

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SAGUACHE, COLORADO**

FINANCIAL STATEMENTS

June 30, 2021



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1

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Wall,
Smith,
Bateman Inc.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Mountain Valley School District RE-1
Saguache, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain Valley 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.

Auditors' Responsibility

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

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

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

Opinions

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

Certified Public Accountants

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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial schedules and the Colorado School District Auditor's Integrity Report are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 22, 2022

Mountain Valley School District RE-1

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

As management of Mountain Valley School District, we offer readers of the Mountain Valley School District's financial statements this narrative overview and analysis of the financial activities of the Mountain Valley School District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights 2021

- Total net position as of June 30, 2020 was 23,904,977. Total Net Position as of June 30, 2021 was 24,814,184 an increase of \$909,207.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$2,508,969 or 65% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,338,876 of total revenues.
- The District had \$2,938,638 in expenses related to governmental activities; \$1,338,876 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$2,508,969 provided for these programs.
- Revenue in the Food Service Fund from charges for services and operating grants and contributions was not sufficient to cover expenses in the 2021 fiscal year and was subsidized by the General Fund.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental fund statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and include a comparison to the District's budget for the year.

District-wide Financial Statements

The District-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Mountain Valley School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of Mountain Valley School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

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

Both of the District-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Included in governmental activities are most of the District's basic services such as regular and special education, transportation, administration, and the food service program.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant, or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Mountain Valley School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the District-wide statements, additional schedules explain the relationship (or differences) between them.

Mountain Valley School District maintains six 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 the fund balances for the (1) General Fund which includes PreSchool Fund, (2) Food Service Fund, (3) Governmental Designated Purpose Grants Fund, (4) Building Fund, (5) Debt Service Fund, and (6) Student Activity Fund.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes other budget-to-actual information as dictated by State law.

District-wide Financial Analysis

Government-wide Analysis:

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 75% of the annual property tax assessment in the first half of the calendar year.

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

Capital Assets are used in the operation of the District. These assets are land, buildings and improvements, machinery and equipment, and vehicles. Capital assets are discussed in greater detail in the section title, Capital Assets and Long-Term Debt, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets, or new resources that become available during fiscal year 2021. Long-term liabilities such as long-term debt obligations and compensated absences payable, will be liquidated from resources that will become available after fiscal year 2021. A comparative analysis is provided.

Table I
Statement of Net Position
June 30, 2020 and 2021

	Governmental Activities 2020	Governmental Activities 2021
Assets		
Current Assets	\$ 3,906,872	\$ 3,093,823
Capital Assets	30,302,139	30,091,283
Total Assets	304,209,011	33,185,106
Deferred Outflows of Resources		
Pensions	492,285	1,397,338
OPEB	16,049	18,789
Total Deferred Outflows of Resources	508,334	1,416,127
Liabilities		
Other Liabilities	1,319,763	440,208
Long-term Liab.	7,080,389	7,520,555
Total Liabilities	8,400,152	7,960,763
Deferred Inflows of Resources		
Unavailable Revenue-Property Tax	61,601	63,355
Pensions	2,318,359	1,714,425
OPEB	32,256	48,506
Total Deferred Inflows of Resources	2,412,216	1,826,286
Net Position		
Net Investment in Capital Assets	26,850,254	26,781,709
Restricted for TABOR	100,000	100,000
Restricted for Preschool	7,743	27,031
Restricted for BEST Capital Renewal	-	14,100
Restricted for Debt Service	244,660	271,159
Unrestricted	(3,297,680)	(2,379,815)
Total Net Position	\$ 23,904,977	\$ 24,814,184

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

Table II provides a summary of the changes in net position. The following table is a specific discussion related to overall revenues and expenses.

Table II
Condensed Statement of Changes in Net Position
Fiscal Year 2020 and 2021

Revenues	Governmental Activities 2020	Governmental Activities 2021
Program Revenues:		
Charges for Services	\$ -	\$ -
Oper. Grants & Contributions	1,189,099	1,338,876
Capital Grants & Contributions	9,038,206	-
General Revenues:		
Property Taxes	983,463	818,250
State Equalization	1,669,229	1,515,919
Investment	22,679	2,717
Other	10,399	172,083
Total Revenues	12,913,075	3,847,845
Expenses		
Instructional Program	1,947,098	1,401,191
Student Support Services	738,209	355,581
Instr. Staff Support Services	128,246	177,784
Gen. Admin. Support Services	225,396	189,079
Sch. Admin. Support Services	95,287	91,358
Business Support Services	97,598	97,337
O&M of Plant Services	287,020	192,447
Student Trans. Services	153,873	111,902
Central Support Services	110,090	104,192
Food Services	139,427	102,410
Interest on Long-term Debt	120,102	115,357
Total Expenses	4,042,346	2,938,638
Change in Position	8,870,729	909,207
Net Position - Beginning of Year	15,034,248	23,904,977
Net Position - End of Year	\$ 23,904,977	\$ 24,814,184

In the previous year, property taxes and per pupil state formula revenue (state equalization) accounted for most of the District's revenue, contributing about 21%. Normally State and Federal grants and private partnership grants contribute about 38% of revenue. Normally interest on investments, other sources, and miscellaneous contribute the remaining 1%.

In fiscal year 2021, the revenue percentage of property taxes and state equalization is 60%, grants 35%, and all other 5%.

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

The District expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Mountain Valley School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

The effect of the PERA pension and OPEB on the District's total net position for the Fiscal Year 2020 and 2021 is summarized below:

	Fiscal Year 2020	Fiscal Year 2021
Net Position (GAAP Basis)	\$23,904,977	\$24,814,184
GASB 68-Pension	5,378,463	4,456,798
GASB 75- OPEB	190,818	180,343
Net Position Excluding Pension and OPEB	\$29,474,258	\$29,451,325

The effect of the PERA pension and OPEB expense on the District's unrestricted net position is summarized below:

	Fiscal Year 2020	Fiscal Year 2021
Net Position (GAAP Basis)	\$(3,297,680)	\$(2,379,815)
GASB 68-Pension	5,378,463	4,456,798
GASB 75- OPEB	190,818	180,343
Net Position Excluding Pension and OPEB	\$2,271,601	\$2,257,326

Governmental Activities

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements. 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 financial requirements. In particular, unrestricted fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$16,209.75 per funded student. In fiscal year 2021, the funded pupil count was 151.8. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization. The District received approximately 26% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table III reflects each program's net cost (total cost less fees generated by the programs and

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

Table III
Cost of Services-Governmental Activities
Fiscal Year 2020 and 2021

	Total Cost 2020	Net Cost 2020	Total Cost 2021	Net Cost 2021
Instructional Program	1,946,383	(1,135,842)	1,401,191	(472,216)
Student Support Services	737,599	(382,322)	355,581	(69,275)
Instructional Staff Support Services	128,246	(128,246)	177,784	(177,784)
General Admin. Support Services	225,396	(220,175)	189,079	(189,079)
School Admin. Support Services	95,287	(95,287)	91,358	(91,358)
Business Support Services	97,598	(97,598)	97,337	(97,337)
Operations & Maintenance of Plant	287,020	(284,296)	192,447	(192,447)
Services	-	-	-	-
Student Transportation Services	153,873	(117,598)	111,902	(75,787)
Central Supporting Services	110,090	(110,090)	104,192	(104,192)
Food Service	140,030	(71,711)	102,410	(14,930)
Facilities Acquisition and Constructio	-	8,948,226	-	-
Interest on Long-term Debt	120,102	(120,102)	115,357	(115,357)
Total	4,041,624	6,184,959	2,938,638	(1,599,762)

Financial Analysis of the District's Funds

Information about the District's funds starts on page 9. Governmental funds are accounted for using the modified accrual basis of accounting. Fiduciary funds are accounted for using the full accrual basis of accounting.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado Law and is based on accounting for certain transactions on the modified accrual basis.

Capital Assets and Debt Administration

By the end of the fiscal year 2021, the District had invested \$30,091,283 in a broad range of capital assets, including buildings and improvements, machinery and equipment, and vehicles. (See Table IV)

**Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)**

**Table IV
Capital Assets at June 30, 2020 and 2021**

	Governmental Activities 2020	Governmental Activities 2021
Buildings and Improvements	\$ 29,952,563	\$ 30,292,102
Equipment	545,126	584,358
Vehicles	442,482	442,482
Accumulated Depreciation	(638,032)	(1,227,659)
Totals	30,302,139	30,091,283
Governmental Activities Capital Assets	<u>30,302,139</u>	<u>30,091,283</u>

Long-Term Liabilities

At June 30, 2021, the District had \$3,378,229 in long-term liabilities. Table V details the long-term liabilities for the District.

**Table V
Long-Term Liabilities
Current and Total at June 30, 2020 and 2021**

	Governmental Activities 2020	Governmental Activities 2021
Bonds Payable - Series 2017	\$ 3,451,885	\$ 68,655
Compensated Absences	46,940	3,309,574
	<u>\$ 3,498,825</u>	<u>\$ 3,378,229</u>

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues. Because educational expenditures represent a significant portion of the State of Colorado's budget, the district revenues were adversely impacted. The outlook and forecast for school funding in the future continues to be bleak. In fiscal year 2015, the state finally began to backfill some of the funding cuts that were a result of the past recession. The District continues to work hard to manage funds wisely and prudently.

Mountain Valley School District RE-1
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021 (Continued)

- The Mountain Valley School District continues its efforts in educational reform with cooperation from administration, certified staff, classified staff, parents, community members, and the local board of education. The District has established partnerships with valley educational institutions and state organizations to assist in the curriculum reform effort.
- Mountain Valley School District has been successful in the past with obtaining grants Serve Colorado, and Expelled and At Risk Student Services Grant from CDE. With these organizations, we continue to develop and evaluate student-focused strategies for increasing student attendance and achievement, as is evidenced by the quality teaching strategies found in our classrooms. These efforts have resulted in improvements in our educational programs that are evidenced by the educational awards the District continues to receive.
- Additional funding to the district came through the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was enacted on March 27, 2020 – a \$2 trillion package of assistance measures that include direct payment to families, loans for small businesses, and support for business and funding for education. Four education funding streams from the CARES Act were the Coronavirus Relief Fund, the Elementary and Secondary School Emergency Relief (ESSER) Fund. Governor's Emergency Education Relief (GEER) Fund and nutrition. In May 2020, the School received \$242,238.37 through the Coronavirus Relief Fund of which \$231,746.89 was deferred to use in the fiscal year 2021. These funding sources are to address the impact COVID-19 has had and continues to have on elementary and secondary schools. No adjustments have been made to these financial statements as the potential impact is unknown at this time.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent of Schools, Mountain Valley School District, 403 Pitkin, Saguache, CO 81149.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1

BASIC FINANCIAL STATEMENTS

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1

STATEMENT OF NET POSITION

June 30, 2021

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 2,629,565
Property Taxes Receivable	112,359
Intergovernmental Receivable	349,575
Inventory	2,324
Capital Assets	
Buildings	30,292,102
Vehicles	442,482
Equipment	584,358
Less: Accumulated Depreciation	(1,227,659)
TOTAL ASSETS	<u>33,185,106</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	1,397,338
OPEB	18,789
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,416,127</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	26,117
Accrued Expenses	198,851
Grants Unearned Revenue	67,229
Compensated Absences	875
General Obligation Bonds	147,136
Long-term Liabilities	
Compensated Absences	67,780
General Obligation Bonds	3,162,438
Net Pension Liability	4,139,711
Net OPEB Liability	150,626
TOTAL LIABILITIES	<u>7,960,763</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue- Property Tax	63,355
Pension	1,714,425
OPEB	48,506
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,826,286</u>
NET POSITION	
Net Investment in Capital Assets	26,781,709
Restricted for TABOR	100,000
Restricted for Preschool	27,031
Restricted for BEST Capital Renewal	14,100
Restricted for Debt Service	271,159
Unrestricted	(2,379,815)
TOTAL NET POSITION	<u>\$ 24,814,184</u>

The accompanying notes are an integral part of this financial statement.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government
Primary Government:					
Governmental Activities:					
Instructional Program	\$ 1,401,191	\$ -	\$ 928,975	\$ -	\$ (472,216)
Student Supporting Services	355,581	-	286,306	-	(69,275)
Instructional Staff Supporting Services	177,784	-	-	-	(177,784)
General Administration Supporting Services	189,079	-	-	-	(189,079)
School Administration Supporting Services	91,358	-	-	-	(91,358)
Business Supporting Services	97,337	-	-	-	(97,337)
Operations and Maintenance of Plant Services	192,447	-	-	-	(192,447)
Student Transportation Services	111,902	-	36,115	-	(75,787)
Central Supporting Services	104,192	-	-	-	(104,192)
Food Services	102,410	-	87,480	-	(14,930)
Facilities Acquisition and Construction Services	-	-	-	-	-
Interest on Long-term Debt	115,357	-	-	-	(115,357)
Total Governmental Activities	\$ 2,938,638	\$ -	\$ 1,338,876	\$ -	(1,599,762)
General Revenues:					
Taxes:					
					818,250
					172,083
					1,515,919
					2,717
					-
					2,508,969
					909,207
					23,904,977
					\$ 24,814,184

The accompanying notes are an integral part of this financial statement.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021

	<u>GENERAL FUND</u>	<u>GRANTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>BUILDING FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash and Investments	\$ 2,012,784	\$ 111,855	\$ 242,297	\$ 149,204	\$ 113,425	\$ 2,629,565
Property Taxes Receivable	70,120	-	42,239	-	-	112,359
Intergovernmental Receivable	13,275	314,342	21,641	-	317	349,575
Due From Other Funds	345,522	-	-	-	-	345,522
Inventory	-	-	-	-	2,324	2,324
TOTAL ASSETS	<u>\$ 2,441,701</u>	<u>\$ 426,197</u>	<u>\$ 306,177</u>	<u>\$ 149,204</u>	<u>\$ 116,066</u>	<u>\$ 3,439,345</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 4,679	\$ 11,927	\$ -	\$ -	\$ 9,511	\$ 26,117
Accrued Expenses	164,415	15,390	10,522	-	8,524	198,851
Due To Other Funds	-	345,522	-	-	-	345,522
Grant Unearned Revenue	15,126	52,103	-	-	-	67,229
TOTAL LIABILITIES	<u>184,220</u>	<u>424,942</u>	<u>10,522</u>	<u>-</u>	<u>18,035</u>	<u>637,719</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue- Property Tax	38,859	-	24,496	-	-	63,355
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>38,859</u>	<u>-</u>	<u>24,496</u>	<u>-</u>	<u>-</u>	<u>63,355</u>
FUND BALANCE						
Nonspendable	-	-	-	-	2,324	2,324
Restricted	141,131	-	271,159	149,204	-	561,494
Committed	1,210,446	1,255	-	-	95,707	1,307,408
Unassigned	867,045	-	-	-	-	867,045
TOTAL FUND BALANCE	<u>2,218,622</u>	<u>1,255</u>	<u>271,159</u>	<u>149,204</u>	<u>98,031</u>	<u>2,738,271</u>
TOTAL LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCE	<u>\$ 2,441,701</u>	<u>\$ 426,197</u>	<u>\$ 306,177</u>	<u>\$ 149,204</u>	<u>\$ 116,066</u>	<u>\$ 3,439,345</u>

The accompanying notes are an integral part of this financial statement.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total governmental fund balances	\$	2,738,271
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	\$ 31,318,942	
Accumulated Depreciation	<u>(1,227,659)</u>	
		30,091,283
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		
		1,416,127
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds		(3,309,574)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		
		(4,290,337)
Compensated Absences		(68,655)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		
		<u>(1,762,931)</u>
Net position of governmental activities	\$	<u><u>24,814,184</u></u>

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2021

	GENERAL FUND	GRANTS FUND	DEBT SERVICE FUND	BUILDING FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Local Sources	\$ 794,429	\$ -	\$ 284,167	\$ -	\$ 43,800	\$ 1,122,396
Intermediate Sources	351	-	-	-	-	351
State Sources	1,624,553	359,597	-	-	690	1,984,840
Federal Sources	264,908	398,350	-	-	77,000	740,258
TOTAL REVENUES	2,684,241	757,947	284,167	-	121,490	3,847,845
EXPENDITURES						
Instructional Program	1,020,162	615,244	-	-	30,424	1,665,830
Pupil Support	42,776	131,797	-	-	-	174,573
Staff Support	177,784	-	-	-	-	177,784
General Administration	269,842	10,674	-	-	-	280,516
School Administration	147,302	-	-	-	-	147,302
Business Services	97,337	-	-	-	-	97,337
Operations and Maintenance	235,506	234	-	-	-	235,740
Transportation	123,527	-	-	-	-	123,527
Central Support	110,514	-	-	-	-	110,514
Facilities Acquisition and Const. Services	-	-	-	378,771	-	378,771
Food Services	-	-	-	-	130,956	130,956
Debt Services	-	-	257,668	-	-	257,668
TOTAL EXPENDITURES	2,224,750	757,949	257,668	378,771	161,380	3,780,518
Excess (Deficiency) of						
Revenues Over Expenditures	459,491	(2)	26,499	(378,771)	(39,890)	67,327
OTHER FINANCING SOURCES (USES)						
Transfer In (Out) - net	(78,718)	-	-	-	78,718	-
TOTAL OTHER FINANCING SOURCES (USES)	(78,718)	-	-	-	78,718	-
Net Change in Fund Balance	380,773	(2)	26,499	(378,771)	38,828	67,327
Fund Balance, Beginning of Year	1,837,849	1,257	244,660	527,975	59,203	2,670,944
Fund Balance, at End of Year	\$ 2,218,622	\$ 1,255	\$ 271,159	\$ 149,204	\$ 98,031	\$ 2,738,271

The accompanying notes are an integral part of this financial statement.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ 67,327

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

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 activity in the capital assets in the current period.

Fixed asset additions	\$ 378,771	
Loss on disposal of capital assets	-	
Depreciation expense	<u>(589,627)</u>	(210,856)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond Payments		142,311
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds

Compensated Absences		(21,715)
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expense.

	<u>932,140</u>	
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Change in net position of governmental activities		<u><u>\$ 909,207</u></u>
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MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

Mountain Valley School District RE-1 is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the District. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District.

Based on the aforementioned criteria, the Mountain Valley School District RE-1 has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

The Statement of Activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds, each reported as a separate column.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

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

The District reports the following major governmental funds:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Grants Fund** is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.
- The **Debt Service Fund** is used to account for the accumulation of resources for the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease-purchase debt.
- The **Building Fund** is used to account for all resources available for acquiring capital sites, buildings, and equipment. Specifically, bond and grant proceeds for the BEST K-12 construction project.

Certain eliminations have been made as prescribed in GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash

The District’s cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with initial maturity of three months or less.

Investments

All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District’s property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer.

Uncollected property taxes that became an enforceable lien January 1, 2021 have been recorded in the financial statements as an asset and a corresponding deferred inflow of resources.

Receivables/Payables From Other District Funds

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds”.

Inventories

Purchased inventories are stated at cost and consist of supplies and food to be used within one year. Donated inventory is priced at the U.S. Department of Agriculture established values.

USDA Commodities

The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture. The value of these commodities received during the year is shown as income, and the value of commodities used is shown as expense.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and construction in progress are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Property and equipment acquired for proprietary funds is capitalized in the fund. Property and equipment acquired for governmental fund operations are recorded as expenditures in the fund making the disbursement and capitalized at cost in the government wide presentation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and Site Improvements	40-80
Vehicles	10-20
Equipment	5-15

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Compensated Absences

Accumulated unpaid personal and vacation pay benefits are serviced from other revenues in the General Fund. The unpaid benefits are reflected as long-term liabilities in the government wide presentation.

Unearned Grant Revenues

Unearned revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

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

Certain amounts related to pensions and other postemployment benefits must be deferred.

Pensions

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

Other Postemployment Benefits

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) 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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent is expressed by the Board of Education.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

As of June 30, 2021, fund balances are composed of the following:

	General Fund	Grants Fund	Debt Service Fund	Building Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ 2,324	\$ 2,324
Restricted						
TABOR	100,000	-	-	-	-	100,000
CO Preschool Program	27,031	-	-	-	-	27,031
Capital Projects	-	-	-	149,204	-	149,204
BEST Capital Renewal	14,100	-	-	-	-	14,100
Debt Service	-	-	271,159	-	-	271,159
	<u>141,131</u>	<u>-</u>	<u>271,159</u>	<u>149,204</u>	<u>-</u>	<u>561,494</u>
Committed						
Grants	-	1,255	-	-	-	1,255
Facility	50,000	-	-	-	-	50,000
Technology	13,900	-	-	-	-	13,900
Transportation	26,220	-	-	-	-	26,220
BEST Health Plan	104,747	-	-	-	-	104,747
Curriculum	100,000	-	-	-	-	100,000
Staff Retention	100,000	-	-	-	-	100,000
Athletics	100,000	-	-	-	-	100,000
V2V	215,579	-	-	-	-	215,579
Subsequent Years	500,000	-	-	-	-	500,000
Food Service	-	-	-	-	29,804	29,804
Pupil Activities	-	-	-	-	65,903	65,903
	<u>1,210,446</u>	<u>1,255</u>	<u>-</u>	<u>-</u>	<u>95,707</u>	<u>1,307,408</u>
Unassigned	<u>867,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>867,045</u>
Total Fund Balance	<u>\$ 2,218,622</u>	<u>\$ 1,255</u>	<u>\$ 271,159</u>	<u>\$ 149,204</u>	<u>\$ 98,031</u>	<u>\$ 2,738,271</u>

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

Encumbrances

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassification

Certain amounts in fiscal year 2020 have been reclassified to conform to fiscal year 2021 financial statement presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Mountain Valley School District RE-1 follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than May 31 for the fiscal year commencing the following July 1.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.
- 5) Final Budgets are required to be filed with the Commissioner of Education by October 15.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash, Deposits, and Investments for the District are as follows:

Cash and Equivalents	\$ 402,277
Cash with Fiscal Agent	149,204
Investments	2,078,084
Total cash, deposits, and investments on the Statement of Net Position	<u>\$ 2,629,565</u>

Cash and Deposits

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does have a deposit policy for custodial credit risk. As of year-end, \$14,517 of the District's bank balance of \$507,564 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest. They include the following:

- Obligations of the United States and certain U.S. governments agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Fair Value

Fair value investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs. The District does not have any investments measured at fair value at June 30, 2021.

State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper, are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of the nationally recognized rating agencies. COLOTRUST has over \$1 billion in assets, is rated AAAM by Standard and Poors, and maintains a constant net asset value of \$1 per share. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. Financial statements for COLOTRUST are available on www.colotruster.com.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligation. State statutes limit investments in U.S. Agency securities to the highest rating issued by Nationally Recognized Statistical Rating Organizations (NRSROs).

Concentration of Credit Risk – The risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District has not established a policy limiting the investment in any type of security and deems it unnecessary at this time.

NOTE 4 INVENTORIES

Food Service Fund inventory as of June 30, 2021, of \$2,324, consisted of purchased inventory and donated commodities. Purchased inventories are stated at cost. Donated inventories received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt plus an allowance for any processing charges paid to the third party vendor.

NOTE 5 PROPERTY TAXES RECEIVABLE

Property taxes receivable at June 30, 2021, consisted of the following:

General Fund	\$ 70,120
Debt Service Fund	<u>42,239</u>
	<u><u>\$ 112,359</u></u>

NOTE 6 INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables include amounts due from grantors for specific program grants and amounts held with the County Treasurer. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of June 30, 2021, the District had \$349,575 due from Federal, State, and Local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The District reported interfund balances between funds. The balance resulted from amounts owed to the General Fund as reimbursement for payment of credit card charges at the end of the year. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at June 30, 2021, were as follows:

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Receivable Fund	Payable Fund	Total
General Fund	Grant Fund	\$ 345,522

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, were as follows:

Transfers In	Transfer Out	Total
Student Activity Fund	General Fund	\$ 14,000
Food Service Fund	General Fund	64,718
		\$ 78,718

These transfers were made to subsidize the Activity Fund and the Food Service Fund.

NOTE 8 CAPITAL ASSETS

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

	Balance 06/30/2020	Additions	Deletions	Balance 06/30/2021
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Buildings and site improvements	29,952,563	339,539	-	30,292,102
Vehicles	442,482	-	-	442,482
Equipment	545,126	39,232	-	584,358
Total capital assets being depreciated	30,940,171	378,771	-	31,318,942
Less accumulated depreciation for:				
Buildings and site improvements	253,915	505,361	-	759,276
Vehicles	336,045	41,424	-	377,469
Equipment	48,072	42,842	-	90,914
Total accumulated depreciation	638,032	589,627	-	1,227,659
Total Capital Assets being depreciated, net	30,302,139	(210,856)	-	30,091,283
Governmental Activities Capital Assets, net	\$ 30,302,139	\$ (210,856)	\$ -	\$ 30,091,283

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

<i>Governmental activities:</i>	
Instructional Program	\$ 286,417
Supporting Services	243,984
Student Transportation Services	41,424
Operations and Maintenance of Plant Services	9,338
Food Service	8,464
Total Depreciation Expense	\$ 589,627

NOTE 9 ACCRUED SALARIES AND BENEFITS

The teachers, administrators, and the administrative staff are employed under nine, and ten month contracts. All District employees are paid on a twelve-month basis and, therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$198,851.

NOTE 10 OPERATING LEASES

The District has entered into several operating lease arrangements for several copy machines. These leases are considered for accounting purposes as operating leases. Lease expense for the year totaled \$12,059.

NOTE 11 LONG-TERM OBLIGATIONS

The District's long-term obligation balances for the year ended June 30, 2021, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<i>Governmental activities:</i>					
Bonds Payable - Series 2017	\$ 3,451,885	\$ -	\$ 142,311	\$ 3,309,574	\$ 147,136
Compensated Absences	46,940	21,715	-	68,655	875
 Total	\$ 3,498,825	\$ 21,715	\$ 142,311	\$ 3,378,229	\$ 148,011

General Obligation Bond Payable

On December 7, 2017, the District issued general obligation bonds series 2017 in the amount of \$3,724,699 with an interest rate of 3.39% to be paid in full December 1, 2037. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction of the new school building and facilities.

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The annual debt service for the General Obligation Bond payable is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
FY 2022	\$ 147,136	\$ 109,284	\$ 256,420
FY 2023	152,124	104,198	256,322
FY 2024	157,281	98,939	256,220
FY 2025	162,612	93,502	256,114
FY 2026	168,125	87,881	256,006
FY 2027-2031	930,080	348,178	1,278,258
FY 2032-2036	1,098,786	176,137	1,274,923
FY 2037-2038	493,430	15,476	508,906
	<u>\$ 3,309,574</u>	<u>\$ 1,033,595</u>	<u>\$ 4,343,169</u>

NOTE 12 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

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

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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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 percent 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 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of June 30, 2021. Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer 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 \$272,530 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 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 proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer 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 nonemployer 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 \$4,139,711 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

Mountain Valley School District's proportionate share of the net position liability	\$	4,139,711
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Mountain Valley School District		-
Total	\$	4,139,711

At December 31, 2020, the District's proportion was 0.0274 percent, which was an increase of 0.0036 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$921,665) and revenue of \$0 for support from the State as a nonemployer contributing entity. 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	\$ 227,457	\$ -
Changes of assumptions or other inputs	398,227	695,850
Net difference between projected and actual earnings on pension plan investments	-	911,245
Changes in proportion and differences between contributions recognized and proportionate share of contributions	633,841	107,330
Contributions subsequent to the measurement date	137,813	-
Total	\$ 1,397,338	\$ 1,714,425

\$137,813 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended June 30,		
2022	\$	(553,687)
2023		308,705
2024		(66,164)
2025		(143,754)
2026		-
Thereafter		-

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)	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.

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

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, 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.

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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.

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.

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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.

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 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.

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- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 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 nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. 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 fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 5,646,905	\$ 4,139,711	\$ 2,883,722

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

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NOTE 13 OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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 maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

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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 \$13,983 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$150,626 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's proportion of the net OPEB liability was based on the District's 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 0.0159 percent, which was an increase of 0.0154 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021 the District recognized OPEB expense of (\$10,475). At June 30, 2021, 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
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 400	\$ 33,115
Net difference between projected and actual earnings on OPEB plan investments	-	6,155
Changes of assumptions or other inputs	1,125	9,236
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,193	-
Contributions subsequent to the measurement date	7,071	-
Total	<u>\$ 18,789</u>	<u>\$ 48,506</u>

\$7,071 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 June 30,	
2022	(8,386)
2023	(7,525)
2024	(8,674)
2025	(8,768)
2026	(3,228)
Thereafter	(206)

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:

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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% 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% in 2020, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Initial Costs for Members without Medicare Part A			
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

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.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
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+	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 are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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.

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June 30, 2021

	Trust Fund School Division
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.40%-11.00%

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.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee 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 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 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 head-count weighted basis.

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.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

- 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.

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	<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 percent.

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

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	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 146,733	\$ 150,626	\$ 155,158

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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 172,545	\$ 150,626	\$ 131,898

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June 30, 2021

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

NOTE 14 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended June 30, 2021, program members contributed \$16,365 for the Voluntary Investment Program.

NOTE 15 JOINT VENTURES AND RELATED PARTIES

The District participates in the following entities. These joint ventures and related parties do not meet the criteria for inclusion within the reporting entity because the following entities:

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,
- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

San Luis Valley Board of Cooperative Educational Services (BOCES)

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is approximately 7% at June 30, 2021. Complete separate financial statements may be obtained from BOCES.

Colorado School Districts' Self-Insurance Pool

The District belongs to the Colorado School Districts' Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Personal Property, Crime, and other coverage. The Board of Directors is composed of eight persons, several of who are appointed by the Board of Directors of CASB and the Executive Director of CASB. The pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the aggregate Pool claims, the cost of administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2021. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

NOTE 16 COMMITMENTS AND CONTINGENCIES

The District participates in federal grant programs subject to program compliance audits by the grantors or their representatives. The amount of expenses which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

COVID-19

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. The Coronavirus Aid, Relief, and Economic Security (CARES) Act and ESSER funding has been rewarded to the District to mitigate some of the costs/losses incurred as a result of the pandemic. However, no adjustments have been made to these financial statements as the potential impact is unknown at this time.

NOTE 17 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

In November 1996, voters approved a ballot which stated that the District is authorized to collect, receive, retain, and expend all revenues including grants and other funds received during 1997 budget year and in each subsequent year thereafter from any source, notwithstanding any state restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax levy be increased nor shall any tax be imposed without the prior approval of the voters.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve is accounted for as a restricted fund balance in the General Fund balance sheet and a restricted net position in the government-wide statement of net position. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liabilities are required to supplement the basic financial statements.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 672,688	\$ 671,050	\$ 794,429	\$ 123,379
Intermediate Sources	190	190	351	161
State Sources	1,613,209	1,566,532	1,624,553	58,021
Federal Sources	111,306	299,627	264,908	(34,719)
TOTAL REVENUES	2,397,393	2,537,399	2,684,241	146,842
EXPENDITURES				
Instructional Program	913,079	1,101,670	1,020,162	81,508
Pupil Support	100,009	100,009	42,776	57,233
Staff Support	181,139	181,139	177,784	3,355
General Administration	282,606	282,606	269,842	12,764
School Administration	128,240	128,240	147,302	(19,062)
Business Services	99,464	99,464	97,337	2,127
Operations Maintenance	289,204	289,204	235,506	53,698
Transportation	149,699	149,699	123,527	26,172
Central Support	126,650	126,650	110,514	16,136
TOTAL EXPENDITURES	2,270,090	2,458,681	2,224,750	233,931
Excess (Deficiency) of Revenues Over Expenditures	127,303	78,718	459,491	380,773
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	(78,718)	(78,718)	(78,718)	-
TOTAL OTHER FINANCING SOURCES (USES)	(78,718)	(78,718)	(78,718)	-
Net Change in Fund Balance	48,585	-	380,773	380,773
Fund Balance at Beginning of Year	-	-	1,837,849	1,837,849
Fund Balance at End of Year	\$ 48,585	\$ -	\$ 2,218,622	\$ 2,218,622

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources	\$ 455,684	\$ 15,000	\$ -	\$ (15,000)
State Sources	227,301	407,941	359,597	(48,344)
Federal Sources	217,015	1,081,217	398,350	(682,867)
TOTAL REVENUES	900,000	1,504,158	757,947	(746,211)
EXPENDITURES				
Instructional Program	736,921	1,341,079	615,244	725,835
Pupil Support	144,836	144,836	131,797	13,039
Staff Support	11,000	11,000	-	11,000
General Administration	6,368	6,368	10,674	(4,306)
Operations and Maintenance	875	875	234	641
TOTAL EXPENDITURES	900,000	1,504,158	757,949	746,209
Net Change in Fund Balance	-	-	(2)	(2)
Fund Balance at Beginning of Year	-	-	1,257	1,257
Fund Balance at End of Year	\$ -	\$ -	\$ 1,255	\$ 1,255

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.0273826932%	0.0237780502%	0.0232231724%	0.0258202636%	0.0257959505%	0.0265142990%	0.0286902685%
District's proportionate share of the net pension liability (asset)	\$ 4,139,711	\$ 3,552,389	\$ 4,112,140	\$ 8,349,356	\$ 7,680,452	\$ 4,055,175	\$ 3,888,495
State's proportionate share of the net pension liability (asset) associated with the District	-	450,575	562,278	-	-	-	-
Total	<u>\$ 4,139,711</u>	<u>\$ 4,002,964</u>	<u>\$ 4,674,418</u>	<u>\$ 8,349,356</u>	<u>\$ 7,680,452</u>	<u>\$ 4,055,175</u>	<u>\$ 3,888,495</u>
District's covered payroll	\$ 1,465,872	\$ 1,396,829	\$ 1,276,702	\$ 1,191,058	\$ 1,156,620	\$ 1,155,487	\$ 1,201,917
District's proportionate share of the liability (asset) as a percentage of its covered payroll	282.41%	254.32%	322.09%	701.00%	664.04%	350.95%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.1%	59.2%	62.8%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 272,530	\$ 245,205	\$ 248,239	\$ 233,445	\$ 216,400	\$ 201,057	\$ 199,648
Contributions in relation to the contractually required contribution	<u>(272,530)</u>	<u>(245,205)</u>	<u>(248,239)</u>	<u>(233,445)</u>	<u>(216,400)</u>	<u>(201,057)</u>	<u>(199,648)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,370,878	\$ 1,265,249	\$ 1,297,642	\$ 1,235,947	\$ 1,177,409	\$ 1,137,814	\$ 1,182,845
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.38%	17.67%	16.88%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.0158516226%	0.0155348562%	0.0150951824%	0.0146709704%	0.0146617359%
District's proportionate share of the net OPEB liability	\$ 150,626	\$ 174,611	\$ 205,376	\$ 190,664	\$ 190,094
District's covered payroll	\$ 1,465,872	\$ 1,396,829	\$ 1,276,702	\$ 1,191,058	\$ 1,156,620
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.5%	20.0%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 13,983	\$ 12,906	\$ 13,236	\$ 12,607	\$ 12,010	\$ 11,606	\$ 12,065
Contributions in relation to the contractually required contribution	<u>(13,983)</u>	<u>(12,906)</u>	<u>(13,236)</u>	<u>(12,607)</u>	<u>(12,010)</u>	<u>(11,606)</u>	<u>(12,065)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,370,878	\$ 1,265,249	\$ 1,297,642	\$ 1,235,947	\$ 1,177,409	\$ 1,137,814	\$ 1,182,845
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years which information is available.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2021

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

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.
- 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 changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions were changed to 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 changed to 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 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 benefit-weighted basis.

2019 The post-retirement benefit increases to the PERA benefit structure for those hired prior to 1/1/07 was changed from 0% through 2019 and 1.5% compounded annually thereafter, to 1.25%.

2018 The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.78%

2017 The discount rate was lowered from 5.26% to 4.78%.

2016

- The price inflation assumption was lowered from 2.80% to 2.40%.
- The long-term expected rate of return assumption was lowered from 7.50% to 7.25% per year.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for actively working people, RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

2015 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2021

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2020

- 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.
- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent per year to 0.70 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.
- 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 for the School Division were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions for the School Division were changed to 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 changed to 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 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 benefit-weighted basis.

2019

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

2018 There were no changes in assumptions or other inputs effective this measurement period compared to the prior year.

2017 The Medicare Part A premiums were raised from 3.00% to 3.25%, as well as the gradual percentage rose from 4.25% in 2023 to 5.00% in 2025.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1

SUPPLEMENTARY INFORMATION

These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1 NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Food Service Fund - This fund is used to account for the operations of the school breakfast and lunch programs.

Student Activity Fund - This fund is used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. These activities are supported in whole or in part by revenue from pupils, gate receipts, and other fundraising activities.

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR GOVERNMENTAL
	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	
ASSETS			
Cash and Investments	\$ 43,608	\$ 69,817	\$ 113,425
Intergovernmental Receivable	317	-	317
Inventory	2,324	-	2,324
TOTAL ASSETS	\$ 46,249	\$ 69,817	\$ 116,066
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 5,597	\$ 3,914	\$ 9,511
Accrued Salaries	8,524	-	8,524
Grant Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	14,121	3,914	18,035
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue-Property Tax	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCE			
Nonspendable:			
Inventory	2,324	-	2,324
Restricted:			
Debt Service	-	-	-
Committed:			
Food Service	29,804	-	29,804
Pupil Activities	-	65,903	65,903
TOTAL FUND BALANCE	32,128	65,903	98,031
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 46,249	\$ 69,817	\$ 116,066

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2021

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR GOVERNMENTAL
	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	
REVENUES			
Local Sources	\$ 9,790	\$ 34,010	\$ 43,800
State Sources	690	-	690
Federal Sources	77,000	-	77,000
TOTAL REVENUES	87,480	34,010	121,490
EXPENDITURES			
Instructional Program	-	30,424	30,424
Food Services	130,956	-	130,956
Debt Service	-	-	-
TOTAL EXPENDITURES	130,956	30,424	161,380
Excess (Deficiency) of Revenues Over Expenditures	(43,476)	3,586	(39,890)
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	64,718	14,000	78,718
TOTAL OTHER FINANCING SOURCES (USES)	64,718	14,000	78,718
Net Change in Fund Balance	21,242	17,586	38,828
Fund Balance, Beginning of Year	10,886	48,317	59,203
Fund Balance, End of Year	\$ 32,128	\$ 65,903	\$ 98,031

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ -	\$ 3,750	\$ 9,790	\$ 6,040
State Sources	1,000	1,000	690	(310)
Federal Sources	74,977	74,977	77,000	2,023
TOTAL REVENUES	<u>75,977</u>	<u>79,727</u>	<u>87,480</u>	<u>7,753</u>
EXPENDITURES				
Food Services				
Salaries	61,030	61,030	60,312	718
Benefits	24,147	24,147	24,800	(653)
Travel	500	500	-	500
Supplies	7,000	7,000	3,381	3,619
Other Purchases	-	-	-	-
Food	39,018	51,768	42,463	9,305
TOTAL EXPENDITURES	<u>131,695</u>	<u>144,445</u>	<u>130,956</u>	<u>13,489</u>
Excess (Deficiency) of Revenues Over Expenditures	(55,718)	(64,718)	(43,476)	21,242
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	55,718	64,718	64,718	-
CHANGE IN FUND BALANCE	-	-	21,242	21,242
Fund Balance, Beginning of Year	-	-	10,886	10,886
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,128</u>	<u>\$ 32,128</u>

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STUDENT ACTIVITY FUND
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources	\$ -	\$ 86,000	\$ 34,010	\$ (51,990)
TOTAL REVENUES	<u>-</u>	<u>86,000</u>	<u>34,010</u>	<u>(51,990)</u>
EXPENDITURES				
Instructional Program	-	100,000	30,424	69,576
TOTAL EXPENDITURES	<u>-</u>	<u>100,000</u>	<u>30,424</u>	<u>69,576</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(14,000)	3,586	17,586
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	14,000	14,000	-
CHANGE IN FUND BALANCE	-	-	17,586	17,586
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>48,317</u>	<u>48,317</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,903</u>	<u>\$ 65,903</u>

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 273,000	\$ 273,000	\$ 284,167	\$ 11,167
TOTAL REVENUES	<u>273,000</u>	<u>273,000</u>	<u>284,167</u>	<u>11,167</u>
EXPENDITURES				
Debt Services				
Principal	146,000	146,000	142,311	3,689
Interest	125,000	125,000	114,607	10,393
Other	2,000	2,000	750	1,250
TOTAL EXPENDITURES	<u>273,000</u>	<u>273,000</u>	<u>257,668</u>	<u>15,332</u>
Net Change in Fund Balance	-	-	26,499	26,499
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>244,660</u>	<u>244,660</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,159</u>	<u>\$ 271,159</u>

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND
For the Year Ended June 30, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State Sources	\$ -	\$ 5,000,000	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>(5,000,000)</u>
EXPENDITURES				
Facilities Acquisition and Construction Services	-	5,000,000	378,771	4,621,229
TOTAL EXPENDITURES	<u>-</u>	<u>5,000,000</u>	<u>378,771</u>	<u>4,621,229</u>
NET CHANGE IN FUND BALANCE	-	-	(378,771)	(378,771)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>527,975</u>	<u>527,975</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,204</u>	<u>\$ 149,204</u>

MOUNTAIN VALLEY SCHOOL DISTRICT RE-1

CDE COMPLIANCE SECTION



Wall,
Smith,
Bateman Inc.

REPORT ON COMPLIANCE WITH CDE-FINANCIAL POLICIES AND PROCEDURES MANUAL

To the Board of Education
Mountain Valley School District RE-1
Saguache, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain Valley School District RE-1 (the District), as of and for the year ended June 30, 2021, which collectively comprise the District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 22, 2022.

In connection with our audit, the following came to our attention that caused us to believe that the District failed to comply with the Colorado Department of Education Financial Policies and Procedures Manual insofar as it relates to accounting matters. The District did not post the approved budget and uniform budget summary on their website, in a downloadable format, for free public access in accordance with the "Public School Finance Transparency Act". However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board of Education and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

February 22, 2022

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com



Colorado Department of Education

Auditors Integrity Report

District: 2790 - Mountain Valley RE 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	1,830,106	2,391,666	2,030,181	2,191,591
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	7,743	213,858	194,569	27,032
Sub- Total	1,837,849	2,605,524	2,224,750	2,218,623
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	10,885	152,199	130,955	32,128
22 Govt Designated-Purpose Grants Fund	1,257	757,947	757,949	1,255
23 Pupil Activity Special Revenue Fund	48,317	48,010	30,424	65,902
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	244,660	284,166	257,668	271,159
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	527,975	0	378,771	149,204
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,670,943	3,847,845	3,780,517	2,738,271
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	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