



Moffat County School District RE-1

Financial Report

June 30, 2021

**Moffat County School District RE-1
Financial Report
June 30, 2021**

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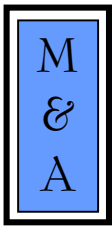
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Moffat County School District RE-1
Craig, Colorado**

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moffat County School District RE-1, (the "District"), as of and for the year ended June 30, 2021, 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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall financial statement presentation.

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

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**INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Moffat County School District RE-1**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moffat County School District RE-1, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, and the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Pension Contributions, the Schedule of the District's Proportionate Share of the Net OPEB Liability, the Schedule of District OPEB Contributions, and the Notes to the Required Supplemental Information in Section E, 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.

The budgetary comparison schedules in Section E are not a required part of the District's basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as whole. The individual budgetary schedules and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The individual budgetary schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

**INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Moffat County School District RE-1**

Other Matters (continued)

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is not a required part of the District's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
January 31, 2022**



**Moffat County School District RE-1
Management's Discussion and Analysis**

**Moffat County School District RE-1
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2021**

As management of the Moffat County School District RE-1 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

Financial Highlights

- The liabilities of the District exceeded its assets at year-end by \$7,717,434. Of this amount, \$26,118,330 is an unrestricted deficit. The remaining balance is either restricted for debt service or represents the net investment in capital assets.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$16,103,211, which was an increase of \$3,987,601 from the prior year. The details of this change are reported at page C5.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$10,085,985 or 42% of total General Fund expenditures of \$21,394,722. The District's General Fund includes the Insurance Reserve Fund, as required by the Colorado Department of Education.

Overview of the Financial Statements

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

District-wide Financial Statements: The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and changes in long-term compensated absences).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

- **Governmental activities:** The District's basic services are included here, such as instructional services, support services, and student activities. Such services also include activities relating to building maintenance, technology, and administration.

The district-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the operations of the District by fund, instead of the District as a whole. All of the funds of the District can be divided into three categories: governmental funds, proprietary and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Food Service Fund, Pupil Activities Fund, Bond Redemption Fund, and the Capital Reserve Capital Projects Fund, which are considered to be major funds.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided to demonstrate compliance with state budget statutes and are included in Sections E and F of this report.

The basic major governmental fund financial statements can be found on pages C3 through C6.

Proprietary Funds: The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its employee health and dental benefits and is considered a major fund. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages C7 through C9 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund used by the District accounts for student clubs and other organizations which exist with the explicit approval of, and are subject to revocation by, the District's Board of Education. The basic fiduciary fund financial statement can be found on page C10 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found in Section D of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Immediately following the notes are the statements reporting the District's annual appropriated budgets. The budget reports can be found in sections E and F.

District-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Moffat County School District RE-1, liabilities exceed assets by \$7,717,434 at year end.

Moffat County School District RE-1 Summary of Net Position:

	Governmental Activities	
	FY 2021 (Restated)	FY 2020
Assets:		
Current and other assets	21,653,171	18,585,560
Capital assets	31,031,774	31,511,550
Total Assets	<u>52,684,945</u>	<u>50,097,110</u>
Deferred Outflows of Resources	<u>13,257,730</u>	<u>5,659,305</u>
Liabilities:		
Other liabilities	3,432,171	4,531,583
Long-term liabilities	54,301,074	52,230,935
Total Liabilities	<u>57,733,245</u>	<u>56,762,518</u>
Deferred Inflows of Resources	<u>15,926,865</u>	<u>22,124,530</u>
Net Position:		
Net investment in capital assets	14,732,124	12,511,581
Restricted	3,668,771	3,305,253
Unrestricted	<u>(26,118,330)</u>	<u>(38,947,467)</u>
Total Net Position	<u>(7,717,435)</u>	<u>(23,130,633)</u>

Of the District's total net position, \$14,732,124 reflects its investment in capital assets (e.g. land, buildings and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students and the community; consequently, these assets are not available for future spending. Although the Moffat County School District RE-1's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's long-term liabilities increased \$2,070,139 primarily due to an increase of \$4,981,867, in the District's share of PERA's net pension liability to \$36,408,162 and a decrease of \$221,014 in the District's share of PERA's Health Care Trust Fund other post-employment benefit ("OPEB") to \$1,323,968. These changes are partially related to changes in assumptions on the liabilities utilized by PERA's actuaries.

Moffat County School District RE-1 Changes in Net Position:

	Governmental Activities	
	FY 2021 (Restated)	FY 2020
Revenues:		
<i>Program revenues</i>		
Charges for services	259,337	492,459
Operating grants and contributions	7,829,199	3,884,075
Capital grants and contributions	352,937	12,580
<i>General revenues</i>		
Property taxes	13,904,085	12,936,540
Specific ownership taxes	1,301,221	1,275,520
State revenue	7,004,424	8,284,383
Investment earnings	11,078	145,809
Other	869,359	378,307
Gain on sale of assets	65,738	18,683
Total revenues	<u>31,597,378</u>	<u>27,428,356</u>
Expenses:		
Direct instruction	9,296,431	11,554,172
Indirect instruction	1,200,184	1,472,614
Transportation	545,723	691,795
Custodial maintenance	2,018,764	2,198,283
Support services	335,704	520,440
General administration	1,596,325	2,421,787
Community service	43,533	54,056
Student activities	311,006	166,336
Interest	471,941	447,950
Food services	650,827	510,330
Total Expenses	<u>16,470,438</u>	<u>20,037,763</u>
Change in net position	15,126,940	7,390,593
Net position - July 1 (restated)	<u>(22,844,375)</u>	<u>(30,521,226)</u>
Net position - June 30	<u>(7,717,435)</u>	<u>(23,130,633)</u>

Governmental Activities:

As indicated above, governmental activities increased the District's net position by \$15,126,940. Key elements of this increase are as follows:

- Pension revenue of \$9,098,664 and OPEB revenue of \$115,981.

Financial Analysis of the District's Funds

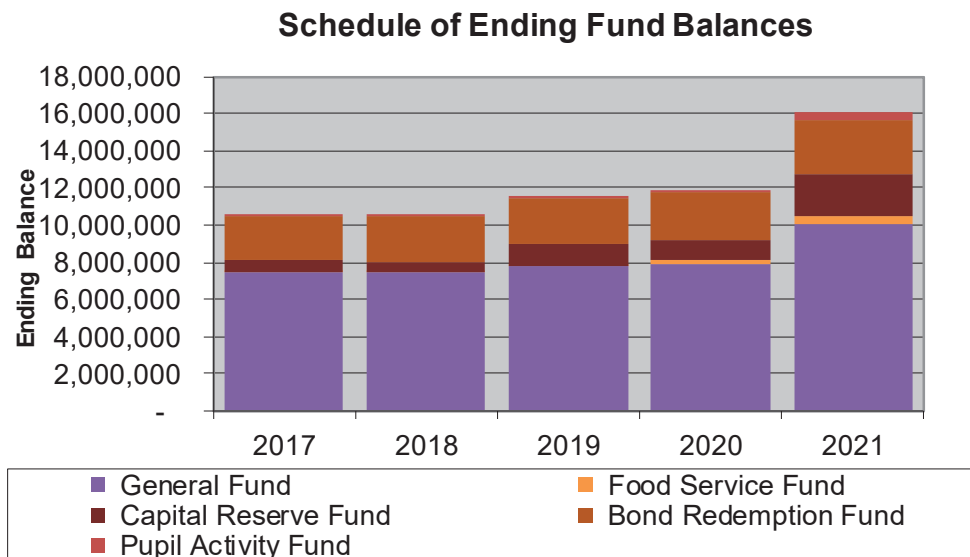
As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

- As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$16,103,211 which was an increase of \$3,987,601 from the prior year ending fund balances.
- Of the ending fund balance a portion is restricted to servicing required debt principal and interest payments, as well as the required 3% TABOR emergency reserve.

Fund Balance Trending:

The following graph provides a view of the District's ending fund balances for the last five fiscal years:



Budget Variances in the General Fund: The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. Generally, the most significant variances to discuss are those between the budgeted and actual revenues and expenditures in the General Fund

REVENUES	Final Budget	Actual Amounts	Variance Positive (Negative)	Reason
Taxes:				
Specific ownership taxes	1,062,000	1,301,221	239,221	Increased purchases in the county requiring S.O. taxes.
Intergovernmental -				
Federal revenue	3,501,000	4,748,594	1,247,594	Increased ESSER funding made available through various stimulus bills.
EXPENDITURES				
Direct instruction	14,607,848	12,764,992	1,842,856	Increased due to spending related to additional federal funding received.
Indirect instruction	3,074,461	2,453,310	621,151	Increased due to spending related to additional federal funding received.
Transportation	965,145	714,339	250,806	Lower due to less extracurricular trips due to the pandemic and shortage of drivers.
Support services	770,672	441,254	329,418	Less professional development than anticipated and uncompleted IT projects resulting from focusing on remote learning.

Budget Amendments: The District's General fund was amended by \$1,308,000 for additional costs associated with the pandemic response and the additional federal funding provided. The Capital Reserve funds were amended by \$350,000 to complete projects that rolled forward from fiscal year 2020. Additionally, the District added a ventilation project to the Capital Reserve fund paid for through the additional federal funding provided.

Capital Assets: The District's governmental capital assets, net of accumulated depreciation, totaled \$31,031,774 as of June 30, 2021. The District capitalizes assets, including land, buildings and improvements, vehicles, equipment, and construction in progress, with an original cost greater than \$5,000 and useful life of more than two years.

Additional information, as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement at section D of this report.

Long-Term Debt: As of the end of the current fiscal year, the District's long-term general obligation bond debt totaled \$13,905,000. As noted previously the District also reports its proportionate share of unfunded pension liability and post-employment health benefits in the amounts of \$36,408,162 and \$1,323,968, respectively.

Economic Factors and Outlook

The pandemic had a significant impact on operations and funding in 2020-21. State funding was decreased considerably but this was offset by additional federal funding. These two funding sources cannot be used for the same expenditures but the additional federal funding did soften the effect of the decrease in state funding. School funding will increase in the 2021-22 school year allowing for additional staff raises. Further federal funding has also allowed the ability to hire additional positions to address the learning loss caused by the pandemic. State funding is anticipated to increase again as a result of new laws passed at the state legislature which will hopefully be able to offset the short term nature of the federal funding provided as a result of the pandemic.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Moffat County School District RE-1, Business Office, 600 Texas Avenue, Craig, Colorado 81625.



Moffat County School District RE-1

Basic Financial Statements

Moffat County School District RE-1
Statement of Net Position
June 30, 2021

ASSETS	Governmental Activities
Cash and cash equivalents - Unrestricted	5,004,583
Investments - Unrestricted	7,841,043
Investments - Restricted	1,806,260
Accounts, taxes, and interest receivable	4,173,627
Due from other governments	2,742,802
Prepaid expenses	68,806
Inventory	16,050
Total current assets	21,653,171
Capital assets:	
Construction in progress	1,649,814
Land	297,333
Land improvements	4,162,914
Buildings and improvements	54,366,782
Equipment	4,464,929
Vehicles	2,768,791
Less: Accumulated depreciation	(36,678,789)
Total capital assets	31,031,774
Total assets	52,684,945
DEFERRED OUTFLOWS OF RESOURCES	
Items related to pensions	11,698,389
Items related to post-employment health benefits	108,434
Deferred bond refunding costs, net	1,450,907
Total deferred outflows of resources	13,257,730
LIABILITIES	
Current liabilities:	
Accounts, retainage, arbitrage & deposits payable	1,207,669
Accrued compensation	2,032,488
Accrued interest	78,864
Unearned grant revenue	113,150
Total current liabilities	3,432,171
Noncurrent liabilities:	
Compensated absences	269,294
Bonds and leases	
Due within one year	2,359,737
Due in more than one year	13,939,913
Pensions	36,408,162
Post-employment health benefits (OPEB)	1,323,968
Total noncurrent liabilities	54,301,074
Total liabilities	57,733,245
DEFERRED INFLOWS OF RESOURCES	
Items related to pensions	15,463,475
Items related to post-employment health benefits	463,390
Total deferred inflows of resources	15,926,865
EQUITY	
Net Investment in Capital Assets	14,732,124
Restricted for:	
TABOR	683,000
Debt service	2,916,965
Health benefits	68,806
Unrestricted	(26,118,330)
Total net position	(7,717,435)

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

Moffat County School District RE-1
Statement of Activities
For the Year Ended June 30, 2021

	<u>Program Revenues</u>			<u>Net (Expenses)</u>	
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
Functions/Programs:					<u>Governmental</u> <u>Activities</u>
Governmental Activities:					
Direct instruction	9,296,431	234,242	6,204,442	352,937	(2,504,810)
Indirect instruction	1,200,184	-	-	-	(1,200,184)
Transportation	545,723	-	177,480	-	(368,243)
Custodial and maintenance	2,018,764	-	-	-	(2,018,764)
Support services	335,704	-	-	-	(335,704)
General administration	1,596,325	-	-	-	(1,596,325)
Community service	43,533	-	145,660	-	102,127
Food service	650,827	25,095	1,079,809	-	454,077
Student activities	311,006	-	221,808	-	(89,198)
Interest	471,941	-	-	-	(471,941)
Total governmental activities	<u>16,470,438</u>	<u>259,337</u>	<u>7,829,199</u>	<u>352,937</u>	<u>(8,028,965)</u>
General revenues:					
Taxes					
Local property taxes levied for general purposes					11,210,707
Local property taxes levied for debt payments					2,693,378
Specific ownership taxes					1,301,221
State equalization revenue					7,004,424
Grants and contributions not restricted to specific programs					869,359
Gain on sale of assets					65,738
Interest and investment earnings					11,078
Total general revenues and transfers					<u>23,155,905</u>
Change in net position					15,126,940
Net position, beginning (restated)					<u>(22,844,375)</u>
Net position, ending					<u>(7,717,435)</u>

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

**Moffat County School District RE-1
Balance Sheet
Governmental Funds
June 30, 2021**

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS						
Assets:						
Cash and cash equivalents - Unrestricted	2,670,153	300,702	564,322	-	769,313	4,304,490
Investments - Unrestricted	4,534,449	-	-	-	1,773,741	6,308,190
Investments -Restricted	-	-	-	1,806,260	-	1,806,260
Accounts, taxes, and interest receivable	5,811,481	-	-	780,358	8,696	6,600,535
Inventory	-	16,050	-	-	-	16,050
Due from other governments	24,717	128,275	-	-	-	152,992
Due from other funds	183,772	160,773	5,678	330,347	86,650	767,220
	<u>13,224,572</u>	<u>605,800</u>	<u>570,000</u>	<u>2,916,965</u>	<u>2,638,400</u>	<u>19,955,737</u>
Total assets						
LIABILITIES						
Liabilities:						
Accounts and other current payables	510,491	5,944	24,690	-	398,543	939,668
Accrued compensation	2,018,988	13,500	-	-	-	2,032,488
Due to other funds	495,958	142,349	113,356	-	15,557	767,220
Unearned revenue:	113,150	-	-	-	-	113,150
	<u>3,138,587</u>	<u>161,793</u>	<u>138,046</u>	<u>-</u>	<u>414,100</u>	<u>3,852,526</u>
Total liabilities						
FUND BALANCES						
Non-spendable	-	16,050	-	-	-	16,050
Spendable:						
Restricted	683,000	-	-	2,916,965	-	3,599,965
Committed	-	427,957	431,954	-	2,224,300	3,084,211
Assigned	7,200,000	-	-	-	-	7,200,000
Unassigned	2,202,985	-	-	-	-	2,202,985
	<u>10,085,985</u>	<u>444,007</u>	<u>431,954</u>	<u>2,916,965</u>	<u>2,224,300</u>	<u>16,103,211</u>
Total fund balances						
Total liabilities and fund balances	<u>13,224,572</u>	<u>605,800</u>	<u>570,000</u>	<u>2,916,965</u>	<u>2,638,400</u>	<u>19,955,737</u>

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

Moffat County School District RE-1
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Governmental Funds Total Fund Balance		16,103,211
Property taxes receivable will be collected this calendar year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds.		116,229
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	67,710,563	
Accumulated depreciation	<u>(36,678,789)</u>	31,031,774
Deferred charges such as deferred refunding costs, and premiums and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position:		
Deferred refunding costs		1,450,907
The District has a medical benefits fund. Accumulated resources in this fund are shown as an increase in governmental net position.		2,080,424
Long-term liabilities, including net pension and post-employment health benefits obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension and post-employment health benefits liabilities, adjusted for changes in pension and post-employment health benefits related actuarial assumptions, proportion of collective pension and post-employment health benefits amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension and post-employment health benefits plans, that are amortized over the average remaining service life of all active and inactive plan participants.		
Deferred Outflows of pension related items	11,698,389	
Deferred Outflows of post-employment health benefits	108,434	
Deferred Inflows of pension related items	(15,463,475)	
Deferred Inflows of post-employment health benefits	(463,390)	
Pension liability	(36,408,162)	
Post-employment health benefits liability	<u>(1,323,968)</u>	(41,852,172)
Long-term liabilities, including bonds payable, accrued compensated absences, leases payable, and accrued interest are not due and payable in the current period and therefore, are not reported in the funds. This is the amount of District long-term liabilities:		
Bond debt and interest coupons	(13,905,000)	
Accrued compensated absences	(269,294)	
Leases payable	(1,207,785)	
Premiums and discounts on bonded debt	(1,186,865)	
Accrued interest	<u>(78,864)</u>	(16,647,808)
Governmental Activities Net Position		<u><u>(7,717,435)</u></u>

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

Moffat County School District RE-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
REVENUES						
Taxes:						
Property taxes	11,120,310	-	-	2,684,026	-	13,804,336
Specific ownership taxes	1,301,221	-	-	-	-	1,301,221
Intergovernmental - State revenue	8,327,578	4,902	-	-	765,181	9,097,661
Intergovernmental - Federal revenue	4,748,594	1,074,907	-	-	-	5,823,501
Interest income	7,616	-	34	287	328	8,265
Other	423,314	25,095	221,808	-	-	670,217
	<u>25,928,633</u>	<u>1,104,904</u>	<u>221,842</u>	<u>2,684,313</u>	<u>765,509</u>	<u>30,705,201</u>
Total revenues						
EXPENDITURES						
Direct instruction	12,764,992	-	-	-	-	12,764,992
Indirect instruction	2,453,310	-	-	-	-	2,453,310
Transportation	714,339	-	-	-	-	714,339
Custodial and maintenance	2,421,788	-	-	-	-	2,421,788
Support services	441,254	-	-	-	-	441,254
General administration	2,189,311	-	-	-	-	2,189,311
Community service	75,245	-	-	-	-	75,245
Food service	-	836,773	-	-	-	836,773
Student activities	-	-	311,006	-	-	311,006
Debt service:						
Principal	-	-	-	1,745,000	758,974	2,503,974
Interest and fiscal charges	35,395	-	-	526,200	58,682	620,277
Other	-	-	-	1,100	-	1,100
Capital outlay	299,088	-	-	-	1,274,541	1,573,629
	<u>21,394,722</u>	<u>836,773</u>	<u>311,006</u>	<u>2,272,300</u>	<u>2,092,197</u>	<u>26,906,998</u>
Total expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,533,911	268,131	(89,164)	412,013	(1,326,688)	3,798,203
OTHER FINANCING SOURCES (USES)						
Proceeds from capital lease	-	-	-	-	123,660	123,660
Sale of capital assets	-	-	-	-	65,738	65,738
Transfers in (out)	(2,387,396)	-	125,000	-	2,262,396	-
	<u>(2,387,396)</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>2,451,794</u>	<u>189,398</u>
Total other financing sources (uses)						
NET CHANGE IN FUND BALANCES	2,146,515	268,131	35,836	412,013	1,125,106	3,987,601
FUND BALANCES, BEGINNING (RESTATED)	7,939,470	175,876	396,118	2,504,952	1,099,194	12,115,610
FUND BALANCES, ENDING	<u>10,085,985</u>	<u>444,007</u>	<u>431,954</u>	<u>2,916,965</u>	<u>2,224,300</u>	<u>16,103,211</u>

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

Moffat County School District RE-1
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
June 30, 2021

Governmental Funds Change in Fund Balances	3,987,601
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 amount is the difference between capital outlays and depreciation expense.	1,583,641
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase or decrease net position.	
Donation of capital assets	51,556
Loss on disposal of capital assets	(11,518)
Debt principal payments result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments as reductions against long-term liabilities.	2,503,973
The premium or discount upon issuing bonds is recorded on the funds, but is capitalized and amortized over the life of the bonds on the government-wide financial statements.	320,006
Net income (loss) on the District's medical benefit fund is adjusted to the government activities change in net position.	(215,421)
The change in accrued interest has no impact on current available resources but does change government-wide net position.	8,838
Property tax revenues assessed but not collected shortly after year end do not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is the change in the deferred property tax recognized in the Statement of Activities.	99,749
Debt proceeds represent an increase in current available resources in the fund financial statements. These proceeds represent an increase in liabilities on the government wide financial statements. This represents the total debt proceeds, including capital leases, issued during the year.	(123,660)
Accrued compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.	(9,605)
Changes in the District's net pension obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net pension obligation during the year, including differences between District contributions to the pension plan and amortization of pension-related deferrals.	9,098,664
Changes in the District's net post-employment health benefits obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment health benefits related deferrals.	115,981
Amortization of deferred costs such as premium and discounts and deferred charges from refundings and changes in accrued interest have no impact on current available resources but do change government-wide net position.	(179,408)
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 depreciation expense reported as an expenditure in the governmental activities' functions.	(2,103,457)
Governmental Activities Change in Net Position	15,126,940
The accompanying notes are an integral part of these financial statements.	

Moffat County School District RE-1
Statement of Net Position
Proprietary Funds
June 30, 2021

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	700,093
Investments - unrestricted	1,532,853
Accounts receivable	46,673
Prepaid expenses	68,806
Total assets	2,348,425
LIABILITIES	
Current liabilities:	
Accounts and deposits payable	268,001
Total liabilities	268,001
NET POSITION	
Restricted	68,806
Unrestricted	2,011,618
Total net position	2,080,424

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

Moffat County School District RE-1
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Sales and customer charges	1,851,526
Other income	672,319
Total operating revenues	2,523,845
OPERATING EXPENSES	
Purchased services	2,742,079
Total operating expenses	2,742,079
OPERATING INCOME (LOSS)	(218,234)
NONOPERATING REVENUES (EXPENSES)	
Investment income	2,813
Total nonoperating revenues (expenses)	2,813
NET POSITION, BEGINNING	2,295,845
NET POSITION, ENDING	2,080,424

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

Moffat County School District RE-1
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund service provided and employees	1,804,853
Other cash receipts	672,319
Payments to vendors	(2,637,943)
Net cash provided (used) by operating activities	(160,771)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash received from redemption/sale of investments	747,219
Cash received from investment income	2,813
Net cash provided (used) by investing activities	750,032
NET INCREASE (DECREASE) IN CASH	589,261
CASH AND CASH EQUIVALENTS, BEGINNING	110,832
CASH AND CASH EQUIVALENTS, ENDING	700,093
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	(218,234)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(46,673)
(Increase) decrease in prepaid expense	27,496
Increase (decrease) in accounts payable	76,640
Total adjustments	57,463
Net cash provided (used) by operating activities	(160,771)

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



Moffat County School District RE-1
Notes to the Basic Financial Statements

**Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021**

I. Summary of Significant Accounting Policies

Moffat County School District RE-1 (the “District”) encompasses Moffat County in northwestern Colorado. The District provides academic and vocation curriculum, student transportation, food service, athletic and cultural extracurricular activities, and maintenance and general administrative services. The District operates the following schools:

Elementary Schools	Middle School	High School	Combined School
Early Childhood Center	Craig Middle School	Moffat County High School	Shared School (K-12)
Maybell Elementary			
Ridgeview Elementary			
Sandrock Elementary			
Sunset Elementary			

The District’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District. No additional separate governmental units, agencies or nonprofit organizations are included in the financial statements of the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon the above criteria, the District is not financially accountable for any other organization.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

B. District-wide and Fund Financial Statements

The District’s basic financial statements include both district-wide (financial activities of the overall District, except for fiduciary activities) and fund financial statements (reporting the District’s major funds). For the most part, the effect of interfund activity has been removed from these statements. Both the district-wide and fund financial statements categorize primary activities as governmental. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

1. District-wide Financial Statements

In the district-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The district-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund.

The District reports the following major governmental funds:

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

The *Food Service Fund* accounts for all financial activities associated with the District's school breakfast, lunch, and summer meal programs.

The *Student Activity Fund* accounts for the revenues and expenditures of funds used in student sports, clubs, and extracurricular activities. The primary source of funding is fees related to participation in the particular activity.

The *Bond Redemption Fund* accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Capital Reserve Capital Projects Fund* is used to account for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

Additionally, the District reports the following fund types:

The *Health Benefits Internal Service Fund* accounts for the employee health and dental benefits provided to other departments or funds of the District on a cost reimbursement basis

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The District considers all revenues reported in governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

3. Financial Statement Presentation

Amounts reported as program revenues include 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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

The District investments are stated at fair value or net asset value. The District has no investments requiring fair value reporting.

The District follows Colorado state statutes for investing, which permit the following types of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 60 months)
- Prime Commercial Paper (maximum maturity of 60 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable on the fund financial statements.

4. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to/from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and fiduciary activities are reported as “external balances” in the district-wide financial statements.

6. Long-Term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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 *Bond Redemption Debt Service Fund*. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

7. Capital Assets

Capital assets, which include construction-in-progress, land, buildings and improvements, vehicles, and equipment, are reported in the governmental activity column in the district-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Buildings and improvements, vehicles, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5 - 35
Vehicles	6 - 7
Equipment	5

8. Compensated Absences

Earned but unused vacation and personal leave benefits are accrued when incurred in the district-wide financial statements.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

10. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has three items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. Other items are the collective deferred outflows of resources related to the District's net pension liability and other post-employment benefit obligations ("OPEB"). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension liability or OPEB liability in future periods, see Notes IV.G and IV.H.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Collective deferred inflows of resources related to the District's net pension liability and OPEB liability are reported on the Statement of Net Position and are amortized over the average service lives of all active and inactive plan members, see Notes IV.G and IV.H.

11. Pensions

The District participates in the School Division Trust Fund (the "SCHDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Pensions (continued)

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of 2021.

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

The District participates in the Health Care Trust Fund (the "HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by 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.

13. Fund Equity

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements.

Unassigned fund balance is a residual classification within the *General Fund*. The *General Fund* should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications, refer to Note IV.I.

14. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

15. Restricted and Unrestricted Resources

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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

II. Reconciliation of District-wide and Fund Financial Statements

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the District-wide Statement of Net Position. Additionally, the governmental fund statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the District-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2021.

1. The proposed budget was submitted to the Board of Education by May 31 of the year proceeding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.
2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.
3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.
4. The final budget was adopted prior to June 30, along with an appropriation resolution.

During the year, supplemental appropriations were necessary. The budgetary comparison schedules reflect the original budget and the final budget after the legally authorized revisions.

For the year ended June 30, 2021, expenditures exceed appropriations in the following funds:

<u>Fund</u>	<u>Amount</u>	<u>Cause</u>
Food Services Fund	197,692	Payroll and food
Pupil Activity Fund	\$ 105,531	Activity costs
Medical Benefits Fund	442,079	Higher claims costs

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Budgets are prepared on a GAAP basis for all funds except the General Fund, which recognized revenue and expense for the proportionate share of the State of Colorado's contribution to PERA's SCHDTF. The budget for this fund has been adopted on a non-GAAP basis and is reconciled to GAAP at the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis on page E1.

B. TABOR Amendment

In November 1992, Colorado voters amended 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 that apply to the State of Colorado and local governments. TABOR required, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such excess revenue.

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 fiscal years.

TABOR also 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 3% or more of fiscal year spending. The District has reserved \$683,000 of its June 30, 2021 year-end General Fund balance for emergencies as required under TABOR.

On November 4, 1997, the District's electorate approved the following ballot measure:

"Shall Moffat County School District taxes be increased to \$1,900,000 annually by authorizing an additional levy of ad valorem property taxes for the 1997-98 budget year and maintain that level each budget year thereafter for the purpose of providing additional local property tax revenues for educational purposes; and shall the District be authorized to retain and expend all revenues from said increase in excess of the spending limits established by Article X Section 20 of the Constitution of the State of Colorado?"

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Additionally, on November 2, 1999, the District's electorate approved the following ballot measure:

"Shall the Moffat County School District RE. NO 1 be authorized and permitted to retain, appropriate, and utilize, by retention for reserves, carryover fund balance, or expenditures, the full proceeds and revenues received from all sources whatever, without limitation, in the 1998-99 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution, provided however, that no local tax rate or property mill levy shall be increased at any time, nor shall any new tax be imposed without the prior consent of the voters of the Moffat County School District RE. NO. 1 approving any such increase or new tax?"

The District believes it is in compliance with the requirements of the TABOR Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by Federal Depository Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

At year end, the District had the following cash and investments with the following maturities:

<u>Type:</u>	<u>Standard and Poor's Credit Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking accounts	Not Rated	\$ 5,004,583	\$ 5,004,583	\$ -
<i>Investments:</i>				
Investment pool	AAAm	7,841,043	7,841,043	-
Institutional mutual fund	AAAm	1,806,260	1,806,260	-
		<u>\$ 14,651,886</u>	<u>\$ 14,651,886</u>	<u>\$ -</u>

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The District's cash and investments are presented on the Statement of Net Position as follows:

Reconciliation to Statement of Net Position:	
Cash and cash equivalents - Unrestricted	\$ 5,004,583
Cash and investments - Unrestricted	7,841,043
Cash and investments - Restricted	1,806,260
Total	\$ 14,651,886

Investments Measured at Net Asset Value	Total
Investment pool	\$ 7,841,043
Institutional mutual fund	1,806,260
Total	\$ 9,647,303

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk. State law and District policy limit investments to those authorized by State statutes, which, among other investments, include U.S. agencies, commercial paper, local government investment pools, and certain money market funds. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Custodial Credit Risk. For an investment, this is the risk that, in the event of failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District does not have an investment policy that limits the amount of securities that can be held by counterparties.

Pools. The District's holdings in investment pools are comprised of balances with COLTRUST and Morgan Stanley Institutional Liquidity Fund-Government, which are investment vehicles established to pool surplus funds. They operated similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The District has no regulatory oversight for the pools.

Concentration of Credit Risk. The District places no limit on the amount that it may invest in any one issuer. More than 5% of the District's investments are in the COLOTRUST Investment Pool. These investments represented 54% of the District's total investments. The balance held in Morgan Stanley Institutional Liquidity Fund-Government is directed by the bond trustee, see Note IV.F.5 for information regarding the bond trustee.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Bond Redemption Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Total</u>
Receivables:					
Taxes	\$ 3,220,879	\$ -	\$ 780,358	\$ -	\$ 4,001,237
Accounts	-	-	-	8,696	8,696
Other	2,590,602	-	-	-	2,590,602
Intergovernmental	24,717	128,275	-	-	152,992
Gross receivables	<u>5,836,198</u>	<u>128,275</u>	<u>780,358</u>	<u>8,696</u>	<u>6,753,527</u>
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	<u><u>\$ 5,836,198</u></u>	<u><u>\$ 128,275</u></u>	<u><u>\$ 780,358</u></u>	<u><u>\$ 8,696</u></u>	<u><u>\$ 6,753,527</u></u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 786,680	\$ 863,134	\$ -	\$ 1,649,814
Land	297,333	-	-	297,333
Total capital assets, not being depreciated	<u>1,084,013</u>	<u>863,134</u>	<u>-</u>	<u>1,947,147</u>
Capital assets, being depreciated:				
Land improvements	4,138,139	24,775	-	4,162,914
Buildings and improvements	54,101,619	313,103	(47,940)	54,366,782
Vehicles	2,768,791	-	-	2,768,791
Equipment	5,167,648	434,185	(1,136,904)	4,464,929
Total capital assets being depreciated	<u>66,176,197</u>	<u>772,063</u>	<u>(1,184,844)</u>	<u>65,763,416</u>
Total capital assets - Cost	<u>67,260,210</u>	<u>1,635,197</u>	<u>(1,184,844)</u>	<u>67,710,563</u>
Less: accumulated depreciation for:				
Land improvements	(3,950,621)	(86,930)	-	(4,037,551)
Buildings and improvements	(27,428,274)	(1,292,221)	36,422	(28,684,073)
Vehicles	(1,843,929)	(81,953)	-	(1,925,882)
Equipment	(2,525,834)	(642,353)	1,136,904	(2,031,283)
Total accumulated depreciation	<u>(35,748,658)</u>	<u>(2,103,457)</u>	<u>1,173,326</u>	<u>(36,678,789)</u>
Governmental activities capital assets, net	<u><u>\$ 31,511,552</u></u>	<u><u>\$ (468,260)</u></u>	<u><u>\$ (11,518)</u></u>	<u><u>\$ 31,031,774</u></u>

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The District had the following capital outlay and depreciation expense for the following functions:

	Capital Outlay	Depreciation Expense
Governmental activities:		
Direct instruction	\$ 1,509,052	\$ 1,829,141
Transportation	13,214	85,517
Custodial and maintenance	112,931	40,141
General administration	-	128,098
Food service	-	20,560
Total governmental activities	\$ 1,635,197	\$ 2,103,457

D. Interfund Receivables, Payables, and Transfers

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The District has reports the following interfund balances as of June 30, 2021:

	Receivable Fund	Payable Fund
General Fund	\$ 183,772	\$ 495,958
Pupil Activity Fund	5,678	113,356
Capital Projects	86,650	15,557
Food Services Fund	160,773	142,349
Total	\$ 767,220	\$ 767,220

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) provide additional resources for current operations or debt service.

All District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers (continued)

Transfers for fiscal year 2021 were as follows:

	Transfer In	Transfer (out)
General Fund	\$ -	\$ (2,387,396)
Capital Reserve Fund	2,262,396	-
Pupil Activity Fund	125,000	-
	Total	Total
	\$ 2,387,396	\$ (2,387,396)

E. Operating Leases

The District is committed under various leases for office equipment. These leases are considered, for accounting purposes, to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements. All operating leases are annually appropriable.

F. Long-term Debt

1. General Obligation Bonds, Series 2007

In November 2007, the District's electorate authorized the issuance of general obligation debt in the amount of \$29,500,000. The bonds carry interest rates of 4.0% to 5.25% and are payable semi-annually on June 1 and December 1. Proceeds are being used to upgrade technology infrastructure, upgrade heating, ventilation and lighting, add additional classrooms and repair or improve other District facilities. The bonds maturing on and after December 1, 2019 and before December 1, 2024 were refunded through the issuance of the 2014 General Obligation Refunding Bonds.

The bonds maturing on and after December 1, 2025 and before December 1, 2028 were refunded through the issuance of the 2015 General Obligation Refunding Bonds.

As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position.

2. General Obligation Refunding Bonds, Series 2014

On February 27, 2014, the District issued \$9,390,000 of General Obligation Refunding Bonds, Series 2014. Proceeds from this bond issue were used to refund a portion of the District's General Obligation Bonds, Series 2007. The interest on the Series 2014 Bonds ranges from 2.0% to 3.0% and is payable semi-annually on June 1 and December 1, through 2023

The reacquisition price exceeds net carrying amount of the old debt by \$1,409,565. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The refunding resulted in a present value savings of \$466,368.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

3. General Obligation Refunding Bonds, Series 2015

On January 21, 2015, the District issued \$8,515,000 of General Obligation Refunding Bonds, Series 2015. Proceeds from this bond issue were used to refund a portion of the District's General Obligation Bonds, Series 2007. The interest on the Series 2015 Bonds ranges from 2.0% to 4.0% and is payable semi-annually on June 1 and December 1, through 2027.

The reacquisition price exceeds net carrying amount of the old debt by \$1,119,073. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The refunding resulted in a present value savings of \$1,355,206.

4. Defeasance of Debt

As noted above, proceeds of the refunding bond issue were used to purchase U.S. government securities to retire outstanding issuances. Sufficient U.S government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The District is unable to determine the amount of defeased bonds outstanding at year-end.

5. Debt Requirements

Colorado State Statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with UMB Bank in order to meet this requirement.

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

6. Schedule of Future Debt Service Payments

The District's future annual debt service requirements are as follows:

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	1,800,000	473,175	\$ 2,273,175
2023	1,850,000	418,575	2,268,575
2024	1,910,000	362,350	2,272,350
2025	1,965,000	294,500	2,259,500
2026	2,045,000	294,500	2,339,500
2027-2028	4,335,000	175,100	4,510,100
Totals	\$ 13,905,000	\$ 2,018,200	\$ 15,923,200

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

6. Schedule of Future Debt Service Payments (continued)

The District is obligated under certain lease agreements for energy efficient lighting improvements, and transportation and technology equipment. These obligations are accounted for as capital leases. The leased assets and related obligations are accounted for in the Statement of Net Position. The following is a schedule of future minimum rental payments due under the terms of the District's capital leases:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 559,737	\$ 39,070	\$ 598,807
2023	180,189	21,909	202,098
2024	186,860	15,238	202,098
2025	52,992	8,262	61,254
2026	54,551	6,704	61,255
2027-2029	173,456	10,308	183,764
Totals	<u>\$ 1,207,785</u>	<u>\$ 101,491</u>	<u>\$ 1,309,276</u>

The net book value of the assets acquired through the capital leases is computed as follows:

Historical Cost	\$ 2,928,362
Less; Accumulated depreciation	<u>(907,121)</u>
Net book value	<u>\$ 2,021,241</u>

7. Compensated Absences

The District has a policy for the accumulation of sick and personal leave payouts. This policy is subject to certain limits, which are established by the Board, and are based on the employee's length of service with the District.

The estimated liability for all employees is recorded in governmental activities in the Statement of Net Position. The General Fund generally liquidates the compensated absences liability.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

8. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021	Due in one Year
Governmental Activities:					
General obligation bonds	\$ 15,650,000	\$ -	\$ (1,745,000)	\$ 13,905,000	\$ 1,800,000
Premium on general obligation bonds	1,506,871	-	(320,006)	1,186,865	-
Total bonds payable	17,156,871	-	(2,065,006)	15,091,865	1,800,000
Capital leases	1,843,099	123,660	(758,974)	1,207,785	559,737
Compensated absences	259,689	9,605	-	269,294	-
Net OPEB liability	1,544,982	-	(221,014)	1,323,968	-
Net unfunded pension liability	31,426,295	4,981,867	-	36,408,162	-
Total	\$ 52,230,936	\$ 5,115,132	\$ (3,044,994)	\$ 54,301,074	\$ 2,359,737

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

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

Benefits provided as of December 31, 2020: 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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Benefits provided as of December 31, 2020 (continued): The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% 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% 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% or 100% 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, 2020, 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, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% 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% 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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Contribution provisions as of December 31, 2021: Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021.

District contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer Contribution Rate	10.90%
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	9.88%
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	19.88%

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 (actual dollars) 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. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,523,575 for the year ended June 30, 2021.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the non-employer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a non-employer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the District reported a liability of \$36,408,162 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net Pension liability	\$	36,408,162
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At December 31, 2020, the District's proportionate share was 0.2408%, as compared to its proportionate share of 0.2104% at December 31, 2019.

Pension Expense: For the year ended June 30, 2021, the District recognized pension revenue of \$9,098,664 and expense of \$0 for support from the State as a non-employer contributing entity.

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2021, the District 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	\$ 2,000,448	\$ -
Changes of assumptions or other inputs	3,502,352	6,119,904
Net difference between projected and actual earnings on pension plan investments	-	8,014,264
Changes in proportionate share of contributions	4,905,692	1,329,307
Contributions subsequent to the measurement date	1,289,897	-
Total	\$ 11,698,389	\$ 15,463,475

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources: (continued) The \$1,289,897, 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 calculated at the December 31, 2021 measurement date. 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	Amortization
June 30,	
2022	\$ (1,511,871)
2023	487,933
2024	(251,120)
2025	(318,719)
	<u>\$ (1,593,777)</u>

Actuarial assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50%-9.70%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	7.25%
PERA Benefit Structure hired after 12/31/06 ¹	Financed by the Annual Increase Reserve ("AIR")

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of the benefit tiers can never exceed available assets.

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% factor applied to male rates and a 55% factor applied to female rates.

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Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, 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.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

Discount rate: The discount rate used to measure the total pension liability was 7.25%. 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 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Discount rate:

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include 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, as a non-employer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- 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 FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective net pension liability	\$ 20,622,167,000	15,117,983,000	10,531,184,000
Proportionate share of net pension liability	\$ 49,658,178	36,408,162	25,359,091

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

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

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

DPS Benefit Structure: The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% 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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$129,479 for the year ended June 30, 2021.

Liability: At June 30, 2020, the District reported a liability of \$1,323,968 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.1393%, compared to 0.1375% its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB revenue of \$115,981. At June 30, 2021, the District 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	\$ 3,514	291,072
Change of assumptions or other inputs	9,893	81,185
Net difference between projected and actual earnings on plan investments	-	54,057
Changes in proportionate share of contributions	28,845	37,076
Contributions subsequent to measurement date	66,182	-
Total	\$ 108,434	\$ 463,390

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Liability (continued): The \$66,182 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, 2022. 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	Amortization
June 30,	
2022	\$ (107,044)
2023	(99,476)
2024	(96,204)
2025	(85,854)
2026	(30,661)
Thereafter	(1,899)
Total	\$ (421,138)

Actuarial assumptions: The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.5% in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure:	
Service based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2020 gradually decreasing to 4.50 percent in 2029
DPS Benefit Structure:	
Service based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Initial Costs for Members without Medicare Part A</u>		
	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
Medicare Advantage/Self-insured			
Prescription	\$ 588	\$ 227	\$ 240
Kaiser Permanente Medicare			
Advantage HMO	621	232	237

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued):

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029 and after	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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% factor applied to rates for ages less than 80, a 108% 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% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (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% factor applied to rates for ages less than 80, a 113% 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% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued):

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial assumptions (continued): The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	<u>100.00%</u>	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

Sensitivity of the District 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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
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 trend rate	3.50%	4.50%	5.50%
Collective Net OPEB Liability	\$ 925,665,000	\$ 950,225,000	\$ 978,816,000
Proportionate Share of Net OPEB Liability	\$ 1,289,451	\$ 1,323,968	\$ 1,363,491

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- 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% 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%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Collective Net OPEB Liability	\$ 925,665,000	\$ 950,225,000	\$ 978,816,000
Proportionate Share of Net OPEB Liability	\$ 1,289,451	\$ 1,323,968	\$ 1,363,491

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.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Fund Balances

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, long-term portion of loans receivable, etc.

Spendable Fund Balance:

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Education.
- Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District governmental funds had the following equity designations at June 30, 2021:

	<u>Balance</u>	<u>Reason</u>
Non-spendable		
Food Service Fund	\$ 16,050	Inventory
Restricted		
General Fund	683,000	TABOR
Debt Service Fund	2,916,965	Debt service
Committed		Projects
Food Service Fund	427,957	Provide meals
Student Activities	431,954	Pupil activities
Capital Reserve	2,224,300	Capital projects
Assigned		
General Fund	1,200,000	COVID-19 learning loss
General Fund	<u>6,000,000</u>	Working capital
Total	<u><u>\$ 13,900,226</u></u>	

The District's minimum fund balance policy states the General Fund will maintain an operational reserve of 22% of the District's current fiscal year's adopted budget.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information

A. Defined Contribution Pension Plan

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

Funding Policy. 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, 2021, program members contributed \$67,538 for the Voluntary Investment program. The District does not match contributions and did not make any contributions for the year ended June 30, 2021.

B. Contingencies

1. General Legal Matters

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District feels none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2021.

2. Federal Programs

Funds received from Federal grants are subject to audit and disallowance on ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2021.

3. State Programs

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. Management does not feel that any potential adjustments would be material and that they would affect the fairness of presentation of the financial statements at June 30, 2021.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information (continued)

C. Northwest Colorado Board of Cooperative Educational Services

The District is an association member, together with other school districts, participating in certain programs of the Northwest Colorado Board of Cooperative Educational Services (the "BOCES"). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. The District provides its own administrative services and does not bear administrative costs borne equally by fully participating districts as it is not a full member. The District pays for services provided by BOCES charged to each district based upon individual needs and the student population.

For the year ended June 30, 2021, the District made operating contributions of \$21,074.

D. State Interest Free Loan Program

The Colorado Department of Education allows school districts to borrow funds up to the next year's estimated property tax collections for the specific district to cover operating expenditures. The program was established to assist districts who receive the majority of their program funding through local property taxes. Most property tax revenues are not received by school districts until the last four months of the fiscal year, resulting in a cash flow deficit. The loans are repaid to the State as property taxes are collected.

In fiscal years 2021, and 2020, the District did not obtain any financing under this program.

E. Risk Management

The District is exposed to various risks of loss related to workers' compensation; general liability; unemployment; torts; theft of, damage to, and destruction of assets; and errors and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage. For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance coverage.

Employee Health Care: The District has adopted a plan for self-insurance of health and dental benefits for employees which is administered by a third-party administrator. The plan provides for the District to pay all allowable health expenses up to \$95,000 annually, for each insured, with all claims for each insured in excess of \$95,000 insured by a "stop-loss" insurance policy. An aggregate overall stop-loss per calendar year, based on a calculation of monthly attachment points, exists under the plan. Claim payments are based on specific claims expenses. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims, if any. Unpaid claims at yearend included all allocated claims adjustment expenditures. Claims that have been incurred but not reported ("IBNR") are reported as a liability in the *medical benefits fund* (June 30, 2021 - \$268,000, June 30, 2020 - \$191,360, June 30, 2019 - \$132,057).

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information (continued)

E. Risk Management (continued)

Changes in the balance of unpaid claims during the past year are as follows:

	Year ended June 30, 2021
Unpaid claims, beginning of fiscal year	\$ 191,360
Incurred claims (excluding IBNR.)	2,337,224
Claim Payments	(2,260,584)
Unpaid claims, end of fiscal year	\$ 268,000

Pupil Counts: Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students' funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits.

The District believes its pupil count information is accurate and any adjustment would not be material.

F. Construction Commitment

The District has an active construction project as of June 30, 2021 to replace the roof of the Sunset Elementary Building.

Project	Spent to date	Remaining cost
Sunset Elementary roof replacement	\$ 1,348,858	226,445

The District has been awarded a Building Excellent Schools Today Grant ("BEST Grant") by CDE to cover fifty percent of the cost of this project.

Moffat County School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information (continued)

G. Restatement of Activity Fund

In 2021, the District implemented the Governmental Accounting Standards Board Statement No. 84 ("GASB 84"), *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for state and local governments. The District previously reported some of its student activities in the Student Activity Agency Fund, a fiduciary fund. After implementation of GASB 84, the District has restated the Student Activity Agency Fund as a special revenue fund, combined with activities already included in the special revenue fund. Accordingly, the special revenue fund reports a restated beginning fund balance of \$396,118, which includes a restatement of \$286,253, equal to the restatement of current assets and current liabilities previously reported in the agency fund.. All remaining assets and liabilities, if any, previously reported in the agency fund are not recognized at the fund level under the modified accrual basis of account, and have been reclassified as assets and liabilities of the governmental activities as of July 1, 2021.



**Moffat County School District RE-1
Required Supplementary Information**

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
REVENUES					
Taxes:					
Property taxes	10,724,000	11,043,000	11,120,310	77,310	10,671,202
Specific ownership taxes	1,077,000	1,062,000	1,301,221	239,221	1,275,520
Intergovernmental - State revenue	8,466,000	8,248,000	8,327,578	79,578	9,849,682
Intergovernmental - Federal revenue	2,470,000	3,501,000	4,748,594	1,247,594	1,268,907
Interest income	40,000	40,000	7,616	(32,384)	72,276
Other	375,000	375,000	423,314	48,314	587,491
Total revenues	23,152,000	24,269,000	25,928,633	1,659,633	23,725,078
EXPENDITURES					
Direct instruction	13,840,848	14,607,848	12,764,992	1,842,856	13,087,802
Indirect instruction	3,074,461	3,074,461	2,453,310	621,151	2,488,915
Transportation	965,145	965,145	714,339	250,806	804,274
Custodial and maintenance	2,415,760	2,505,760	2,421,788	83,972	2,347,169
Support services	319,672	770,672	441,254	329,418	565,220
General administration	1,837,099	1,837,099	2,189,311	(352,212)	1,897,665
Community service	70,047	70,047	75,245	(5,198)	79,752
Debt service:					
Interest and fiscal charges	40,000	40,000	35,395	4,605	43,121
Capital outlay	-	-	299,088	(299,088)	-
Total expenditures	22,563,032	23,871,032	21,394,722	2,476,310	21,313,918
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	588,968	397,968	4,533,911	4,135,943	2,411,160
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(1,058,000)	(1,548,000)	(2,387,396)	(839,396)	(2,241,437)
Total other financing sources (uses)	(1,058,000)	(1,548,000)	(2,387,396)	(839,396)	(2,241,437)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	(469,032)	(1,150,032)	2,146,515	3,296,547	169,723
FUNDS BALANCES, BEGINNING - BUDGET BASIS	7,553,735	7,939,467	7,939,470	3	7,769,747
FUND BALANCES, ENDING - BUDGET BASIS	7,084,703	6,789,435	10,085,985	3,296,550	7,939,470
RECONCILIATION TO GAAP BASIS:					
Adjustments:					
Pension direct distribution - Special funding			-		301,903
Pension expense - Special funding			-		(301,903)
FUND BALANCES, ENDING - GAAP BASIS			10,085,985		7,939,470

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Fund Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Food Services Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
REVENUES					
Food and ala carte sales	133,250	14,250	25,095	10,845	144,802
Federal aid:					
Federal government meal reimbursement	388,000	577,000	1,034,230	457,230	407,469
USDA commodity contribution	45,000	45,000	40,677	(4,323)	47,288
State reimbursement	7,000	7,000	4,902	(2,098)	11,735
Interest income	-	-	-	-	3
Total revenues	573,250	643,250	1,104,904	461,654	611,297
EXPENDITURES					
Salaries and employee benefits	323,881	343,881	362,734	(18,853)	331,679
Purchased services	6,000	7,000	5,566	1,434	11,260
Supplies	18,000	17,000	18,807	(1,807)	24,697
Food costs:					
Purchased food	223,200	223,200	317,261	(94,061)	204,038
Donated commodities	45,000	45,000	40,677	4,323	47,288
Property	3,000	3,000	91,728	(88,728)	13,226
Total expenses	619,081	639,081	836,773	(197,692)	632,188
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,831)	4,169	268,131	263,962	(20,891)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	50,000	-	-	-	165,627
Total other financing sources (uses)	50,000	-	-	-	165,627
NET CHANGE IN FUND BALANCES	4,169	4,169	268,131	263,962	144,736
FUNDS BALANCES, BEGINNING	84,044	175,876	175,876	-	31,140
FUND BALANCES, ENDING	88,213	180,045	444,007	263,962	175,876

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Pupil Activity Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
REVENUES					
Other income	72,475	52,475	221,808	169,333	64,317
Interest Income	-	-	34	34	9
Total revenues	<u>72,475</u>	<u>52,475</u>	<u>221,842</u>	<u>169,367</u>	<u>64,326</u>
EXPENDITURES					
Student activities	205,475	205,475	311,006	(105,531)	166,336
Total expenditures	<u>205,475</u>	<u>205,475</u>	<u>311,006</u>	<u>(105,531)</u>	<u>166,336</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(133,000)	(153,000)	(89,164)	63,836	(102,010)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	63,000	153,000	125,000	(28,000)	125,810
Total other financing sources (uses)	<u>63,000</u>	<u>153,000</u>	<u>125,000</u>	<u>(28,000)</u>	<u>125,810</u>
NET CHANGE IN FUND BALANCES	(70,000)	-	35,836	35,836	23,800
FUND BALANCES, BEGINNING (RESTATED)	91,996	109,864	396,118	286,254	86,064
FUND BALANCES, ENDING	<u>21,996</u>	<u>109,864</u>	<u>431,954</u>	<u>322,090</u>	<u>109,864</u>

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

Moffat County School District RE-1
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date December 31,	2020	2019	2018	2017	2016	2015	2014	2013
District's portion of the net pension liability	0.2408%	0.2104%	0.2101%	0.2423%	0.2540%	0.2656%	0.2824%	0.2974%
District's proportionate share of the net pension liability	36,408,162	31,426,295	37,202,686	78,335,658	75,628,160	40,623,395	38,269,580	37,932,017
State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	-	3,537,357	4,475,050	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>36,408,162</u>	<u>34,963,652</u>	<u>41,677,736</u>	<u>78,335,658</u>	<u>75,628,160</u>	<u>40,623,395</u>	<u>38,269,580</u>	<u>37,932,017</u>
District's covered payroll	12,705,625	12,359,302	11,565,065	11,729,660	11,696,271	11,649,930	11,815,170	12,248,456
District's proportionate share of the net pension liability as a percentage of its covered payroll	287%	254%	322%	668%	647%	349%	324%	317%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	59.20%	62.84%	62.84%	64.07%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2014.

The accompanying notes to RSI are an integral part of these statements.

Moffat County School District RE-1
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	2,523,575	2,554,722	2,283,348	2,043,195	2,066,885	2,005,997	1,943,497	1,861,851
Contributions in relation to the contractually required contribution	<u>(2,523,575)</u>	<u>(2,554,722)</u>	<u>(2,283,348)</u>	<u>(2,043,195)</u>	<u>(2,066,885)</u>	<u>(2,005,997)</u>	<u>(1,943,497)</u>	<u>(1,861,851)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered payroll	12,694,039	13,354,532	11,935,954	11,729,660	11,696,271	11,649,930	11,815,170	12,248,456
Contributions as a percentage of covered payroll	19.88%	19.13%	19.13%	17.42%	17.67%	17.22%	16.45%	15.20%

* Information is only available beginning in fiscal year 2014.

The accompanying notes to RSI are an integral part of these statements.

Moffat County School District RE-1
Schedule of District's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.1393%	0.1375%	0.1365%	0.1376%	0.1444%
District's proportionate share of the net OPEB liability	1,323,968	1,544,982	1,857,754	1,787,770	1,871,954
District's covered payroll	12,705,625	12,359,302	11,565,065	11,729,660	11,696,271
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10%	13%	16%	15%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2017.

The accompanying notes to RSI are an integral part of these statements.

Moffat County School District RE-1
Schedule of District OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	129,479	136,216	121,747	170,908	116,284
Contributions in relation to the contractually required contribution	<u>(129,479)</u>	<u>(136,216)</u>	<u>(121,747)</u>	<u>(170,908)</u>	<u>(116,284)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered payroll	12,694,039	13,354,510	11,935,980	11,729,660	11,696,271
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.46%	0.99%

* Information is only available beginning in fiscal year 2017.

The accompanying notes to RSI are an integral part of these statements.

Moffat County School District RE-1
Notes to the Required Supplementary Information
June 30, 2021

I. Schedule of District's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and Denver Public School ("DPS") Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

2. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

3. Changes Since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the fiduciary net position (the "FNP"), thereby eliminating the need to apply the municipal bond index rate.

Moffat County School District RE-1
Notes to the Required Supplementary Information
June 30, 2021
(continued)

I. Schedule of District's Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

4. Changes Since the December 31, 2016 actuarial valuation:

- The SEIR was lowered from 5.26 percent to 4.78 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

5. Changes Since the December 31, 2015 actuarial valuation:

- The investment return assumption was lowered from 7.5 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to 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.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIRFDN for the SCHDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate

6. Changes Since the December 31, 2014 actuarial valuation:

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

Moffat County School District RE-1
Notes to the Required Supplementary Information
June 30, 2021
(continued)

I. Schedule of District's Proportionate Share of the Net Pension Liability (continued)

B. Changes to assumptions or other inputs (continued)

6. Changes Since the December 31, 2014 actuarial valuation (continued):

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

C. Changes of benefit terms.

No changes during the years presented above.

D. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

II. Notes to the Schedule of District Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms.

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented above.

III. Schedule of the District's Proportionate Share of the OPEB Liability

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

C. Changes of size or composition of population covered by terms

No changes during the years presented.

Moffat County School District RE-1
Notes to the Required Supplementary Information
June 30, 2021
(continued)

IV. Notes to the Schedule of District OPEB Contributions

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2019 actuarial valuation:

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.1 above.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.



Moffat County School District RE-1

Supplementary Information

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Debt Service Fund
Bond Redemption Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>			Final Budget Variance Positive (Negative)	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
REVENUES					
Property taxes	2,271,200	2,271,200	2,684,026	412,826	2,296,403
Interest Income	15,000	15,000	287	(14,713)	18,457
Total revenues	<u>2,286,200</u>	<u>2,286,200</u>	<u>2,684,313</u>	<u>398,113</u>	<u>2,314,860</u>
EXPENDITURES					
Debt service:					
Principal	1,745,000	1,745,000	1,745,000	-	1,690,000
Interest	526,200	526,200	526,200	-	579,850
Fiscal charges	1,500	1,500	1,100	400	1,250
Total expenditures	<u>2,272,700</u>	<u>2,272,700</u>	<u>2,272,300</u>	<u>400</u>	<u>2,271,100</u>
NET CHANGE IN FUND BALANCES	13,500	13,500	412,013	398,513	43,760
FUND BALANCES, BEGINNING	<u>2,474,691</u>	<u>2,504,951</u>	<u>2,504,952</u>	<u>1</u>	<u>2,461,192</u>
FUND BALANCES, ENDING	<u><u>2,488,191</u></u>	<u><u>2,518,451</u></u>	<u><u>2,916,965</u></u>	<u><u>398,514</u></u>	<u><u>2,504,952</u></u>

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual (GAAP Basis)
Capital Reserve Fund
Capital Projects Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>			<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Final Budget Variance Positive (Negative)</u>
REVENUES				<u>Actual Amounts</u>
State income	372,500	372,500	765,181	392,681
Federal income	-	-	-	12,580
Other local income	3,500	3,500	328	(3,172)
	<u>376,000</u>	<u>376,000</u>	<u>765,509</u>	<u>401,329</u>
Total revenues				
EXPENDITURES				
Facilities improvements and repairs	1,564,300	1,914,300	1,274,541	639,759
Other vehicles	-	-	-	-
Principal	830,000	830,000	758,974	71,026
Interest	-	-	58,682	(58,682)
	<u>2,394,300</u>	<u>2,744,300</u>	<u>2,092,197</u>	<u>652,103</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,018,300)	(2,368,300)	(1,326,688)	1,041,612
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	500,000	500,000	123,660	(376,340)
Sale of capital assets	-	-	65,738	65,738
Transfers in (out)	770,000	1,120,000	2,262,396	1,142,396
	<u>1,270,000</u>	<u>1,620,000</u>	<u>2,451,794</u>	<u>831,794</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCES	(748,300)	(748,300)	1,125,106	1,873,406
FUND BALANCES, BEGINNING	1,100,875	1,099,194	1,099,194	-
FUND BALANCES, ENDING	<u>352,575</u>	<u>350,894</u>	<u>2,224,300</u>	<u>1,873,406</u>

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (GAAP Basis)
Internal Service Funds
Medical Benefits Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
REVENUES					
Insurance premiums	1,900,000	1,900,000	1,851,526	(48,474)	1,566,877
Investment income	46,000	46,000	2,813	(43,187)	41,955
Other revenue	100,000	100,000	672,319	572,319	106,073
Total revenues	<u>2,046,000</u>	<u>2,046,000</u>	<u>2,526,658</u>	<u>480,658</u>	<u>1,714,905</u>
EXPENDITURES					
Claims	1,800,000	1,800,000	2,260,584	(460,584)	2,133,507
Administrative costs	500,000	500,000	481,495	18,505	427,103
Total expenditures	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,742,079</u>	<u>(442,079)</u>	<u>2,560,610</u>
CHANGE IN NET POSITION	(254,000)	(254,000)	(215,421)	38,579	(845,705)
NET POSITION - BEGINNING OF THE YEAR	<u>2,412,551</u>	<u>2,295,844</u>	<u>2,295,845</u>	<u>1</u>	<u>3,141,550</u>
NET POSITION - END OF THE YEAR	<u><u>2,158,551</u></u>	<u><u>2,041,844</u></u>	<u><u>2,080,424</u></u>	<u><u>38,580</u></u>	<u><u>2,295,845</u></u>

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fiduciary
Assets and Liabilities - Budget and Actual (GAAP Basis)
Fiduciary Fund
Student Activity Agency Fund
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>			Final Budget Variance Positive (Negative)	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
ADDITIONS					
Programs	500,000	500,000	-	(500,000)	265,489
Total additions	500,000	500,000	-	(500,000)	265,489
DEDUCTIONS					
Programs	500,000	500,000	-	500,000	282,772
Total deductions	500,000	500,000	-	500,000	282,772
CHANGE IN FIDUCIARY ASSETS AND LIABILITIES	-	-	-	-	(17,283)
DUE TO STUDENT ACTIVITIES, BEGINNING (RESTATED)	312,807	286,253	-	(286,253)	303,536
DUE TO STUDENT ACTIVITIES, ENDING	312,807	286,253	-	(286,253)	286,253

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

Moffat County School District RE-1
Schedule of Capital Assets
Used in the Operation of Governmental Funds
Comparative Schedule
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Governmental funds capital assets:		
Land	297,333	297,333
Land improvements	125,363	187,518
Buildings and improvements	25,682,709	26,673,345
Equipment	2,433,646	2,641,814
Vehicles	842,909	924,862
Construction in progress	<u>1,649,814</u>	<u>786,680</u>
 Total governmental funds capital assets	 <u><u>31,031,774</u></u>	 <u><u>31,511,552</u></u>

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



Moffat County School District RE-1

Statutory Information



Colorado Department of Education
Auditors Integrity Report
 District: 2020 - Moffat County RE: No 1
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

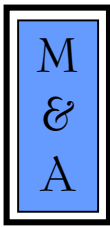
Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	7,939,470	23,541,237	21,394,721	10,085,986
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	7,939,470	23,541,237	21,394,721	10,085,986
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	175,876	1,104,903	836,774	444,005
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	396,117	346,842	311,006	431,953
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,504,952	2,684,313	2,272,300	2,916,965
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	1,099,194	3,217,303	2,092,197	2,224,301
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	12,115,609	30,894,599	26,906,998	16,103,209
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	2,295,845	675,132	890,553	2,080,424
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	2,295,845	675,132	890,553	2,080,424
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Moffat County School District RE-1

**Reports and Schedules for Reporting Requirements
of Uniform Guidance**



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

**To the Board of Education
Moffat County School District RE-1
Craig, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Moffat County School District RE-1 (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

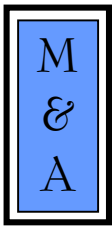
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
January 31, 2022**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**To the Board of Education
Moffat County School District RE-1
Craig, Colorado**

Report on Compliance for Each Major Program

We have audited the Moffat County School District RE-1's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of this Report

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


McMahan and Associates, L.L.C.
January 31, 2022

Moffat County School District RE-1, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021
(Continued)

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Title 2 U.S. Code of Federal Regulations Part 200</i>	None noted
Major program –	
Covid-19 Elementary and Secondary School Emergency Relief -	
Fund I	CFDA #84.425D
Fund II	CFDA #84.425D
Fund III	CFDA #84.425U
Coronavirus Relief Fund	CFDA #21.019
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted

Moffat County School District RE-1, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021
(Continued)

Auditor-assigned reference number

Not applicable

Moffat County School District RE-1
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Note: There were no findings for the fiscal year ended June 30, 2020.

Moffat County School District RE-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Program Title	Federal ALN Number	Grant Project Code	Expenditures
United States Department of Education			
Passed through Colorado Department of Education:			
Title I - ESEA	84.010	4010	\$ 391,705
IDEA Part B: Special Education-Grants to States	84.027	4027	485,643 A
IDEA Part B: Special Education-Preschool	84.173	4173	21,878 A
Title III Part A - English Language Enhancement	84.365	4365	15,852
Title II Part A: Teacher and Principal Training and Recruiting	84.367	4367	79,900
Student Support and Academic Enrichment	84.424A	4424	23,325
COVID-19 - Elementary and Secondary School Emergency Relief Funds I	84.425D	4425	261,396
COVID-19 - Elementary and Secondary School Emergency Relief Funds I - Supplemental	84.425D	5425	2,331
COVID-19 - Elementary and Secondary School Emergency Relief Funds II	84.425D	4420	1,240,770
COVID-19 - Elementary and Secondary School Emergency Relief Funds II - Supplemental	84.425D	4419	20,871
COVID-19 - Elementary and Secondary School Emergency Relief Funds III	84.425U	4414	1,203,474
Subtotal - COVID-19 - Elementary and Secondary School Emergency Relief Funds			<u>2,728,842</u>
Passed through State Board of Community Colleges:			
Carl Perkins Career and Technical Education	84.048	5048	10,355
Passed through Colorado Department of Human Services:			
Colorado Preschool Development	93.434	7434	28,321
Total United States Department of Education			<u>3,785,821</u>
United States Treasury:			
Passed through Colorado Department of Education:			
Coronavirus Relief Fund	21.019	4012	869,803
Coronavirus Relief Fund: K-12 At-Risk Pupils	21.019	5012	85,003
Subtotal Coronavirus Relief Fund			<u>954,806</u>
United States Department of Agriculture:			
Passed through Moffat County Treasurer:			
Schools and Roads - Grants to States	10.665	7665	7,968 B
Passed through Colorado Department of Human Services:			
Food Distribution Commodities	10.555	4555	40,677 C
Passed through Colorado Department of Education:			
COVID-19 - National School Lunch Program	10.555	4555	129,922 C
Summer Food Service Program for Children	10.559	4559	904,307 C
Total United States Department of Agriculture			<u>1,082,874</u>
Total Federal Expenditures			<u>\$ 5,823,501</u>
Additional Information for Clusters:			
A - IDEA Cluster	\$ 507,521		
B - Forest Service Schools and Roads Cluster	\$ 7,968		
C - Child Nutrition Cluster	\$ 1,074,906		

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2021

Note 1. Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Moffat County School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

Note 2. Determining the Value of Non-Cash Awards Expended:

Food Commodities: Valued at the assessed value provided by the federal agency.

Note 3. Sub recipients:

Moffat County School District did not provide any federal awards received to sub recipients.

Note 4. Indirect Facilities and Administration costs:

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs.