

cPa DIXON, WALLER & CO., INC.

---

MOFFAT CONSOLIDATED SCHOOL

DISTRICT NO. 2

SAGUACHE COUNTY, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2020

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

**TABLE OF CONTENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020**

	<u>Page</u>
<b>Title Page</b>	
<b>Table of Contents</b>	
<b>Roster of Officials</b>	
<b><u>FINANCIAL SECTION:</u></b>	
<b>Independent Auditor's Report.....</b>	<b>1-2</b>
<b>Management's Discussion and Analysis .....</b>	<b>i-ix</b>
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
<b>Government Wide Financial Statements:</b>	
<b>Statement of Net Position .....</b>	<b>3</b>
<b>Statement of Activities .....</b>	<b>4</b>
<b>Fund Financial Statements:</b>	
<b>Balance Sheet – Governmental Funds.....</b>	<b>5</b>
<b>Reconciliation of Governmental Funds Balance Sheet         to Statement of Net Position.....</b>	<b>6</b>
<b>Statement of Revenues, Expenditures and Changes in         Fund Balances – Governmental Funds .....</b>	<b>7</b>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in         Fund Balances of Governmental Funds to the         Statement of Activities.....</b>	<b>8</b>

<b>Fund Financial Statements (Continued):</b>	<u>Page</u>
Notes to Basic Financial Statements .....	9-42

**REQUIRED SUPPLEMENTARY INFORMATION:**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Governmental Funds:**

General Fund .....	43-44
--------------------	-------

**Pension Trend Data:**

Schedule of Proportionate Share of Net Pension Liability.....	45
---	----

Schedule of District Contributions - Pension.....	46
---	----

**Other Post Employment Benefits (OPEB) Trend Data:**

Schedule of Proportionate Share of Net OPEB Liability.....	47
--	----

Schedule of District Contributions – OPEB.....	48
--	----

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual:**

Bond Redemption – Debt Service Fund.....	49
--	----

Combining Balance Sheet – Nonmajor Governmental Funds .....	50
---	----

Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds .....	51
---	----

Food Services – Special Revenue Fund .....	52
--	----

Student Activity – Special Revenue Fund.....	53
--	----

Capital Reserve – Capital Projects Fund.....	54
--	----

**Crestone Charter School:**

Combining Balance Sheet.....	55
------------------------------	----

Combining Statements of Revenues, Expenditures and Changes In Fund Balances .....	56
--	----

**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual:**

<b>General Fund .....</b>	<b>57-58</b>
<b>Student Activity – Special Revenue Fund.....</b>	<b>59</b>
<b>Capital Reserve – Capital Projects Fund.....</b>	<b>60</b>

**STATE REQUIRED SCHEDULES:**

<b>Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund) .....</b>	<b>61</b>
<b>Bolded Balance Sheet.....</b>	<b>62-64</b>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**ROSTER OF SCHOOL OFFICIALS**  
**June 30, 2020**

---

**BOARD OF EDUCATION**

<b>Tina Freel</b>	<b>President</b>
<b>Gwynn Busby</b>	<b>Vice President</b>
<b>Daniel Hart</b>	<b>Treasurer</b>

**SCHOOL OFFICIALS**

<b>Sarah White</b>	<b>Superintendent</b>
<b>Jodi Anderson</b>	<b>Business Manager</b>

**FINANCIAL SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of and for the year ended June 30, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefit trend data on pages i through ix and 43 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining and individual fund financial statements, other schedules, and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

*Dyer, Waller & Co., Inc.*

Trinidad, Colorado  
November 29, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For Fiscal Year Ended June 30, 2020

**Management's Discussion and Analysis**

Moffat Consolidated School District #2 covers approximately 500 square miles in Saguache County located in the south central region of Colorado. The District serves the northeast one-third of Saguache County which includes the communities of Moffat and Crestone. Approximately 227 students are served in educational programs provided through the Moffat PK-12 School and the Crestone Charter School.

The discussion and analysis of the Moffat School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

**Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2020 are as follows:

- In total the District's overall net position is \$10,460,762 which represents an increase of \$446,615 from the previous year, as restated.
- Revenues of \$3,947,712 were collected during the year in Governmental Funds. These revenues included revenues, taxes, grants and entitlements, general interest and other revenues.
- The District had \$3,676,159 in expenditures. The general revenues (primarily property taxes and State grants and entitlements) of \$3,947,712 were adequate to provide for these expenditures.
- The District's food service expenses exceeded revenues by \$48,812 and a transfer of \$63,743 from the General Fund to Food Service Fund was made. This deficit was \$11,154 less than the previous year's deficit, and it is expected in the coming years that the General Fund will continue to supplement the revenue in the Food Service Fund. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer; however, this is difficult in small school districts due to the economy of size and depressed economic factors as well as increased costs created by State & Federal regulations requiring the use of fresh fruits and vegetables and whole grains.

**Overview of the Basic Financial Statements**

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

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

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

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

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

The District was required to implement GASB 75 resulting in a net Other Post Employment Benefit (OPEB) liability of \$(194,463) at June 30, 2020. Under GASB 75, the District's proportionate share of the net Other Post-Employment Benefits liability of the Health Care Trust Fund (HCTF) of the state retirement system of the Public Employees Retirement Association, is recorded as a liability of the District.

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

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2020?" The statement of net position and of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting. The accrual basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the district, and its component units. The two statements report the district's net position and changes in net position. The change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

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

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

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

**Business-Type Activities** – Business-type activities are financed to some degree by charging external parties for the goods or services they acquire. As of June 30, 2020, the District did not have any Business-Type Activities.

A summary of changes in capital assets:

**GOVERNMENTAL ACTIVITIES -District 2019-2020**

	<i>Balance July 1, 2019</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2020</i>
<b>Non-Depreciable Assets:</b>				
Land	11,906	146,564		158,470
Construction in Progress				
<b>Total Non- Depreciable Assets</b>	<b>11,906</b>	<b>146,564</b>		<b>158,470</b>

**Depreciable Assets**

Building & Site Improvements	18,249,631			18,249,631
Equipment & Vehicles	1,406,197			1,406,197
<b>Total Depreciable Assets</b>	<b>19,655,828</b>			<b>19,655,828</b>
<b>Total Accumulated Depreciation</b>	<b>2,060,114</b>	<b>617,968</b>		<b>2,678,082</b>
<b>Total Capital Assets, Net</b>	<b>17,607,620</b>	<b>(471,404)</b>		<b>17,136,216</b>

**GOVERNMENTAL ACTIVITIES –District 2018-2019**

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

	<i>Balance July 1, 2018</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30, 2019</i>
<b>Non-Depreciable Assets:</b>				
Land	11,906			11,906
Construction in Progress	0	0	0	0
<b>Total Non-Depreciable Assets</b>	<b>11,906</b>	<b>0</b>	<b>0</b>	<b>11,906</b>
<b>Depreciable Assets</b>				
Building & Site Improvements	18,249,631			18,249,631
Equipment & Vehicles	1,285,155	121,042		1,406,197
<b>Total Depreciable Assets</b>	<b>19,534,786</b>	<b>121,042</b>		<b>19,655,828</b>
<b>Total Accumulated Depreciation</b>	<b>1,454,394</b>	<b>605,720</b>		<b>2,060,114</b>
<b>Total Capital Assets, Net</b>	<b>18,092,298</b>	<b>(484,678)</b>		<b>17,607,620</b>

Governmental Activities-Component Unit

<b>2019-2020</b>	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Non Depreciable Total	448,458			448,458
Land, Building & Site Improvements	5,739,613	62,953		5,802,566
Equipment & Vehicles	164,951	24,000		188,951
Total Depreciable Assets	5,904,564	86,953		5,991,517
<b>Less Accumulated Depreciation for:</b>	1,003,032	147,581		1,150,613
Building & Site Improvements				
Equipment & Vehicles	81,417	16,213		97,630
Total Accumulated Depreciation	1,084,449	163,794		1,248,243
Depreciable Assets Net	4,820,115	(76,841)		4,743,274
Total Capital Assets Net	5,268,573	(76,841)		5,191,732

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

<b>2018-2019</b>	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Non Depreciable Total	448,458			448,458
Land, Building & Site Improvements	5,732,823	6,790		5,739,613
Equipment & Vehicles	158,271	26,000	19,320	164,951
Total Depreciable Assets	5,891,094	32,790	19,320	5,904,564
<b>Less Accumulated Depreciation for:</b>				
Building & Site Improvements	858,938	144,094		1,003,032
Equipment & Vehicles	88,874	11,863	19,320	81,417
Total Accumulated Depreciation	947,812	155,957	19,320	1,084,449
Depreciable Assets Net	4,943,282	(123,167)		4,820,115
Total Capital Assets Net	5,391,740	(123,167)		5,268,573

## FUND FINANCIAL STATEMENTS

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

**Governmental Funds** – The District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

reconciled in the financial statements. Moffat Consolidated School District maintains five governmental funds - General, Capital Projects, Food Service, Student Activity and Bond Redemption Fund.

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

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

**Moffat Consolidated School District #2  
Condensed Statement of Net Position as of June 30, 2019 and 2020**

	<b>2019</b>			<b>2020</b>		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Current & other assets	3,067,958	0	3,067,958	4,146,993	0	4,146,993
Capital Assets	17,607,620	0	17,607,620	17,136,216	0	17,136,216
<b>Total Assets</b>	<b>20,675,578</b>	<b>0</b>	<b>20,675,578</b>	<b>21,283,209</b>	<b>0</b>	<b>21,283,209</b>
Deferred Outflows	1,829,355	0	1,829,355	1,185,710	0	1,185,710
Liabilities	9,134,391	0	9,134,391	9,183,190	0	9,183,190
Deferred Inflows	3,356,395	0	3,356,395	2,824,967	0	2,824,967
<b>NET Assets Invested</b>						
in Capital Assets	13,401,081	0	13,401,081	13,148,901	0	13,148,901
Restricted	748,437	0	748,437	868,151	0	868,151
Unrestricted	(4,135,371)	0	(4,135,371)	(3,556,290)	0	(3,556,290)
<b>Total Net Assets</b>	<b>10,014,147</b>	<b>0</b>	<b>10,014,147</b>	<b>10,460,762</b>	<b>0</b>	<b>10,460,762</b>

The statement of net position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2020 consisting of accounts payable and accrued salaries and benefits. The difference between the district's assets and liabilities is its net position.

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

**Governmental Funds**

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

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

**General Fund (Including the Preschool Fund)**

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

General Fund revenues totaling \$3,336,716 were \$200,878 more than anticipated in the budget. Actual expenditures of \$2,937,280 were \$1,964,396 under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$1,927,838 June 30<sup>th</sup> fund balance includes reserves for TABOR and accrued salaries. The increase in fund balance of the General Fund from FY 2018-19 is \$698,193.

**Capital Projects Fund**

The District is utilizing the Capital Projects Fund to set aside funds for capital projects and purchases. As of June 30, 2020 the Fund Balance showed a total of \$174,982, which includes BEST Grant Capital Renewal Reserve of \$51,980. This fund received revenues through a transfer of funds from the General Fund.

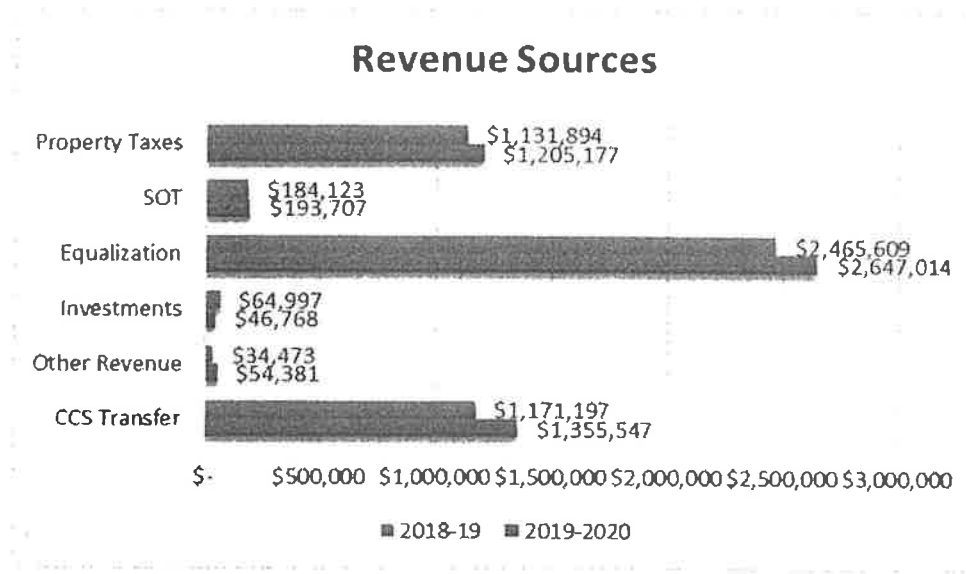
**Food Services Special Revenue Fund**

The Food Service Fund is one of the Special Revenue Funds in the District. Although our student participation in the hot lunch program is high, the small student population creates a challenge in funding and program expenditures exceed revenues. A transfer from the General Fund of \$63,743 allowed this fund to meet its expenditures. It is expected that a transfer of funds to support the Food Service Fund will continue in coming years.

**Governmental Activities**

The primary source of operating revenue for the school district comes from the School Finance Act of 1994. Each FTE (full-time equivalent) generated \$14,838.37 for the 2019-2020 program, which is \$696.53 per FTE more than during the 2018-2019 school year. The funded pupil count for the District was 226.5 FTE during FY 2019-2020. The chart below shows the District revenues by revenue source.

Moffat School District #2  
 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020



The Chart Above Shows Revenue Sources for General Fund Only

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

### Net Cost of Governmental Activities FY 2018-19 and FY 2019-20 Comparison Moffat Consolidated School District

	FY 2018-19		FY 2019-20	
	Expenses	Net Cost of Services	Expenses	Net Cost of Services
Instruction	1,804,973	1,407,703	1,931,504	1,513,123
Student Support	162,225	162,225	201,443	201,443
Instructional Staff	70,600	70,600	81,333	81,333
General Administration	256,296	47,982	275,970	38,891
School Administration	155,904	155,904	156,765	156,765
Business Support	176,964	176,964	165,979	165,979
Operation & Maintenance	287,551	287,551	299,568	299,568
Student Transportation	212,829	176,136	238,312	198,363
Central Support & Other	270,163	186,375	166,366	55,622
<b>TOTAL</b>	<b>3,397,505</b>	<b>2,671,440</b>	<b>3,517,240</b>	<b>2,711,087</b>

Moffat School District #2  
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

**Bond Redemption**

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District's long-term debts. Long-Term Liabilities for general obligation debt are \$4,449,815 not due and payable in the 2020 fiscal year.

**Capital Assets**

The District began the year with Net Capital Assets of \$19,667,734. Including the Moffat School facility, vehicles, equipment and routine depreciation of assets, the ending balance for the District's Capital Assets is \$19,814,298 as of June 30, 2020.

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

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee's retirement (Colorado PERA) unfunded liability on each district. The uncertainty of the ongoing effects of the COVID-19 pandemic also present challenges. The District's carryover will allow the School District to act instead of react to the financial woes of the State and Country. Moffat Consolidated School District is the smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 39 percent of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District's student population. Approximately eighty percent of the District's student population qualifies for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

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

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

Respectfully Submitted,

Sarah White, Superintendent

Jodi Anderson, Business Director

**BASIC FINANCIAL STATEMENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	<u>Primary Government</u>		Component Unit Charter School
	<u>Governmental Activities</u>	<u>Total</u>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	790,916	790,916	1,760,309
Investments	3,116,983	3,116,983	-
Property Taxes Receivable	176,192	176,192	-
Accounts Receivable	9,312	9,312	5,679
Due From Other Governments	38,800	38,800	29,981
Inventories	14,790	14,790	-
<b>Total Current Assets</b>	<u>4,146,993</u>	<u>4,146,993</u>	<u>1,795,969</u>
<b>Capital Assets:</b>			
Land	158,470	158,470	448,458
Depreciable Assets	19,655,828	19,655,828	5,991,517
Accumulated Depreciation	(2,678,082)	(2,678,082)	(1,248,243)
<b>Capital Assets Net of Depreciation</b>	<u>17,136,216</u>	<u>17,136,216</u>	<u>5,191,732</u>
<b>TOTAL ASSETS</b>	<u>21,283,209</u>	<u>21,283,209</u>	<u>6,987,701</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension	1,153,899	1,153,899	298,213
Other Post Employment Benefits	31,811	31,811	4,571
<b>Total Deferred Outflow of Resources</b>	<u>1,185,710</u>	<u>1,185,710</u>	<u>302,784</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	31,106	31,106	11,256
Due To Other Governments	29,982	29,982	38,800
Accrued Salaries Payable	130,813	130,813	51,738
Accrued Interest	13,787	13,787	-
Unearned Grant Payments	345,938	345,938	260,150
General Obligation Bonds – Current	228,280	228,280	-
<b>Total Current Liabilities</b>	<u>779,906</u>	<u>779,906</u>	<u>361,944</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	32,963	32,963	-
General Obligation Bonds	3,759,035	3,759,035	-
Paycheck Protection Program Loan	462,500	462,500	-
Net Pension Liability	3,954,323	3,954,323	1,290,137
Net Other Post Employment Benefit Liability	194,463	194,463	63,446
<b>Total Noncurrent Liabilities</b>	<u>8,403,284</u>	<u>8,403,284</u>	<u>1,353,583</u>
<b>TOTAL LIABILITIES</b>	<u>9,183,190</u>	<u>9,183,190</u>	<u>1,715,527</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension	2,743,150	2,743,150	1,161,058
Other Post Employment Benefits	81,817	81,817	18,622
<b>Total Deferred Inflow of Resources</b>	<u>2,824,967</u>	<u>2,824,967</u>	<u>1,179,680</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,148,901	13,148,901	5,191,732
<b>Restricted for:</b>			
Debt Service	649,520	649,520	-
BEST Reserve	51,980	51,980	210,000
TABOR (Emergencies)	89,105	89,105	46,113
Preschool	55,607	55,607	-
Food Service	21,939	21,939	-
Unrestricted (Deficit)	<u>(3,556,290)</u>	<u>(3,556,290)</u>	<u>(1,052,567)</u>
<b>TOTAL NET POSITION</b>	<u>10,460,762</u>	<u>10,460,762</u>	<u>4,395,278</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		Component Unit Charter School
	Expenses	Charges for Services		Operating Grants & Contributions	Capital Grants and Contributions	Total	
		Primary Government	Governmental Activities	Primary Government	Governmental Activities		
Primary Government:							
Governmental Activities							
Instruction	1,931,504	30,479	387,902	-	(1,513,123)	(1,513,123)	(618,019)
Student Support	201,443	-	-	-	(201,443)	(201,443)	(88,759)
Instructional Staff	81,333	-	-	-	(81,333)	(81,333)	(500)
General Administration	275,970	237,079	-	-	(38,891)	(38,891)	(237,079)
School Administration	156,765	-	-	-	(156,765)	(156,765)	(196,429)
Business Support	165,979	-	-	-	(165,979)	(165,979)	-
Operation & Maintenance	299,568	-	-	-	(299,568)	(299,568)	(79,960)
Student Transportation	238,312	-	39,949	-	(198,363)	(198,363)	(28,516)
Central Support	201,257	-	-	-	(201,257)	(201,257)	(58,508)
Food Services	191,732	7,980	102,077	687	(81,675)	(81,675)	-
Facilities/Capital Outlay	19,092	-	-	-	(18,405)	(18,405)	20,534
Interest	170,769	-	-	-	(170,769)	(170,769)	-
Net Pension Cost	(405,382)	-	-	-	405,382	405,382	340,614
Net OPEB Cost	(11,102)	-	-	-	11,102	11,102	2,675
Total Governmental Activities	3,517,240	275,538	529,928	687	(2,711,087)	(2,711,087)	(943,947)
Total Primary Government	3,517,240	275,538	529,928	687	(2,711,087)	(2,711,087)	(943,947)
General Revenues							
Local Property Taxes					1,205,177	1,205,177	-
Specific Ownership Taxes					193,707	193,707	-
State Equalization					2,647,014	2,647,014	-
Non-Specific Intergovernmental					306,676	306,676	186,674
Direct Distribution Payment					37,283	37,283	13,099
Earnings on Investments					46,768	46,768	2,489
Other Revenue					54,381	54,381	30,671
Charter Per Pupil Revenue					(1,355,547)	(1,355,547)	1,355,547
Total General Revenues & Transfers					3,135,459	3,135,459	1,588,480
Change in Net Position					424,372	424,372	644,533
Net Position, Beginning (as Restated)					10,036,390	10,036,390	3,750,745
Net Position, Ending					10,460,762	10,460,762	4,395,278

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<u>General</u>	<u>Bond Redemption Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	110,501	618,573	61,842	790,916
Investments	2,955,925	-	161,058	3,116,983
Property Taxes Receivable	109,563	66,629	-	176,192
Accounts Receivable	799	-	1,939	2,738
Accrued Revenues	6,574	-	-	6,574
Inventories	-	-	14,790	14,790
Due From Other Governments	<u>38,800</u>	<u>-</u>	<u>-</u>	<u>38,800</u>
<b>Total Assets</b>	<b><u>3,222,162</u></b>	<b><u>685,202</u></b>	<b><u>239,629</u></b>	<b><u>4,146,993</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>LIABILITIES:</u></b>				
Accounts Payable	30,856	250	-	31,106
Accrued Salaries Payable	130,813	-	-	130,813
Due To Other Governments	29,982	-	-	29,982
Unearned Grant Payments	<u>345,938</u>	<u>-</u>	<u>-</u>	<u>345,938</u>
<b>Total Liabilities</b>	<b><u>537,589</u></b>	<b><u>250</u></b>	<b><u>-</u></b>	<b><u>537,839</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	<u>58,542</u>	<u>35,432</u>	<u>-</u>	<u>93,974</u>
<b><u>FUND BALANCES:</u></b>				
<b>Nonspendable:</b>				
Inventories	-	-	14,790	14,790
<b>Restricted for:</b>				
TABOR (Emergencies)	89,105	-	-	89,105
Preschool	55,607	-	-	55,607
BEST Reserve	-	-	51,980	51,980
Debt Service	-	649,520	-	649,520
Food Services	-	-	21,939	21,939
<b>Committed:</b>				
Capital Outlay	-	-	123,002	123,002
<b>Assigned:</b>				
Student Activities	-	-	27,918	27,918
Unassigned	<u>2,481,319</u>	<u>-</u>	<u>-</u>	<u>2,481,319</u>
<b>Total Fund Balances</b>	<b><u>2,626,031</u></b>	<b><u>649,520</u></b>	<b><u>239,629</u></b>	<b><u>3,515,180</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<b><u>3,222,162</u></b>	<b><u>685,202</u></b>	<b><u>239,629</u></b>	<b><u>4,146,993</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
June 30, 2020**

---

<b>GOVERNMENTAL FUNDS TOTAL FUND BALANCE</b>	<b>3,515,180</b>
<b>Deferred Property Tax Revenue-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.</b>	<b>93,974</b>
<b>Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.</b>	<b>19,814,298</b>
<b>Accumulated Depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.</b>	<b>(2,678,082)</b>
<b>Accrued interest payable is not considered current financial resources and, therefore, not reported in the governmental funds.</b>	<b>(13,787)</b>
<b>Long-Term Liabilities for general obligation debt and compensated absences are not due and payable in the current period and, therefore, not reported in the funds:</b>	
<b>Paycheck Protection Loan</b>	<b>(462,500)</b>
<b>General Obligation Bond</b>	<b>(3,987,315)</b>
<b>Compensated Absences</b>	<b><u>(32,963)</u></b>
	<b>(4,482,778)</b>
<b>Net pension liability, along with associated deferred flow, are not recorded at the fund level:</b>	
<b>Net Pension Liability</b>	<b>(3,954,323)</b>
<b>Net Other Post Employment Benefits Liability</b>	<b>(194,463)</b>
<b>Deferred Outflows</b>	<b>1,185,710</b>
<b>Deferred Inflows</b>	<b><u>(2,824,967)</u></b>
<b><u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u></b>	<b><u>10,460,762</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

	General	Bond Redemption Debt Service	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES:</u></b>				
Taxes	944,401	460,583	-	1,404,984
Intergovernmental	3,342,461	-	102,077	3,444,538
Local Grants	79,299	-	-	79,299
Interest	36,020	7,263	-	43,283
Other	290,082	-	41,073	331,155
Allocated Revenues	<u>(1,355,547)</u>	<u>-</u>	<u>-</u>	<u>(1,355,547)</u>
<b>Total Revenues</b>	<b><u>3,336,716</u></b>	<b><u>467,846</u></b>	<b><u>143,150</u></b>	<b><u>3,947,712</u></b>
<b><u>EXPENDITURES</u></b>				
<b>Current:</b>				
Instruction	1,368,041	-	21,983	1,390,024
Student Support	201,443	-	-	201,443
Instructional Staff	81,333	-	-	81,333
General Administration	275,970	-	-	275,970
School Administration	156,765	-	-	156,765
Business Services	165,979	-	-	165,979
Operations & Maintenance	284,886	-	-	284,886
Student Transportation	201,259	-	-	201,259
Central Support	201,254	-	-	201,254
Food Services	-	-	160,842	160,842
Community Services	-	-	-	-
Facilities/Capital Outlay	350	-	165,306	165,656
<b>Debt Service:</b>				
Principal Retirements	-	219,224	-	219,224
Interest and Fiscal Charges	-	171,524	-	171,524
<b>Total Expenditures</b>	<b><u>2,937,280</u></b>	<b><u>390,748</u></b>	<b><u>348,131</u></b>	<b><u>3,676,159</u></b>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>399,436</u></b>	<b><u>77,098</u></b>	<b><u>(204,981)</u></b>	<b><u>271,553</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Other Long-Term Debt Proceeds	462,500	-	-	462,500
Operating Transfers In (Out)	<u>(163,743)</u>	<u>-</u>	<u>163,743</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>298,757</u></b>	<b><u>-</u></b>	<b><u>163,743</u></b>	<b><u>462,500</u></b>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b>698,193</b>	<b>77,098</b>	<b>(41,238)</b>	<b>734,053</b>
<b><u>FUND BALANCES, Beginning (as Restated)</u></b>	<b><u>1,927,838</u></b>	<b><u>572,422</u></b>	<b><u>280,867</u></b>	<b><u>2,781,127</u></b>
<b><u>FUND BALANCES, Ending</u></b>	<b><u>2,626,031</u></b>	<b><u>649,520</u></b>	<b><u>239,629</u></b>	<b><u>3,515,180</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

**GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES** **734,053**

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

Current Capital Outlay	146,564	
Less Net Disposition Of Capital Assets	_____	146,564

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

Paycheck Protection Loan Proceeds	(462,500)	
Repayment of Debt Principal	219,224	
Interest Expense	_____	(242,521)

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, the adjustment to these expenses are not reported as expenditures in governmental funds. (6,140)

Deferred Property Tax Inflows-Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. (6,100)

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

**Current Depreciation Expense** **(617,968)**

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

Pension Cost		405,382
Other Post Employment Benefit Cost		<u>11,102</u>

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** **424,372**

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

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

The District operates under an elected Board of Education with five members and provides educational services to approximately 215 students.

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

**A.    Reporting Entity**

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

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

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

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

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

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

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

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

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

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

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

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

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

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

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

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

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

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

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

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

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

**D.    Fund Accounting**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

---

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

**E.    Cash and Investments**

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

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

**F.    Receivables**

Property taxes levied in 2019 but uncollected in 2020 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2020 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

**G.    Inventories**

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

**H.    Capital Assets**

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

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

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

**I.    Long-Term Obligations**

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

**J.    Constitutional Amendment**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

**J.      Constitutional Amendment (Continued)**

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2020, the District reserved \$89,105 and the Charter School reserved \$46,113 for this purpose.

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

**K.      Property Taxes**

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2019 property tax calendar for Saguache County was as follows:

Levy Date	December 22, 2019
Lien Date	January 1, 2020
Tax Bills Mailed	January 1, 2020
First Installment Due	February 28, 2020
Second Installment Due	June 15, 2020
If Paid in Full, Due	April 30, 2020

**L.      Compensated Absences**

Changes in Compensated Absences payable for the year ended June 30, 2020, were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
	<u>7/1/2019</u>			<u>6/30/2020</u>
Discretionary Payable	4,262	-	2,703	1,559
Sick Leave Payable	<u>22,561</u>	<u>8,843</u>	-	<u>31,404</u>
Total	<u>26,823</u>	<u>8,843</u>	<u>2,703</u>	<u>32,963</u>

**M.      Use of Estimates**

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

**N.    Interest Expense**

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

**O.    GASB Statement No. 54**

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

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

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

**Fund Balance Classification Policies and Procedures**

**Committed Fund Balance Policy:**

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

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

**Assigned Fund Balance Policy:**

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2020

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

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

**Order of Fund Balance Spending Policy**

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

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

**Fund Balance Classification by Fund:**

	<u>General Fund</u>	<u>Food Services Special Revenue Fund</u>	<u>Student Activity Special Revenue Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>						
Inventories	-	14,790	-	-	-	14,790
Prepaid Expenses	-	-	-	-	-	-
<b>Restricted:</b>						
Emergencies	89,105	-	-	-	-	89,105
Preschool	55,607	-	-	-	-	55,607
Debt Service	-	-	-	649,520	-	649,520
Food Service	-	21,939	-	-	-	21,939
BEST Reserve	-	-	-	-	51,980	51,980
<b>Committed:</b>						
Capital Outlay	-	-	-	-	123,002	123,002
<b>Assigned:</b>						
Student Activities	-	-	27,918	-	-	27,918
<b>Unassigned:</b>	<u>2,481,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,481,319</u>
<b>Total Fund</b>						
<b>Balances</b>	<u>2,626,031</u>	<u>36,729</u>	<u>27,918</u>	<u>649,520</u>	<u>174,982</u>	<u>3,515,180</u>

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

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

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

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

Governmental Funds – Interfund Receivables / Payables	-
Governmental Funds – Interfund Transfers	\$163,743

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

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

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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

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

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

**Deposits**

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

At June 30, 2020, the District's bank balance and corresponding carrying balance were as follows:

	<b>District</b>	
	<b>Carrying Balance</b>	<b>Bank Balance</b>
Insured (FDIC)	131,753	250,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	-	2,041
Cash with County Treasurer	92,070	-
Cash Equivalents	566,820	566,820
Cash on Hand	273	-
<b><u>Total Cash and Deposits</u></b>	<b>790,916</b>	<b>818,861</b>

As presented above, deposits with a bank balance of \$94,111 and a carrying balance of \$-0- are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

**Investments**

At June 30, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Value</u>	<u>Credit Risk Rating</u>
COLOTRUST Plus External Investment Pool	44 Day Average	<u>3,116,983</u>	AAA

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

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

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

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

The District has no recurring fair value measurements as of June 30, 2020:

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 5      CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Governmental Activities - District**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><u>Non Depreciable Assets:</u></b>				
Land	11,906	146,564	-	158,470
Construction In Progress	-	-	-	-
<b>Total Non Depreciable Assets</b>	<u>11,906</u>	<u>146,564</u>	<u>-</u>	<u>158,470</u>
<b><u>Depreciable Assets:</u></b>				
Buildings & Site Improvements	18,249,631	-	-	18,249,631
Equipment & Vehicles	<u>1,406,197</u>	<u>-</u>	<u>-</u>	<u>1,406,197</u>
<b>Total Depreciable Assets</b>	<u>19,655,828</u>	<u>-</u>	<u>-</u>	<u>19,655,828</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
Building & Site Improvements	1,305,101	490,784	-	1,795,885
Equipment & Vehicles	<u>755,013</u>	<u>127,184</u>	<u>-</u>	<u>882,197</u>
<b>Total Accumulated</b>	<u>2,060,114</u>	<u>617,968</u>	<u>-</u>	<u>2,678,082</u>
<b><u>Depreciation</u></b>	<u>2,060,114</u>	<u>617,968</u>	<u>-</u>	<u>2,678,082</u>
<b>Total Capital Assets, Net</b>	<u>17,607,620</u>	<u>(471,404)</u>	<u>-</u>	<u>17,136,216</u>

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

**Governmental Activities:**

Instruction	535,340
Operations and Maintenance	14,682
Transportation	37,053
Central Support	3
Food Services	<u>30,890</u>
<b>Total Depreciation Expense –Governmental Activities</b>	<u>617,968</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 6**      **LONG-TERM DEBT**

**General Obligation Bonds Payable**

**Series 2013 General Obligation Bonds**

This general obligation debt was issued December 9, 2013 for the purpose of construction facilities for the Moffat Consolidated School District No. 2. The Series 2013 Matching Money bonds of \$4,552,677 were used to match \$12,124,993 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2013 Matching Money bonds were issued at an interest rate 4.1878%.

	<u>Fiscal Year</u>	<u>Rate</u>	<u>Interest Payable</u>	<u>Principal Payable</u>
General Obligation Bonds, Series 2013, Interest Payable June 1 and December 1, Original Bond amount \$4,552,677	2021	4.1878%	144,668	191,604
	2022	4.1878%	136,476	199,628
	2023	4.1878%	127,941	207,988
	2024	4.1878%	119,049	216,699
	2025	4.1878%	109,784	225,774
	2026-2030	4.1878%	395,781	1,278,864
	2031-2034	4.1878%	105,640	1,229,750
			1,139,339	3,550,307

**Series 2010 General Obligation Bonds**

This general obligation debt was issued April 27, 2010 for the purpose of construction facilities for the Crestone Charter School. The Series 2010 Matching Money bonds of \$726,519 were used to match \$5,327,806 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2010 Matching Money bonds were issued at an interest rate 3.84%.

	<u>Fiscal Year</u>	<u>Rate</u>	<u>Interest Payable</u>	<u>Principal Payable</u>
General Obligation Bonds, Series 2010, Interest Payable June 1 and December 1, Original Bond amount \$726,519	2021	3.84%	16,062	36,676
	2022	3.84%	14,628	38,083
	2023	3.84%	13,139	39,544
	2024	3.84%	11,593	41,061
	2025	3.84%	9,988	42,636
	2026-2030	3.84%	23,613	239,008
			89,023	437,008

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 6**    **LONG-TERM DEBT (continued)**

**Paycheck Protection Program Loan**

The District received a loan from the Paycheck Protection Program in the amount of \$462,500. This loan was established through the CARES Act. The loan has an interest rate of 1% per annum with an issue date of May 5, 2020 and a maturity date of May 5, 2022. Section 1102 of the CARES Act temporarily permits Small Business Administration (SBA) to guarantee 100% of loan and Section 1106 of the CARES Act provides for forgiveness of up to the full principal amount of the loan. The District expects this loan to be forgiven since the proceeds were used to cover payroll costs over a specific period after the loan was made and employee compensation levels have been maintained.

If the loan is not forgiven the principal and interest amounts due as of May 5, 2022 would be:

Principal	\$462,500
Interest	\$ 9,250

**Changes in Long-Term Debt**

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due In</u> <u>One Year</u>	<u>Interest</u>
Series 2010 G.O. Bonds	472,329	-	35,321	437,008	36,676	17,443
Series 2013 G.O. Bonds	3,734,210	-	183,903	3,550,307	191,604	152,531
Paycheck Protection Program Loan	<u>-</u>	<u>462,500</u>	<u>-</u>	<u>462,500</u>	<u>-</u>	<u>-</u>
<b>Total GO Bonds Payable</b>	<b><u>4,206,539</u></b>	<b><u>462,500</u></b>	<b><u>219,224</u></b>	<b><u>4,449,815</u></b>	<b><u>228,280</u></b>	<b><u>169,974</u></b>

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

**NOTE 7**      **PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Moffat Consolidated School District No. 2 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

**General Information about the Pension Plan**

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

**NOTE 7**

**PENSION PLAN (Continued)**

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 lesser of an annual increase of 1.25 percent or the average 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.

*Contribution provisions as of June 30, 2020:* Eligible employees, Moffat Consolidated School District No. 2 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 7**

**PENSION PLAN (Continued)**

	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, HB20-1379 *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 Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Moffat Consolidated School District No. 2 were \$326,509 for the year ended June 30, 2020.

**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 Moffat Consolidated School District No. 2 proportion of the net pension liability was based on Moffat Consolidated School District No. 2 contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

At June 30, 2020, the Moffat Consolidated School District No. 2 reported a liability of \$3,954,323 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Moffat Consolidated School District No. 2 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Moffat Consolidated School District No. 2 were as follows:

Moffat Consolidated School District No. 2 proportionate share of the net pension liability	\$ 3,954,323
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Moffat Consolidated School District No. 2	\$ 501,556
Total	\$ 4,455,879

At December 31, 2019, the Moffat Consolidated School District No. 2 proportion was 0.0265 percent, which was an increase of 0.0013 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Moffat Consolidated School District No. 2 recognized pension income of \$405,382 and revenue of \$37,283 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	215,513	-
Changes of assumptions or other inputs	112,890	(1,793,644)
Net difference between projected and actual earnings on pension plan investments	421,851	(890,280)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	239,861	(59,226)
Contributions subsequent to the measurement date	163,784	N/A
Total	1,153,899	(2,743,150)

\$163,784 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	(969,702)
2022	(674,698)
2023	50,725
2024	(159,360)
2025	-
Thereafter	-

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

*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)*	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)*	Financed by the Annual 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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

---

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

- 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 Moffat Consolidated School District No. 2 proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	5,244,279	3,954,323	2,871,293

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

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Moffat Consolidated School District No. 2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$5,127.

**NOTE 8**      **OTHER POST EMPLOYMENT BENEFITS**

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

**Summary of Significant Accounting Policies**

*OPEB.* Moffat Consolidated School District No. 2 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

---

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

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Moffat Consolidated School District No. 2 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 8**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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 Moffat Consolidated School District No. 2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Moffat Consolidated School District No. 2 were \$16,407 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 Moffat Consolidated School District No. 2 reported a liability of \$194,463 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 Moffat Consolidated School District No. 2 proportion of the net OPEB liability was based on Moffat Consolidated School District No. 2 contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

At December 31, 2019, the Moffat Consolidated School District No. 2 proportion was 0.0173 percent, which was an increase of 0.002 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Moffat Consolidated School District No. 2 recognized OPEB income of \$11,102. At June 30, 2020, the Moffat Consolidated School District No. 2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	645	(32,677)
Changes of assumptions or other inputs	1,613	-
Net difference between projected and actual earnings on OPEB plan investments	3,131	(6,377)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	17,802	(42,763)
Contributions subsequent to the measurement date	8,620	N/A
Total	31,811	(81,817)

\$8,620 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	(13,528)
2022	(13,527)
2023	(12,588)
2024	(14,846)
2025	(3,929)
Thereafter	(208)

**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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
<b>DPS benefit structure:</b>	
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, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and 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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

---

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

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:

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

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

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 Moffat Consolidated School District No. 2 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
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	189,844	194,463	199,801

*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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2020

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 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 Moffat Consolidated School District No. 2 proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	219,880	194,463	172,727

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 9**      **RISK MANAGEMENT**

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

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

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

<u>TRANSFERS</u>	<u>Transfer</u>	<u>Transfer</u>	<u>Interfund</u>	<u>Interfund</u>
	<u>In</u>	<u>Out</u>	<u>Receivable</u>	<u>Payable</u>
<u>Major Governmental Fund</u>				
General Fund	-	163,743	-	-
<u>NonMajor Governmental</u>				
<u>Funds</u>	<u>163,743</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>163,743</u>	<u>163,743</u>	<u>-</u>	<u>-</u>

Transfers were made for the purpose of assisting fund operations.

Interfund payables will be repaid within one year.

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

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2020.

An audited summary of the Colorado School District's Pool financial information at June 30, 2019 and for the year then ended (latest information available) follows:

Total Assets	<u>48,583,211</u>
Total Liabilities	<u>26,773,438</u>
Total Equity	<u>21,809,773</u>
Revenue	19,817,153
Underwriting Expenses	<u>26,652,902</u>
Underwriting Gain (Loss)	(6,835,749)
Net Investment Income	865,849
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	(5,969,900)
Dividend	<u>-</u>
Net Income (Loss)	<u>(5,969,900)</u>
Change in Non Admitted Assets	<u>156,358</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>21,809,773</u>

**NOTE 12**     **LITIGATION**

None.

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

**Claims and Judgments** - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

**NOTE 14**     **JOINT VENTURES**

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 14    JOINT VENTURES (Continued)**

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2020. The joint venture summary audited financial information as of June 30, 2019 is as follows:

Assets and Deferred Outflows	<u>4,572,191</u>
Liabilities and Deferred Inflows	14,187,306
Net Position	<u>(9,615,115)</u>
	<u>4,572,191</u>
Revenues	4,974,881
Expenses	<u>3,072,660</u>
Change in Net Position	<u>1,902,221</u>

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

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

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

**NOTE 15    ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2020 are estimated to be \$130,813. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

**NOTE 16    CHANGE IN ACCOUNTING FOR STUDENT ACTIVITY FUND**

In prior years, the Student Activity Fund had been recorded as a Fiduciary Fund. Beginning July 1, 2019, the District accounts for student activities in a Special Revenue Fund. The beginning fund balance for the Student Activity Special Revenue Fund at July 1, 2019, was \$22,243. That amount is the reclassified equity of the Student Activity Agency Fund at June 30, 2019. The beginning net position of governmental activities has been increased by that same amount.

	<u>Net Position</u>	<u>Fund Balance - Governmental Funds</u>
Balance at June 30, 2019	10,014,147	2,758,884
Change for Student Activity	<u>22,243</u>	<u>22,243</u>
Beginning Balance, as Restated	<u>10,036,390</u>	<u>2,781,127</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISONS**

**PENSION TREND DATA**

**OTHER POST EMPLOYMENT BENEFIT  
TREND DATA**

## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2020**

<u>REVENUES</u>	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>Local Sources</u>			
Property Taxes	735,000	743,848	8,848
Specific Ownership Taxes	150,000	193,707	43,707
Delinquent Taxes & Interest	5,000	6,846	1,846
Earnings on Investments	30,250	36,020	5,770
E-Rate	7,000	-	(7,000)
Charter School Purchased Services	215,000	237,079	22,079
Local Grants	101,791	79,299	(22,492)
Other Local Sources	27,295	53,003	25,708
<u>County Sources</u>			
Mineral Leasing	46	46	-
<u>State Sources</u>			
Equalization	2,572,593	2,647,014	74,421
Transportation	38,507	39,949	1,442
ELPA	5,326	7	(5,319)
Small Rural School Supplemental	36,535	17,601	(18,934)
EARSS Grant	107,614	102,166	(5,448)
School Health	94,500	65,458	(29,042)
Kindergarten Capital Construction	10,607	687	(9,920)
READ Act Grant SB 19	8,310	8,310	-
Library Grant	4,500	4,500	-
BOCES Pass Thru Grant – G&T	2,800	2,293	(507)
Direct Distribution Payment	39,375	37,283	(2,092)
Other	2,264	1,556	(708)
<u>Federal Sources</u>			
Title I	102,604	90,933	(11,671)
Coronavirus Relief	-	6,341	6,341
Title II-A	16,421	2,560	(13,861)
Title IV Part A	8,665	7,127	(1,538)
REAP Grant	8,289	1,954	(6,335)
Forest Service	130,111	306,676	176,565
<u>Allocation to Crestone Charter School</u>	<u>(1,324,565)</u>	<u>(1,355,547)</u>	<u>(30,982)</u>
<u>TOTAL REVENUES</u>	<u>3,135,838</u>	<u>3,336,716</u>	<u>200,878</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amount</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original &amp; Final</u>		
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>	<b><u>1,499,243</u></b>	<b><u>1,368,041</u></b>	<b><u>131,202</u></b>
<b><u>Supporting Services:</u></b>			
Students	253,285	201,443	51,842
Instructional Staff	85,075	81,333	3,742
General Administration	288,628	275,970	12,658
School Administration	165,773	156,765	9,008
Business Services	162,491	165,979	(3,488)
Operations and Maintenance	297,059	284,886	12,173
Student Transportation	217,939	201,259	16,680
Central Support	218,769	201,254	17,515
Facilities	<u>2,534</u>	<u>350</u>	<u>2,184</u>
<b><u>Total Supporting Services</u></b>	<b><u>1,691,553</u></b>	<b><u>1,569,239</u></b>	<b><u>122,314</u></b>
 <b><u>Appropriated Reserves</u></b>	 <b><u>1,710,880</u></b>	 <b><u>-</u></b>	 <b><u>1,710,880</u></b>
 <b><u>TOTAL EXPENDITURES</u></b>	 <b><u>4,901,676</u></b>	 <b><u>2,937,280</u></b>	 <b><u>1,964,396</u></b>
 <b><u>Revenue Over (Under) Expenditures</u></b>	 <b><u>(1,765,838)</u></b>	 <b><u>399,436</u></b>	
 <b><u>Other Financing Sources (Uses)</u></b>			
Other Long-Term Debt Proceeds	-	462,500	462,500
Transfers (Out)	<u>(162,000)</u>	<u>(163,743)</u>	<u>(1,743)</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>(162,000)</u></b>	<b><u>298,757</u></b>	<b><u>460,757</u></b>
 <b><u>Revenues and Other Financing Sources Over</u></b> <b><u>(Under) Expenditures and Other Uses</u></b>	 <b><u>(1,927,838)</u></b>	 <b><u>698,193</u></b>	
 <b><u>FUND BALANCE, Beginning</u></b>	 <b><u>1,927,838</u></b>	 <b><u>1,927,838</u></b>	
 <b><u>FUND BALANCE, Ending</u></b>	 <b><u>-</u></b>	 <b><u>2,626,031</u></b>	

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Plan Measurement Date	12-31-19	12-31-18	12-31-17	12-31-16	12-31-15	12-31-14	12-31-13	-	-	-
District's proportion of the net pension liability (asset)	0.0265%	0.0252%	0.0257%	0.0248%	0.0232%	0.0254%	0.0269%	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,954,323	\$4,459,497	\$8,317,594	\$7,373,564	\$3,542,767	\$3,447,583	\$3,428,203	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$501,556	\$596,812	-	-	-	-	-	-	-	-
District's covered payroll	\$1,608,572	\$1,471,900	\$1,205,004	\$1,159,942	\$1,008,697	\$1,058,958	\$1,093,473	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	246%	302%	690%	636%	351%	326%	314%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.2%	62.80%	64.06%	-	-	-

\*\* A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 326,509	\$ 281,580	\$ 227,614	\$ 216,291	\$ 178,711	\$ 179,229	\$ 174,854	\$ 162,336	-	-
Contributions in relation to the contractually required contributions	<u>\$ (326,509)</u>	<u>\$ (281,580)</u>	<u>\$ (227,614)</u>	<u>\$ (216,291)</u>	<u>\$ (178,711)</u>	<u>\$ (179,229)</u>	<u>\$ (174,854)</u>	<u>\$ (162,336)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$1,608,572	\$1,471,900	\$1,205,004	\$1,159,942	\$1,008,697	\$1,058,958	\$1,093,473	\$1,073,797	-	-
Contributions as a percentage of covered payroll	20.30%	19.13%	18.89%	18.64%	17.72%	16.93%	15.99%	15.12%	-	-

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.0170%	0.0160%	0.0146%	0.0140%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$194,463	\$217,990	\$189,938	\$182,079	-	-	-	-	-	-
District's covered payroll	\$1,608,572	\$1,471,900	\$1,205,004	\$1,159,942	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.09%	14.81%	15.76%	15.70%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-	-

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 16,407	\$ 15,013	\$ 12,291	\$ 11,831	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (16,407)</u>	<u>\$ (15,013)</u>	<u>\$ (12,291)</u>	<u>\$ (11,831)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-
District's covered payroll	\$1,608,572	\$1,471,900	\$1,205,004	\$1,159,942	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

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

**Bond Redemption Debt Service Fund**

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

**NON MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Fund**

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

**Student Activity – this fund is used to account for the transactions of various District clubs and organizations.**

**Capital Projects Fund**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**BOND REDEMPTION DEBT SERVICE FUND**  
**For the Year Ended June 30, 2020**

	<u>Budget Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<b><u>REVENUES</u></b>			
Property Taxes	393,727	456,203	62,476
Delinquent Taxes	3,750	4,380	630
Earnings on Investments	<u>3,300</u>	<u>7,263</u>	<u>3,963</u>
<u>Total Revenues</u>	<u>400,777</u>	<u>467,846</u>	<u>67,069</u>
<b><u>EXPENDITURES:</u></b>			
Principal Expense	219,224	219,224	-
Interest Expense	169,973	169,974	(1)
Other Expense	2,100	1,550	550
Appropriated Reserve	<u>581,902</u>	<u>-</u>	<u>581,902</u>
<u>Total Expenditures</u>	<u>973,199</u>	<u>390,748</u>	<u>582,451</u>
 <b><u>Revenues Over (Under) Expenditures</u></b>	 <b>(572,422)</b>	 <b>77,098</b>	
 <b><u>Fund Balances, Beginning</u></b>	 <b><u>572,422</u></b>	 <b><u>572,422</u></b>	
 <b><u>Fund Balances, Ending</u></b>	 <b><u>-</u></b>	 <b><u>649,520</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activity</u>	<u>Capital Reserve</u>	
<b><u>ASSETS</u></b>				
Cash	20,000	27,918	13,924	61,842
Investments	-	-	161,058	161,058
Accounts Receivable	1,939	-	-	1,939
Inventories	14,790	-	-	14,790
Due From Other Funds	-	-	-	-
<u>Total Assets</u>	<u>36,729</u>	<u>27,918</u>	<u>174,982</u>	<u>239,629</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>Liabilities</u></b>				
Accounts Payable	-	-	-	-
Unearned Grant Payments	-	-	-	-
Due To Other Funds	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Inventories	14,790	-	-	14,790
Restricted:				
BEST Reserve	-	-	51,980	51,980
Food Services	21,939	-	-	21,939
Committed:				
Capital Outlay	-	-	123,002	123,002
Assigned:				
Student Activities	-	27,918	-	27,918
Unassigned	-	-	-	-
<u>Total Fund Balances</u>	<u>36,729</u>	<u>27,918</u>	<u>174,982</u>	<u>239,629</u>
<b><u>TOTAL LIABILITIES &amp; FUND BALANCES</u></b>	<b><u>36,729</u></b>	<b><u>27,918</u></b>	<b><u>174,982</u></b>	<b><u>239,629</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activity</u>	<u>Capital Reserve</u>
<b><u>REVENUES</u></b>			
Local Sources	9,953	27,658	3,462
State Sources	689	-	-
Federal Sources	<u>101,388</u>	<u>-</u>	<u>-</u>
<b><u>Total Revenues</u></b>	<u>112,030</u>	<u>27,658</u>	<u>3,462</u>
<b><u>EXPENDITURES</u></b>			
Food Services	160,842	-	-
Student Activities	-	21,983	-
Capital Outlay	-	-	<u>165,306</u>
<b><u>Total Expenditures</u></b>	<u>160,842</u>	<u>21,983</u>	<u>165,306</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(48,812)</u>	<u>5,675</u>	<u>(161,844)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In (Out)	<u>63,743</u>	<u>-</u>	<u>100,000</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<u>63,743</u>	<u>-</u>	<u>100,000</u>
<b><u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u></b>	14,931	5,675	(61,844)
<b><u>FUND BALANCES, Beginning (as Restated)</u></b>	<u>21,798</u>	<u>22,243</u>	<u>236,826</u>
<b><u>FUND BALANCES, Ending</u></b>	<u>36,729</u>	<u>27,918</u>	<u>174,982</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOOD SERVICE – SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2020**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Food Sales	9,035	7,980	(1,055)
Interest Earnings	40	34	(6)
Other	-	<u>1,939</u>	<u>1,939</u>
<u>Total Local Sources</u>	<u>9,075</u>	<u>9,953</u>	<u>878</u>
<b><u>State Sources</u></b>			
State Match	<u>600</u>	<u>689</u>	<u>89</u>
<u>Total State Sources</u>	<u>600</u>	<u>689</u>	<u>89</u>
<b><u>Federal Sources</u></b>			
School Breakfast	-	16,843	16,843
School Lunches	70,000	64,696	(5,304)
Fresh Fruits and Vegetables	4,524	3,370	(1,154)
Commodities	<u>5,300</u>	<u>16,479</u>	<u>11,179</u>
<u>Total Federal Sources</u>	<u>79,824</u>	<u>101,388</u>	<u>21,564</u>
<b><u>TOTAL REVENUES</u></b>	<u>89,499</u>	<u>112,030</u>	<u>22,531</u>
<b><u>EXPENDITURES</u></b>			
Salaries	55,780	56,121	(341)
Employee Benefits	24,469	21,976	2,493
Purchased Services – Professional	4,000	2,156	1,844
Purchased Services - Other	1,600	1,190	410
Supplies	3,000	7,403	(4,403)
Food and Milk	64,349	71,996	(7,647)
Appropriated Reserves	<u>20,099</u>	-	<u>20,099</u>
<b><u>TOTAL EXPENDITURES</u></b>	<u>173,297</u>	<u>160,842</u>	<u>12,455</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	(83,798)	(48,812)	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating Transfers In	<u>62,000</u>	<u>63,743</u>	<u>1,743</u>
<b><u>REVENUES OVER (UNDER) OTHER FINANCING</u></b> <b><u>SOURCES (USES) AND EXPENDITURES</u></b>	(21,798)	14,931	
<b><u>FUND BALANCE, Beginning</u></b>	<u>21,798</u>	<u>21,798</u>	
<b><u>FUND BALANCE, Ending</u></b>	<u>-</u>	<u>36,729</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**STUDENT ACTIVITY – SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
Local	<u>80,000</u>	<u>27,658</u>	<u>(52,342)</u>
<u>Total Revenues</u>	<u>80,000</u>	<u>27,658</u>	<u>(52,342)</u>
<b><u>EXPENDITURES:</u></b>			
<b><u>Instruction</u></b>			
Supplies and Materials	<u>102,243</u>	<u>21,983</u>	<u>80,260</u>
<u>Total Expenditures</u>	<u>102,243</u>	<u>21,983</u>	<u>80,260</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b>(22,243)</b>	<b>5,675</b>	
<b><u>FUND BALANCE, Beginning (as Restated)</u></b>	<b><u>22,243</u></b>	<b><u>22,243</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b><u>      -</u></b>	<b><u>27,918</u></b>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2020**

	<u>Budget Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES:</u></b>			
Earnings on Investments	3,540	3,462	(78)
<u>Total Revenues</u>	<u>3,540</u>	<u>3,462</u>	<u>(78)</u>
<b><u>EXPENDITURES:</u></b>			
Sites	-	146,564	(146,564)
Building Improvements	30,000	18,742	11,258
Equipment	20,000	-	20,000
Transportation	35,000	-	35,000
Appropriated Reserve	<u>255,366</u>	-	<u>255,366</u>
<u>Total Expenditures</u>	<u>340,366</u>	<u>165,306</u>	<u>175,060</u>
<u>Revenues Over (Under) Expenditures</u>	(336,826)	(161,844)	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	(236,826)	(61,844)	
<u>Fund Balance, Beginning</u>	<u>236,826</u>	<u>236,826</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>174,982</u>	

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

**CRESTONE CHARTER SCHOOL  
COMPONENT UNIT**

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

**Student Activity-Special Revenue Fund** – is used to account for the transactions of various clubs and organizations.

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**COMBINING BALANCE SHEET**  
**June 30, 2020**

	<b>Governmental Funds</b>			<b>Total Governmental Funds</b>
	<b>General</b>	<b>Student Activity</b>	<b>Capital Reserve</b>	
	<b>Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	
<b><u>ASSETS</u></b>				
Cash	1,415,578	57,166	287,565	1,760,309
Accounts Receivable	679	-	5,000	5,679
Intergovernmental Receivable	29,981	-	-	29,981
<b><u>Total Assets</u></b>	<b><u>1,446,238</u></b>	<b><u>57,166</u></b>	<b><u>292,565</u></b>	<b><u>1,795,969</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>				
	-	-	-	-
<b><u>LIABILITIES</u></b>				
Accounts Payable	4,894	-	6,362	11,256
Accrued Salaries	51,738	-	-	51,738
Unearned Grant Payments	260,150	-	-	260,150
Due To Other Governments	38,800	-	-	38,800
Due To Others	-	-	-	-
<b><u>Total Liabilities</u></b>	<b><u>355,582</u></b>	<b><u>-</u></b>	<b><u>6,362</u></b>	<b><u>361,944</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
	-	-	-	-
<b><u>FUND BALANCES</u></b>				
<b>Restricted:</b>				
TABOR (Emergencies)	46,113	-	-	46,113
BEST Reserve	-	-	210,000	210,000
<b>Committed:</b>				
Capital Outlay	-	-	76,203	76,203
<b>Assigned:</b>				
Student Activities	-	57,166	-	57,166
Unassigned	1,044,543	-	-	1,044,543
<b><u>Total Fund Balances</u></b>	<b><u>1,090,656</u></b>	<b><u>57,166</u></b>	<b><u>286,203</u></b>	<b><u>1,434,025</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<b><u>1,446,238</u></b>	<b><u>57,166</u></b>	<b><u>292,565</u></b>	<b><u>1,795,969</u></b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2020**

	<u>Governmental Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Student Activity Special Revenue Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	
<b>REVENUES:</b>				
Local Sources	42,123	18,569	5,369	66,061
State Sources	115,493	-	-	115,493
Federal Sources	227,326	-	-	227,326
Allocated Revenues from Moffat School	<u>1,355,547</u>	<u>-</u>	<u>-</u>	<u>1,355,547</u>
<b>TOTAL REVENUES</b>	<u>1,740,489</u>	<u>18,569</u>	<u>5,369</u>	<u>1,764,427</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instruction	<u>624,957</u>	<u>679</u>	<u>-</u>	<u>625,636</u>
<b>Support Services;</b>				
Student Support	88,759	-	-	88,759
Instructional Staff	500	-	-	500
General Administration	237,079	-	-	237,079
School Administration	196,429	-	-	196,429
Operations & Maintenance	78,193	-	-	78,193
Student Transportation	13,480	-	-	13,480
Central Support	58,508	-	-	58,508
Facilities	13,025	-	-	13,025
Capital Outlay	-	-	<u>74,733</u>	<u>74,733</u>
<b>Total Support Services</b>	<u>685,973</u>	<u>-</u>	<u>74,733</u>	<u>760,706</u>
<b>TOTAL EXPENDITURES</b>	<u>1,310,930</u>	<u>679</u>	<u>74,733</u>	<u>1,386,342</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>429,559</u>	<u>17,890</u>	<u>(69,364)</u>	<u>378,085</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	<u>(192,962)</u>	<u>19,342</u>	<u>173,620</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(192,962)</u>	<u>19,342</u>	<u>173,620</u>	<u>-</u>
<b>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>236,597</u>	<u>37,232</u>	<u>104,256</u>	<u>378,085</u>
<b>FUND BALANCES, Beginning (as Restated)</b>	<u>854,059</u>	<u>19,934</u>	<u>181,947</u>	<u>1,055,940</u>
<b>FUND BALANCES, Ending</b>	<u>1,090,656</u>	<u>57,166</u>	<u>286,203</u>	<u>1,434,025</u>

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
CRESTONE CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Earnings on Investments	1,848	2,120	272
Local Grants	19,546	14,332	(5,214)
Other Local Sources	75,189	25,671	(49,518)
<b><u>Total Local Sources</u></b>	<b><u>96,583</u></b>	<b><u>42,123</u></b>	<b><u>(54,460)</u></b>
<b><u>State Sources</u></b>			
State Capital Construction Grant	30,840	17,844	(12,996)
Read Act	4,474	-	(4,474)
Read Act SB 19	-	4,474	4,474
Gifted and Talented BOCES	-	3,656	3,656
Small Rural School Grant	20,918	12,883	(8,035)
EARSS Grant	51,541	51,274	(267)
SWAP	-	13,099	13,099
Kindergarten Capital Construction	6,546	3,495	(3,051)
State At Risk Supplemental	3,285	8,768	5,483
Other State	2,013	-	(2,013)
<b><u>Total State Sources</u></b>	<b><u>119,617</u></b>	<b><u>115,493</u></b>	<b><u>(4,124)</u></b>
<b><u>Federal Sources</u></b>			
Title I A Grant	31,102	27,861	(3,241)
Title IV Part A Grant	3,377	3,160	(217)
REAP Grant	4,746	4,576	(170)
Forest Reserve	74,498	186,674	112,176
Title II-A	4,878	-	(4,878)
Coronavirus Relief	-	5,055	5,055
<b><u>Total Federal Sources</u></b>	<b><u>118,601</u></b>	<b><u>227,326</u></b>	<b><u>108,725</u></b>
<b><u>Allocation from Moffat School</u></b>	<b><u>1,247,136</u></b>	<b><u>1,355,547</u></b>	<b><u>108,411</u></b>
<b><u>Total Revenues</u></b>	<b><u>1,581,937</u></b>	<b><u>1,740,489</u></b>	<b><u>158,552</u></b>

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
 CRESTONE CHARTER SCHOOL  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>Final Budget-</u>
			<u>Favorable</u>
			<u>(Unfavorable)</u>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>	<u>677,137</u>	<u>624,957</u>	<u>52,180</u>
<b><u>Support Services:</u></b>			
Student Support	85,618	88,759	(3,141)
Instructional Staff	4,878	500	4,378
General Administration	215,000	237,079	(22,079)
School Administration	202,014	196,429	5,585
Operations and Maintenance	128,683	78,193	50,490
Student Transportation	16,086	13,480	2,606
Central Support	53,217	58,508	(5,291)
Facilities	<u>30,840</u>	<u>13,025</u>	<u>17,815</u>
<b><u>Total Support Services</u></b>	<u>736,336</u>	<u>685,973</u>	<u>50,363</u>
 <b><u>Appropriated Reserves</u></b>	 <u>826,261</u>	 <u>-</u>	 <u>826,261</u>
 <b><u>Total Expenditures</u></b>	 <u>2,239,734</u>	 <u>1,310,930</u>	 <u>928,804</u>
 <b><u>Revenues Over (Under) Expenditures</u></b>	 <u>(657,797)</u>	 <u>429,559</u>	
 <b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers (Out)	<u>(168,465)</u>	<u>(192,962)</u>	<u>(24,497)</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<u>(168,465)</u>	<u>(192,962)</u>	<u>(24,497)</u>
 <b><u>Revenues Over Expenditures and Other</u></b>			
<b><u>Financing Uses</u></b>	<u>(826,262)</u>	<u>236,597</u>	
 <b><u>FUND BALANCE, Beginning</u></b>	 <u>826,262</u>	 <u>854,059</u>	
 <b><u>FUND BALANCE, Ending</u></b>	 <u>-</u>	 <u>1,090,656</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL**  
**STUDENT ACTIVITY – SPECIAL REVENUE FUND**  
**For The Year Ended June 30, 2020**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Local Sources	47	18,569	18,522
<b><u>Total Revenues</u></b>	<u>47</u>	<u>18,569</u>	<u>18,522</u>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>			
Supplies and Materials	100,000	679	99,321
Operating Reserve	20,001	-	(20,001)
<b><u>Total Expenditures</u></b>	<u>120,001</u>	<u>679</u>	<u>119,322</u>
<b><u>Revenues Over (Under) Expenditures</u></b>	<b>(119,954)</b>	<b>17,890</b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers In	100,000	19,342	(80,658)
<b><u>Total Other Financing Sources (Uses)</u></b>	<u>100,000</u>	<u>19,342</u>	<u>(80,658)</u>
<b><u>Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</u></b>	<b>(19,954)</b>	<b>37,232</b>	
<b><u>FUND BALANCE, Beginning, (as Restated)</u></b>	<u>19,954</u>	<u>19,934</u>	
<b><u>FUND BALANCE, Ending</u></b>	<u>-</u>	<u>57,166</u>	

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**CRESTONE CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL**  
**CAPITAL RESERVE - CAPITAL PROJECTS FUND**  
**For The Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
Earnings on Investments	320	369	49
Other Local	-	<u>5,000</u>	<u>5,000</u>
<u>Total Revenues</u>	<u>320</u>	<u>5,369</u>	<u>5,049</u>
<b><u>EXPENDITURES</u></b>			
Site Improvements	-	49,929	(49,929)
Building Improvements	80,000	804	79,196
Equipment	58,465	-	58,465
Transportation	30,000	24,000	6,000
Appropriated Reserve	<u>182,267</u>	-	<u>182,267</u>
<u>Total Expenditures</u>	<u>350,732</u>	<u>74,733</u>	<u>275,999</u>
<u>Revenues Over (Under) Expenditures</u>	(350,412)	(69,364)	
<b><u>Other Operating Sources (Uses)</u></b>			
Operating Transfers In (Out)	<u>168,465</u>	<u>173,620</u>	<u>5,155</u>
<u>Net Change in Fund Balance</u>	(181,947)	104,256	
<u>FUND BALANCE, Beginning</u>	<u>181,947</u>	<u>181,947</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>286,203</u>	

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

**STATE REQUIRED SCHEDULES**

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2800 - Moffat 2  
 Fiscal Year 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
<b>Governmental</b>				
10 General Fund	1,894,251	3,463,994	2,787,812	2,570,424
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	33,587	171,488	149,468	55,607
Sub-Total	1,927,838	3,635,472	2,937,280	2,626,031
11 Charter School Fund	854,059	1,547,528	1,310,831	1,090,656
20,26-29 Special Revenue Fund	0	0	0	0
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	21,798	175,772	160,841	36,729
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	42,177	85,569	22,662	85,084
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	572,022	467,846	390,740	649,520
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	418,773	282,451	240,039	461,185
46 Supplemental Cap Const. Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>3,937,067</b>	<b>6,174,639</b>	<b>5,067,500</b>	<b>4,949,205</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
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	0	0	0	0
79 GASB 34P Endowment Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL



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

District: 2800 - Moffat 2  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Cash and Investments (8100-8104,8111)	2,970,955	1,415,578	55,154	85,084	0	0	20,000	566,820	462,547	0	0	0	0	0	0	5,576,138
Cash with Fiscal Agent (8105)	40,317	0	0	0	0	0	0	51,753	0	0	0	0	0	0	0	92,070
Taxes Receivable (8121,8122)	109,563	0	0	0	0	0	0	66,629	0	0	0	0	0	0	0	176,193
Interfund Loans Receivable (8131,8132)	0	0	5,548	0	0	0	0	0	0	0	0	0	0	0	0	5,548
Intergovernmental Accounts Rec (8141)	38,800	29,981	0	0	0	0	0	0	0	0	0	0	0	0	0	68,782
Grants Accounts Receivable (8142)	6,573	679	0	0	0	0	1,939	0	0	0	0	0	0	0	0	9,192
Other Receivables (8151-8154,8161)	799	0	0	0	0	0	0	0	5,000	0	0	0	0	0	0	5,799
Inventories (8171,8172,8173)	0	0	0	0	0	0	14,790	0	0	0	0	0	0	0	0	14,790
Prepaid Expenses (8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,157,008</b>	<b>1,445,239</b>	<b>60,702</b>	<b>85,084</b>	<b>0</b>	<b>0</b>	<b>36,729</b>	<b>685,202</b>	<b>467,547</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,948,511</b>

	Governmental					Proprietary					Fiduciary				
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	5,548	0	0	0	0	0	0	0	0	0	0	0	0	0	5,548
Intergovernmental Payables (7411)	29,982	38,800	0	0	0	0	0	0	0	0	0	0	0	0	68,782
Other Payables (7421-7423)	30,228	4,894	0	0	0	0	250	6,362	0	0	0	0	0	0	41,734
Accrued Expenses (7461)	125,718	51,738	5,095	0	0	0	0	0	0	0	0	0	0	0	182,551
Payroll Dec. and Withholdings (7471-7473)	629	0	0	0	0	0	0	0	0	0	0	0	0	0	629
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	345,838	260,150	0	0	0	0	0	0	0	0	0	0	0	0	606,088
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	58,542	0	0	0	0	0	0	35,432	0	0	0	0	0	0	93,975
<b>Total Liabilities</b>	<b>596,584</b>	<b>355,582</b>	<b>5,095</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,682</b>	<b>6,362</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>999,306</b>

Governmental

Proprietary

Fiduciary

**FUND EQUITY**

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	14,790	0	0	0	0	0	0	0	0	14,790
Restricted Fund Balance 6720	0	0	0	0	0	0	21,939	649,520	0	0	0	0	0	0	0	671,459
TABOR 3% Emergency Reserve 6721	89,105	46,113	0	0	0	0	0	0	0	0	0	0	0	0	0	135,218
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	55,607	0	0	0	0	0	0	0	0	0	0	0	0	55,607
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	261,980	0	0	0	0	0	0	261,980
Committed Fund Balance 6730	0	0	0	0	0	0	0	0	199,205	0	0	0	0	0	0	199,205
Assigned Fund Balance 6760	0	0	0	85,084	0	0	0	0	0	0	0	0	0	0	0	85,084
Unassigned Fund Balance 6770	2,481,319	1,044,543	0	0	0	0	0	0	0	0	0	0	0	0	0	3,525,862
Invested in Capital Assets, Net of Related Debt 0790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,570,424</b>	<b>1,090,656</b>	<b>55,607</b>	<b>85,084</b>	<b>0</b>	<b>0</b>	<b>36,729</b>	<b>649,520</b>	<b>461,185</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,499,205</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,167,008	1,446,238	60,702	85,084	0	0	36,729	685,202	467,547	0	0	0	0	0	0	5,948,511

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes