046,844	109,035,595		
2016	2017	49,929,815	10,937,120	-	60,866,935	22,540,648	9,176,607	16,214,712	108,798,902		
2017	2018	56,347,998	16,982,781	-	73,330,779	22,737,509	7,305,712	16,084,880	119,458,880		
2018	2019	56,341,154	17,423,117	-	73,764,271	23,519,959	9,188,298	18,891,989	125,364,517		
2019	2020	62,675,029	18,164,971	-	80,840,001	26,839,380	10,452,600	19,373,080	137,505,061		

Source: Mesa County Assessor's Office

SCHEDULE 11

Mesa County Valley School District No. 51

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities					Total Primary Government	(1) Estimated Population	Debt Per Capita	(1) Per Capita Income	Percentage of Personal Income
	General Obligation Bonds	COP	Capital Leases							
2011 *	119,516,547	N/A	11,844,977			131,361,524	144,795	907%	33,330	2.72%
2012 *	111,344,936	N/A	11,730,972			123,075,908	146,587	840%	34,681	2.42%
2013	113,579,488	N/A	10,429,185			124,008,673	148,742	834%	35,726	2.33%
2014	105,611,443	N/A	10,754,304			116,365,747	149,617	778%	37,222	2.09%
2015	97,180,588	N/A	11,199,402			108,379,990	150,986	718%	38,074	1.89%
2016	88,696,497	7,602,183	10,670,887			106,969,567	150,232	712%	38,863	1.83%
2017	80,260,910	7,140,000	10,293,769			97,694,679	152,357	641%	39,118	1.64%
2018	213,548,493	6,865,000	10,242,333			230,655,826	153,649	1501%	41,503	3.62%
2019	204,220,181	16,830,000	7,866,866			228,917,047	154,615	1481%	Not Available	Not Available
2020	166,930,000	16,305,000	7,474,636			190,709,636	156,260	1220%	Not Available	Not Available

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

* Restated for comparability to current year required presentation.

Sources:

(1) Mesa County, CO 2018 Comprehensive Annual Financial Report

SCHEDULE 12

Mesa County Valley School District No. 51

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	(1)	
				Percentage of Actual Taxable Value of Property	(2) Per Capita
2011 *	119,516,547	11,362,638	108,153,909	0.65	747
2012 *	111,344,936	10,158,985	101,185,951	0.75	690
2013	113,579,488	10,653,242	102,926,246	0.76	692
2014	105,611,443	10,826,869	94,784,574	0.78	634
2015	97,180,588	10,936,447	86,244,141	0.71	571
2016	88,696,497	10,871,536	77,824,961	0.59	518
2017	80,260,910	10,752,139	69,508,771	0.52	456
2018	213,548,493	14,726,466	198,822,027	1.37	1,294
2019	204,220,181	14,986,280	189,233,901	1.29	1,232
2020	166,930,000	15,201,699	151,728,301	0.89	981

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

* Restated for comparability to current year required presentation.

Sources:

(1) See Schedule 5 for property value data

(2) See Schedule 11 for population data

SCHEDULE 13

Mesa County Valley School District No. 51

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2020
(Unaudited)

Taxing Authority	Debt Outstanding	Estimated Percent Applicable to District	Estimated Overlapping Debt
Direct:			
Mesa County Valley Schools District 51	\$ 190,709,636	100 %	\$ 190,709,636
No overlapping debt			-
Total direct and overlapping debt			<u>\$ 190,709,636</u>

Sources:

- Individual taxing entities
- Mesa County Valley School District No. 51 Finance Department

Note:

Debt that is repaid using tax revenues is included in the calculation. Debt that will be repaid using revenues related to an enterprise operation, such as user chargers for sewer services, is excluded. The percentage of each entity's outstanding general obligation debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

SCHEDULE 14

Mesa County Valley School District No. 51

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2019 assessed valuation for collection year 2020										
Debt limit (20% of assessed value)										
Debt applicable to limit:										
Bonded debt outstanding at end of fiscal year	405,612,894	416,503,160	347,547,726	348,375,752	322,121,134	316,867,849	329,945,400	337,409,212	334,966,106	337,069,423
Legal debt margin	119,725,000	114,060,000	108,030,000	102,060,000	95,280,000	88,200,000	88,696,497	80,260,910	213,548,493	204,220,181
	285,887,894	302,443,160	239,517,726	246,315,752	226,841,134	228,667,849	241,248,903	257,148,302	121,417,613	132,849,242
Total debt applicable to the limit as a percentage of debt limit	29.52%	27.39%	31.08%	29.30%	29.58%	27.83%	26.88%	23.79%	63.75%	60.59%

Note: Under Colorado State Statute, the District's outstanding general obligation debt should not exceed 20 percent of total assessed property value.

SCHEDULE 15

Mesa County Valley School District No. 51

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1) Estimated Population	(1) Personal Income (millions)	(1) Per Capita Personal Income	(2) School Enrollment	(2) Funded FTE Count	(3) Unemployment Rate
2011	146,723	4,881,973	33,273	22,091	21,025.2	10.20%
2012	146,581	5,114,813	34,894	21,917	20,867.7	9.00%
2013	148,742	5,282,090	35,512	21,730	20,912.5	8.60%
2014	149,617	5,492,271	36,709	21,894	21,076.9	6.90%
2015	148,116	5,644,717	38,074	21,742	21,021.2	4.70%
2016	149,794	5,979,808	39,920	21,904	21,005.6	4.80%
2017	151,616	6,292,523	41,503	22,105	21,126.7	3.60%
2018	153,649	6,884,366	44,935	22,084	21,078.5	3.30%
2019	154,615	Not available	Not available	22,082	21,082.4	3.80%
2020	156,260	Not available	Not available	22,046	21,432.1	6.70%

Sources:

- (1) US Dept of Commerce, Bureau of Economic Analysis (www.bea.gov/bea/regional)
- (2) Mesa County Valley School District No. 51 October CDE pupil count.
- (3) Mesa County Workforce Center

SCHEDULE 16

Mesa County Valley School District No. 51

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

Employer	June, 2020			June, 2011		
	Employees	Rank	Percentage of Total 2019	Employees	Rank	Percentage of Total 2010
Mesa County Valley School District No. 51	2,851	1	24.52%	3,000	1	24.55%
St. Mary's Hospital & Medical Center	2,341	2	20.14%	2,068	2	16.92%
Mesa County	1,051	3	9.04%	980	4	8.02%
State of Colorado	1,012	4	8.70%	995	3	8.14%
Community Hospital	932	5	8.02%	555	11	4.54%
Colorado Mesa University	808	6	6.95%	699	7	5.72%
City of Grand Junction	754	7	6.49%	672	8	5.50%
VA Medical Center	750	9	6.45%	**		
Family Health West	591	9	5.08%			
Hilltop Community Resources	536	10	4.61%	526	12	4.30%
Walmart/Sam's	**			859	5	7.03%
City Markets, Inc	**			565	10	4.62%
Star Tek	**			600	9	4.91%
Halliburton Energy	**			700	6	5.73%
Total	<u>11,626</u>		<u>100.00%</u>	<u>12,219</u>		<u>100.00%</u>

Source: Grand Junction Economic Partnership

** Employer not in top 10.

SCHEDULE 17

Mesa County Valley School District No. 51

District Employees by Type

Last Ten Fiscal Years
(Unaudited)

PERSONNEL DATA:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FULL-TIME										
Administrators	-	-	-	-	-	-	-	-	80	78
Deans	-	-	-	-	-	-	-	-	-	-
CERTIFIED:										
Building Leaders	90	88	85	82	78	76	75	67	-	-
Central Administration	14	14	15	17	16	14	16	15	-	-
Teachers:										
Elementary	557	532	534	527	539	537	533	533	558	607
Middle School	307	312	308	299	298	295	296	304	320	334
High School	366	361	358	362	357	367	362	346	366	372
Instructional Coaches, etc.	95	84	71	56	51	52	51	31	-	-
Audiologists	2	2	2	1	1	1	1	1	1	1
Counselors	62	60	59	57	62	59	52	49	51	48
Librarians	13	13	13	13	12	12	12	12	12	12
Nurses	18	17	16	16	15	15	14	14	14	12
Psychologists	23	22	21	17	19	20	18	21	21	17
Occupational therapists	8	11	10	9	8	9	9	9	8	7
Physical therapists	2	2	3	2	3	3	3	2	2	2
Social workers	4	4	4	-	-	-	-	-	-	-
Speech/Language	24	27	29	26	26	25	25	27	25	20
Coordinators	18	19	14	16	14	12	12	11	13	18
CLASSIFIED:										
Administration	13	13	12	11	11	12	12	11	11	18
Clerical	210	207	204	205	202	189	190	176	193	232
Cooks	69	67	70	69	69	70	71	76	74	79
Coordinators	12	12	11	11	13	17	18	18	17	10
Custodians	121	119	117	115	120	119	118	120	118	137
Garage	3	3	3	3	3	4	3	4	4	4
Instructional assistants	447	432	415	424	425	438	411	369	355	403
Interpreters, job coaches and medically fragile attendants	16	11	13	11	12	14	11	11	11	13
Maintenance	54	55	53	51	52	53	52	52	53	54
Nurse assistants	39	40	38	37	37	39	38	38	37	36
Technical computer support	34	35	33	28	29	28	27	27	29	32
Security Guard	9	8	4	4	4	4	2	-	-	-
Warehouse persons	9	8	8	8	9	10	10	11	9	8
Total Full-Time	2,639	2,578	2,523	2,477	2,485	2,494	2,442	2,355	2,302	2,554
PART-TIME										
CERTIFIED:										
Administrators	-	-	-	-	-	1	1	-	-	-
Teachers:										
Elementary	26	32	34	44	44	42	40	46	50	42
Middle School	8	8	7	7	9	7	9	9	7	14
High School	12	12	9	14	15	12	10	14	13	11
Instructional Coaches, etc.	2	-	-	-	1	1	-	2	-	-
Audiologists	-	-	-	1	1	1	1	1	1	1
Counselors	4	4	5	5	4	3	6	11	9	11
Librarians	-	-	-	-	2	2	2	2	2	2
Nurses	1	1	1	1	1	1	1	-	1	1
Psychologists	1	1	1	2	2	2	2	-	-	2
Occupational therapists	1	2	2	3	3	3	3	3	2	2
Physical therapists	-	-	-	-	-	-	-	1	-	-
Speech/Language	1	3	2	1	2	4	4	5	4	4
Coordinators	1	1	1	1	1	1	1	1	1	1
CLASSIFIED:										
Clerical	14	15	15	14	11	9	10	18	21	25
Cooks	43	42	39	40	41	40	34	43	57	68
Coordinators	-	-	-	-	1	1	-	-	-	3
Custodians	-	1	1	2	2	4	5	3	3	6
Garage	-	-	-	-	-	-	-	-	-	1
Instructional assistants	58	55	58	64	51	46	45	56	76	118
Interpreters, job coaches and medically fragile attendants	-	1	1	1	-	-	-	-	-	1
Nurse assistants	-	-	1	1	2	1	2	1	-	3
Volunteer coordinator	-	-	-	-	-	-	-	-	-	-
Total Part-Time	172	178	177	201	193	181	176	216	247	316
SUBSTITUTE EMPLOYEES:										
Clerical and Inst Assistants	161	128	114	108	178	97	80	84	82	95
Cooks	28	25	19	25	32	34	30	32	39	36
Custodians	17	3	4	5	5	3	1	2	1	4
Teachers	458	398	371	385	303	369	412	410	416	453
Total substitute employees	664	554	508	523	518	503	523	528	538	588
Total employees	3,475	3,310	3,208	3,201	3,196	3,178	3,141	3,099	3,087	3,458

Source: Mesa County Valley School District No. 51 Human Resources Department

Note: An employee scheduled to work 6 or more hours per day for 165 days or more per year is considered full-time.

Part-time employees are scheduled to work less than 6 hours per day for 165 days or more per year.

Substitute employees are called in to work as needed, and have no predetermined work schedules.

Note: Instructional Coaches are reported separately within the Teacher categories beginning in 2013. Previously, they were allocated to the grade levels they support.

SCHEDULE 18

Mesa County Valley School District No. 51

Operating Statistics

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1) Expenses	(2) Enrollment	Cost per Pupil	Percentage Change	(3) Teaching Staff	Pupil/ Teacher Ratio	(4) Student Attendance Percentage	(5) Percentage of Students on Free/Reduced Lunch Program
2011	\$ 184,382,158	22,203	8,304	% (5.05)	1,346.5	16.49	92.99	% 44.60
2012	169,868,879	21,917	7,751	(6.67)	1,279.0	17.14	92.33	44.51
2013	173,378,574	21,730	7,979	2.94	1,263.8	17.19	93.43	44.45
2014	179,515,999	21,894	8,199	2.76	1,199.9	18.25	93.31	42.50
2015	212,829,015	21,742	9,789	(16.24)	1,313.0	16.56	91.96	42.79
2016	206,285,824	21,904	9,418	3.94	1,258.3	17.41	92.06	47.68
2017	313,326,548	22,105	14,174	(33.56)	1,232.6	17.93	91.09	49.42
2018	353,058,540	22,084	15,987	(11.34)	1,271.0	17.38	90.61	44.47
2019	191,680,312	22,082	8,680	84.17	1,289.0	17.13	92.19	46.82
2020	188,925,231	22,046	8,570	1.29	1,325.0	16.64	91.28	43.70

Sources:

- (1) See Schedule 2 for expense data
- (2) See Schedule 15 for enrollment data
- (3) Mesa County Valley School District No. 51 Human Resources office
- (4) Mesa County Valley School District No. 51 Attendance office
- (5) Mesa County Valley School District No. 51 Nutrition Services office

Note: Teaching staff includes only classroom teachers, not all certified staff.

SCHEDULE 19

Mesa County Valley School District No. 51

School Building Information

Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Elementary:										
Appleton (1938)										
Square feet	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716
Capacity	368	368	368	368	368	368	368	368	368	368
Enrollment	456	439	442	414	384	388	380	418	399	422
Capacity Used	123.91 %	119.29 %	120.11 %	112.50 %	104.35 %	105.43 %	103.26 %	113.59 %	108.42 %	114.67 %
Broadway (1958)										
Square feet	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	271	277	276	253	240	234	202	202	213	245
Capacity Used	98.55 %	100.73 %	100.36 %	92.00 %	87.27 %	85.09 %	73.45 %	73.45 %	77.45 %	89.09 %
Chatfield (1976)										
Square feet	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238
Capacity	522	522	522	522	522	522	522	522	522	522
Enrollment	425	427	398	398	413	384	447	402	376	424
Capacity Used	81.42 %	81.80 %	76.25 %	76.25 %	79.12 %	73.56 %	85.63 %	77.01 %	72.03 %	81.23 %
Chipeta (2009)										
Square feet	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320
Capacity	441	441	441	441	441	441	441	441	441	441
Enrollment	435	483	430	445	449	422	455	457	472	472
Capacity Used	98.64 %	109.52 %	97.51 %	100.91 %	101.81 %	95.69 %	103.17 %	103.63 %	107.03 %	107.03 %
Clifton (1968)										
Square feet	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517
Capacity	551	551	551	551	551	551	551	551	551	551
Enrollment	438	428	456	468	485	477	469	480	500	442
Capacity Used	79.49 %	77.68 %	82.76 %	84.94 %	88.02 %	86.57 %	85.12 %	87.11 %	90.74 %	80.22 %
Columbus (New Emerson) (1949)										
Square feet	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464
Capacity	248	248	248	248	248	248	248	248	248	248
Enrollment	141	140	140	142	144	141	143	150	150	133
Capacity Used	56.85 %	56.45 %	56.45 %	57.26 %	58.06 %	56.85 %	57.66 %	60.48 %	60.48 %	53.63 %
Dos Rios (1999)										
Square feet	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380
Capacity	435	435	435	435	435	435	435	435	435	435
Enrollment	331	318	345	365	373	402	409	379	372	429
Capacity Used	76.09 %	73.10 %	79.31 %	83.91 %	85.75 %	92.41 %	94.02 %	87.13 %	85.52 %	98.62 %
Dual Immersion AcademyRiverside										
Square feet	38,750	38,750	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Capacity	214	214	214	214	214	214	214	214	214	214
Enrollment	309	311	302	306	303	297	286	292	272	272
Capacity Used	144.39 %	145.33 %	141.12 %	142.99 %	141.59 %	138.79 %	133.64 %	136.45 %	127.10 %	127.10 %
Fruitvale (1953)										
Square feet	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413
Capacity	476	476	476	476	476	476	476	476	476	476
Enrollment	412	437	446	509	471	482	475	506	488	474
Capacity Used	86.55 %	91.81 %	93.70 %	106.93 %	98.95 %	101.26 %	99.79 %	106.30 %	102.52 %	99.58 %
Glade Park Community School (closed at June 30, 2013)										
Square feet	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660
Capacity	30	30	30	30	30	30	30	30	30	30
Enrollment	-	-	-	-	-	-	-	19	22	21
Capacity Used	- %	- %	- %	- %	- %	- %	- %	63.33 %	73.33 %	70.00 %
Lincoln OM (1955)										
Square feet	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048
Capacity	409	409	409	409	409	409	409	409	409	409
Enrollment	351	344	353	368	391	380	375	382	361	410
Capacity Used	85.82 %	84.11 %	86.31 %	89.98 %	95.60 %	92.91 %	91.69 %	93.40 %	88.26 %	100.24 %
Loma (1982)										
Square feet	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530
Capacity	365	365	365	365	365	365	365	365	365	365
Enrollment	304	289	277	285	311	326	311	280	260	288
Capacity Used	83.29 %	79.18 %	75.89 %	78.08 %	85.21 %	89.32 %	85.21 %	76.71 %	71.23 %	78.90 %
Mesa View (1982)										
Square feet	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123
Capacity	380	380	380	380	380	380	380	380	380	380
Enrollment	384	389	420	419	425	404	423	448	454	437
Capacity Used	101.05 %	102.37 %	110.53 %	110.26 %	111.84 %	106.32 %	111.32 %	117.89 %	119.47 %	115.00 %
Nisley (1958)										
Square feet	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806
Capacity	467	467	467	467	467	467	467	467	467	467
Enrollment	416	457	472	518	523	498	495	443	460	479
Capacity Used	89.08 %	97.86 %	101.07 %	110.92 %	111.99 %	106.64 %	106.00 %	94.86 %	98.50 %	102.57 %

SCHEDULE 19

Mesa County Valley School District No. 51

School Building Information

Last Ten Fiscal Years
(Unaudited)

School	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Orchard Avenue (1948)										
Square feet	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
Capacity	406	406	406	406	406	406	406	406	406	406
Enrollment	419	434	417	391	410	420	449	479	491	488
Capacity Used	103.20 %	106.90 %	102.71 %	96.31 %	100.99 %	103.45 %	110.59 %	117.98 %	120.94 %	120.20 %
Pear Park (2006)										
Square feet	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980
Capacity	532	532	532	532	532	532	532	532	532	532
Enrollment	450	463	472	491	499	497	492	490	477	458
Capacity Used	84.59 %	87.03 %	88.72 %	92.29 %	93.80 %	93.42 %	92.48 %	92.11 %	89.66 %	86.09 %
Pomona (1958)										
Square feet	56,427	56,427	56,427	56,427	56,427	56,427	56,427	56,427	56,427	56,427
Capacity	389	389	389	389	389	389	389	389	389	389
Enrollment	333	364	377	371	384	394	383	408	416	417
Capacity Used	85.60 %	93.57 %	96.92 %	95.37 %	98.71 %	101.29 %	98.46 %	104.88 %	106.94 %	107.20 %
Rim Rock (2006)										
Square feet	59,598	59,598	59,598	59,598	59,598	59,598	59,598	59,598	59,598	59,598
Capacity	643	643	643	643	643	643	643	643	643	643
Enrollment	624	658	653	629	653	624	645	654	671	654
Capacity Used	97.05 %	102.33 %	101.56 %	97.82 %	101.56 %	97.05 %	100.31 %	101.71 %	104.35 %	101.71 %
Rocky Mountain (1998)										
Square feet	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068
Capacity	564	564	564	564	564	564	564	564	564	564
Enrollment	474	451	470	511	518	496	547	531	534	573
Capacity Used	84.04 %	79.96 %	83.33 %	90.60 %	91.84 %	87.94 %	96.99 %	94.15 %	94.68 %	101.60 %
Scenic (1969)										
Square feet	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144
Capacity	229	229	229	229	229	229	229	229	229	229
Enrollment	245	253	267	274	276	297	278	262	232	239
Capacity Used	106.99 %	110.48 %	116.59 %	119.65 %	120.52 %	129.69 %	121.40 %	114.41 %	101.31 %	104.37 %
Shelley (1958)										
Square feet	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784
Capacity	519	519	519	519	519	519	519	519	519	519
Enrollment	422	443	470	520	531	518	538	547	610	550
Capacity Used	81.31 %	85.36 %	90.56 %	100.19 %	102.31 %	99.81 %	103.66 %	105.39 %	117.53 %	105.97 %
Taylor (1958)										
Square feet	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460
Capacity	511	511	511	511	511	511	511	511	511	511
Enrollment	361	397	422	415	389	395	424	405	417	422
Capacity Used	70.65 %	77.69 %	82.58 %	81.21 %	76.13 %	77.30 %	82.97 %	79.26 %	81.60 %	82.58 %
Thunder Mountain (1982)										
Square feet	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950
Capacity	562	562	562	562	562	562	562	562	562	562
Enrollment	516	520	511	521	544	536	551	579	610	624
Capacity Used	91.81 %	92.53 %	90.93 %	92.70 %	96.80 %	95.37 %	98.04 %	103.02 %	108.54 %	111.03 %
Tope (1940)										
Square feet	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886
Capacity	410	410	410	410	410	410	410	410	410	410
Enrollment	337	319	348	342	337	345	356	337	366	379
Capacity Used	82.20 %	77.80 %	84.88 %	83.41 %	82.20 %	84.15 %	86.83 %	82.20 %	89.27 %	92.44 %
Wingate (1982)										
Square feet	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819
Capacity	452	452	452	452	452	452	452	452	452	452
Enrollment	452	434	458	460	441	461	476	434	439	460
Capacity Used	100.00 %	96.02 %	101.33 %	101.77 %	97.57 %	101.99 %	105.31 %	96.02 %	97.12 %	101.77 %
Middle:										
Bookcliff (2006)										
Square feet	116,182	116,182	116,182	116,182	116,182	116,182	116,182	116,182	116,182	116,182
Capacity	643	643	643	643	643	643	643	643	643	643
Enrollment	590	607	578	575	580	569	569	563	600	575
Capacity Used	91.76 %	94.40 %	89.89 %	89.42 %	90.20 %	88.49 %	88.49 %	87.56 %	93.31 %	89.42 %
East (1970)										
Square feet	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486
Capacity	484	484	484	484	484	484	484	484	484	484
Enrollment	455	467	441	477	477	474	475	479	469	444
Capacity Used	94.01 %	96.49 %	91.12 %	98.55 %	98.55 %	97.93 %	98.14 %	98.97 %	96.90 %	91.74 %
Fruita (1936)										
Square feet	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286
Capacity	733	733	733	733	733	733	733	733	733	733
Enrollment	609	641	630	606	554	546	577	549	518	566
Capacity Used	83.08 %	87.45 %	85.95 %	82.67 %	75.58 %	74.49 %	78.72 %	74.90 %	70.67 %	77.22 %

School	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Grand Mesa (1998)										
Square feet	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	644	643	608	629	607	581	622	618	647	657
Capacity Used	103.04 %	102.88 %	97.28 %	100.64 %	97.12 %	92.96 %	99.52 %	98.88 %	103.52 %	105.12 %
Mt. Garfield (1982)										
Square feet	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658
Capacity	596	596	596	596	596	596	596	596	596	596
Enrollment	641	676	657	639	617	602	568	594	618	635
Capacity Used	107.55 %	113.42 %	110.23 %	107.21 %	103.52 %	101.01 %	95.30 %	99.66 %	103.69 %	106.54 %
Orchard Mesa (1960)										
Square feet	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661
Capacity	598	598	598	598	598	598	598	598	598	598
Enrollment	488	488	494	486	502	515	505	532	530	537
Capacity Used	81.61 %	81.61 %	82.61 %	81.27 %	83.95 %	86.12 %	84.45 %	88.96 %	88.63 %	89.80 %
Redlands (1991)										
Square feet	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318
Capacity	643	643	643	643	643	643	643	643	643	643
Enrollment	600	561	556	550	565	572	583	547	568	582
Capacity Used	93.31 %	87.25 %	86.47 %	85.54 %	87.87 %	88.96 %	90.67 %	85.07 %	88.34 %	90.51 %
West (1971)										
Square feet	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830
Capacity	466	466	466	466	466	466	466	466	466	466
Enrollment	379	393	385	382	389	404	400	432	416	427
Capacity Used	81.33 %	84.33 %	82.62 %	81.97 %	83.48 %	86.70 %	85.84 %	92.70 %	89.27 %	91.63 %
8/9:										
Fruita 8/9										
Square feet	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784
Capacity	681	681	681	681	681	681	681	668	668	668
Enrollment	803	782	802	741	752	721	711	711	743	776
Capacity Used	117.91 %	114.83 %	117.77 %	108.81 %	110.43 %	105.87 %	104.41 %	106.44 %	111.23 %	116.17 %
High:										
Career Center (2006)										
Square feet	37,852	37,852	37,852	37,852	37,852	37,852	37,852	37,852	37,852	37,852
Capacity	265	265	265	265	265	265	265	265	265	265
Enrollment	School has no enrollment records because students enrolled at other schools are bussed in during the day for special programs									
Central (1960)										
Square feet	172,935	172,935	179,132	179,132	179,132	179,132	179,132	179,132	179,132	179,132
Capacity	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Enrollment	1,647	1,598	1,520	1,536	1,515	1,473	1,463	1,486	1,572	1,599
Capacity Used	110.17 %	106.89 %	101.67 %	102.74 %	101.34 %	98.53 %	97.86 %	99.40 %	105.15 %	106.96 %
Fruita Monument (1969)										
Square feet	184,583	184,583	192,134	192,134	192,134	192,134	192,134	192,134	192,134	192,134
Capacity	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618
Enrollment	1,334	1,329	1,275	1,257	1,229	1,253	1,304	1,262	1,284	1,278
Capacity Used	82.45 %	82.14 %	78.80 %	77.69 %	75.96 %	77.44 %	80.59 %	78.00 %	79.36 %	78.99 %
Grand Junction (1956)										
Square feet	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329
Capacity	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786
Enrollment	1,452	1,534	1,573	1,684	1,742	1,741	1,715	1,676	1,760	1,774
Capacity Used	81.30 %	85.89 %	88.07 %	94.29 %	97.54 %	97.48 %	96.02 %	93.84 %	98.54 %	99.33 %
Palisade (1991)										
Square feet	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412
Capacity	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,091	1,005	1,053	1,011	1,006	1,048	1,054	1,021	1,010	1,003
Capacity Used	100.65 %	92.71 %	97.14 %	93.27 %	92.80 %	96.68 %	97.23 %	94.19 %	93.17 %	92.53 %
R-5 Complex (2016)										
Square feet	29,133	29,133	29,133	29,133	17,684	17,684	17,684	17,684	17,684	17,684
Capacity	420	420	420	420	257	257	257	257	257	257
Enrollment	273	275	289	304	210	221	190	224	255	355
Capacity Used	65.00 %	65.48 %	68.81 %	72.38 %	81.71 %	85.99 %	73.93 %	87.16 %	99.22 %	138.13 %
K - 12:										
Gateway (1946)										
Square feet	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470
Capacity	90	90	90	90	90	90	90	90	90	90
Enrollment	29	36	33	25	25	29	34	40	45	51
Capacity Used	32.22 %	40.00 %	36.67 %	27.78 %	27.78 %	32.22 %	37.78 %	44.44 %	50.00 %	56.67 %
Grand River Academy (previously Independence Academy Charter School and Lincoln Park Elementary) (1925)										
Square feet	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378
Capacity	284	284	284	284	284	284	284	284	284	284
Enrollment	357	310	280	259	245	346	308	294	257	233
Capacity Used	125.70 %	109.15 %	98.59 %	91.20 %	86.27 %	121.83 %	108.45 %	103.52 %	90.49 %	82.04 %
Non-school enrollment	1,348	1,262	1,288	1,129	918	77	815	815	658	499
Total District enrollment	22,046	22,082	22,084	22,105	21,827	21,746	21,902	21,827	22,012	22,203

Source: Mesa County Valley School District No. 51 Maintenance Department
Note: Building capacity may not change when additions to buildings are constructed because modular units are often removed

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SINGLE AUDIT

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*Previous Image originally appeared in the Bank of Colorado Calendar contest.
Student: Adeha Gutierrez, 8th Grade, Grand Mesa MS*

Mesa County Valley School District No. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 June 30, 2020

CFDA PROGRAM TITLE	CFDA PROGRAM NUMBER	PASSTHRU ID NUMBER	AMOUNT OF EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE			
Passed through state Department of Education:			
School Breakfast Program	10.553	4553	\$ 690,489
National School Lunch Program (including commodities of \$512,527)	10.555	4555	3,054,174
Summer Food Service Program for Children	10.559	4559	<u>924,731</u>
Total Child Nutrition Cluster			4,669,394
Passed through State of Colorado:			
Child and Adult Care Food Program	10.558	4558	<u>668</u>
Total U.S. Department of Agriculture			4,670,062
U.S. DEPARTMENT OF EDUCATION			
Passed through state Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010,5010 6010,7010 8010	4,453,014
Special Education - Grants to States	84.027	4027,5027 6027	4,675,037
Special Education - Preschool Grants	84.173	4173,5173	<u>146,393</u>
Total Special Education Cluster (IDEA)			4,821,430
Special Education - Grants for Infants & Families with Disabilities	84.181A	5181	9,559
Education for Homeless Children and Youth	84.196	5196	40,000
Migrant Education - State Grant Program	84.011	4011	535,196
English Language Acquisition Grants	84.365	22-4365,7365	42,789
Improving Teacher Quality State Grants	84.367	22-4367	659,664
Special Education - State Personnel Development	84.323	5323	18,333
Title IV Every Student Succeeds Act (ESSA)	84.424	4424	281,734
21st Century Community Learning Centers	84.287	5287	123,861
School Climate Transformation Grant	84.184F	8174	58,554
Passed through State Community College System:			
Career and Technical Education - Basic Grants to States	84.048	22-4048	<u>185,666</u>
Total U.S. Department of Education			11,229,800
U.S. DEPARTMENT OF THE TREASURY			
INTERNAL REVENUE SERVICE			
Passed through state Department of Education:			
Corona Virus Relief Fund (CRF) K-12	21.019	4012	10,857
U.S. DEPARTMENT OF DEFENSE			
Junior ROTC Program	12.XXX	10-9001	67,654
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through State of Colorado:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	22-396-7596	<u>22,810</u>
Total CCDF Cluster			22,810
Passed through other government:			
Head Start	93.600	8600	<u>32,114</u>
Total U.S. Department of Health and Human Services			54,924
Total Federal Financial Assistance Expenditures			<u>\$ 16,033,297</u>

Mesa County Valley School District No. 51
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

NOTE A – GENERAL

The accompanying schedule of expenditures of federal awards includes the amount of federal grants expended by Mesa County Valley School District No. 51, during the year ended June 30, 2018. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – SUBRECIPIENTS

For the year ended June 30, 2020, the District did not pass through any federal grants to subrecipients.

NOTE D – INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 10, 2020

The Board of Education
Mesa County Valley School District No.51

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mesa County Valley School District No. 51 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2020. Our report includes reference to other auditors who audited the financial statements of Independence Academy Charter School, as described in our report on the District's financial statements. The financial statements of Independence Academy, as well as the other discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mesa County Valley School District No.51's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



The Board of Education
Mesa County Valley School District No. 51
December 10, 2020
Page Two

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 10, 2020

The Board of Education
Mesa County Valley School District No. 51

Report on Compliance for Each Major Federal Program

We have audited Mesa County Valley School District No. 51's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mesa County Valley School District No. 51's major federal programs for the year ended June 30, 2020. Mesa County Valley School District No. 51's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mesa County Valley School District No. 51's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mesa County Valley School District's No. 51's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mesa County Valley School District No. 51's compliance.

Opinion on Each Major Federal Program

In our opinion, Mesa County Valley School District No.51 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



The Board of Education
Mesa County Valley School District No. 51
December 10, 2020
Page Two

Report on Internal Control Over Compliance

Management of Mesa County Valley School District No. 51 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mesa County Valley School District No. 51's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chadwick, Steinkirchner, Davis & Co., P.C.

Mesa County Valley School District No. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:				<u>Unmodified Opinion</u>
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

Type of auditor's report issued on compliance for major programs:				<u>Unmodified Opinion</u>
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <input checked="" type="checkbox"/>	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000		
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/>	yes	_____	no

Mesa County Valley School District No. 51
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings required to be reported under Generally Accepted Government Auditing

Standards. SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs for federal awards as defined in the Uniform Guidance.

Mesa County Valley School District No. 51
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2020

There were no prior year findings.