

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
SAGUACHE COUNTY, COLORADO**

**FINANCIAL STATEMENTS**

**June 30, 2022**



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

# MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board Education  
Moffat Consolidated School District No. 2  
Moffat, Colorado

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Moffat Consolidated School District No. 2 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, the discretely presented component units, and the aggregate remaining fund information of the District, as of June 30, 2022, 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.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

**Certified Public Accountants**

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includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension, and other postemployment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying combining and individual fund financial schedules, the Auditor's Integrity Report, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial schedules, the Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 04, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wall, Smith, Bateman Inc*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 04, 2023

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

Moffat Consolidated School District #2 covers approximately 500 square miles in Saguache County located in the south central region of Colorado. The District serves the northeast one-third of Saguache County which includes the communities of Moffat and Crestone. Approximately 217 students are served in educational programs provided through the Moffat PK-12 School and the Crestone Charter School.

The discussion and analysis of the Moffat School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- In total the District's overall net position is \$12,929,329 which represents an increase of \$1,210,891 from the previous year.
- Revenues of \$5,120,368 were collected during the year in Governmental Funds. These revenues included taxes, grants and entitlements, general interest and other revenues.
- The District had \$4,861,547 in expenditures. Revenues (primarily property taxes and State grants and entitlements) of \$5,120,368 were adequate to provide for these expenditures.
- The District's food service expenses exceeded revenues by \$43,174 and a transfer of \$45,858 from the General Fund to Food Service Fund was made. This deficit was \$30 greater than the previous year's deficit, and it is expected in the coming years that the General Fund will continue to supplement the revenue in the Food Service Fund. Increased food costs and supply chain issues presented additional challenges this year, while the District also extended lunch meal service to Crestone Charter School. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer from the General Fund; however, this is difficult in small school districts due to the economy of size and depressed economic factors as well as increased costs created by State & Federal regulations requiring the use of fresh fruits and vegetables and whole grains.

### **Overview of the Basic Financial Statements**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Moffat Consolidated School District as a financial whole, or as an entire operating activity. Information for Crestone Charter School has been presented separately as a discretely presented component unit required by the State of Colorado. The basic financial statements consist of three parts: the management's discussion and analysis (this section), the basic financial statements and required supplementary information.

The basic financial statements include two kinds of statements and present different views of the District. The basic statements are government-wide statements that provide both long-term and short-term information about the District. Fund financial statements provide the next level of detail. For governmental

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

funds, the statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District’s operations in more detail than the government-wide statements by providing information about the District’s most significant funds with all other non-major funds presented in total in a single column. For the Moffat Consolidated School District the General Fund is the most significant fund. The General Fund for Moffat Consolidated School District includes expenditures for the instructional programs, including the Moffat Preschool.

**REPORTING THE DISTRICT AS A WHOLE**

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

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during the fiscal year 2022?” The statement of net position and of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting. The accrual basis of accounting recognizes all of the current year’s revenues and expenses regardless of when cash was received or paid.

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

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

**FUND FINANCIAL STATEMENTS**

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

**Governmental Funds** – The District’s activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. Moffat Consolidated School District maintains five governmental funds - General, Capital Projects, Food Service, Student Activity and Bond Redemption Fund.

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

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

The statement of net position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. The difference between the District’s assets, deferred outflows, liabilities, and deferred inflows is its net position.

**Moffat Consolidated School District #2**  
**Condensed Statement of Net Position as of June 30, 2021 and 2022**

	2021		2022	
	Governmental Activities	<u>Component Unit</u> Crestone Charter School	Governmental Activities	<u>Component Unit</u> Crestone Charter School
Current & Other Assets	\$ 4,730,036	\$ 2,030,034	\$ 4,867,407	\$ 2,413,479
Capital Assets	16,537,440	5,041,071	16,054,457	4,876,582
Total Assets	21,267,476	7,071,105	20,921,864	7,290,061
Deferred Outflows	1,709,500	804,211	951,803	352,037
Current Liabilities	1,031,702	196,963	875,929	242,331
Long-Term Liabilities	8,101,293	1,709,867	6,462,985	1,172,852
Total Liabilities	9,132,995	1,906,830	7,338,914	1,415,183
Deferred Inflows	2,125,543	898,503	1,605,424	593,787
Net Position Invested in Capital Assets	12,778,405	5,041,071	12,533,132	4,876,582
Restricted	931,410	285,800	1,128,968	320,000
Unrestricted	(1,991,377)	(256,888)	(732,771)	436,546
<b>Total Net Position</b>	<b>\$ 11,718,438</b>	<b>\$ 5,069,983</b>	<b>\$ 12,929,329</b>	<b>\$ 5,633,128</b>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

The effect of the PERA pension and OPEB on the District's total net position for the fiscal year 2022 and 2021 is summarized below:

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
Net Position (GAAP Basis)	\$ 12,929,329	\$ 11,718,438
GASB 68 - Pension	3,651,631	4,744,314
GASB 75 - OPEB	173,035	224,706
Net Position Excluding Pension and OPEB	<u>\$ 16,753,995</u>	<u>\$ 16,687,458</u>

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

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
Net Position (GAAP Basis)	\$ (732,771)	\$ (1,991,377)
GASB 68 - Pension	3,651,631	4,744,314
GASB 75 - OPEB	173,035	224,706
Net Position Excluding Pension and OPEB	<u>\$ 3,091,895</u>	<u>\$ 2,977,643</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

The statement of activities shows the cost of program services and the changes for services and grants offsetting those services. This identifies the cost of these services supported by property taxes and state entitlements. The table below shows the governmental activities, the total costs of services by function and the net cost of services:

	2021		2022	
	Component		Component	
	Unit		Unit	
	Governmental	Crestone Charter School	Governmental	Crestone Charter School
	Activities		Activities	
<b>Program Revenues:</b>				
Charges for Services	\$ 216,953	\$ -	\$ 250,860	\$ 4,495
Operating Grants & Contributions	1,518,116	-	2,007,855	554,644
Capital Grants & Contributions	2,658	-	25,307	-
<b>General Revenues:</b>				
Taxes	1,466,511	-	1,758,171	-
State Equalization	982,444	1,347,701	1,178,628	1,370,677
Other	658,086	89,327	11,113	973
<b>Total Revenue</b>	<b>4,844,768</b>	<b>1,437,028</b>	<b>5,231,934</b>	<b>1,930,789</b>
<b>Expenses</b>				
Instructional	1,603,490	260,850	1,618,387	-
Student Support Services	342,402	113,013	413,138	-
General Administration	184,866	129,787	554,256	-
Business Support	154,353	-	133,585	-
Operations & Maintenance	391,664	87,416	315,882	-
Central Support	228,352	28,256	199,824	-
Food Service	163,568	-	210,526	-
Other	356,903	143,001	435,792	-
Interest on Long-term Debt	161,494	-	139,653	-
Crestone Charter School	-	-	-	1,367,644
<b>Total Expenses</b>	<b>3,587,092</b>	<b>762,323</b>	<b>4,021,043</b>	<b>1,367,644</b>
<b>Change in Net Position</b>	<b>1,257,676</b>	<b>674,705</b>	<b>1,210,891</b>	<b>563,145</b>
<b>Ending Net Position</b>	<b>\$ 11,718,438</b>	<b>\$ 5,069,983</b>	<b>\$ 12,929,329</b>	<b>\$ 5,633,128</b>

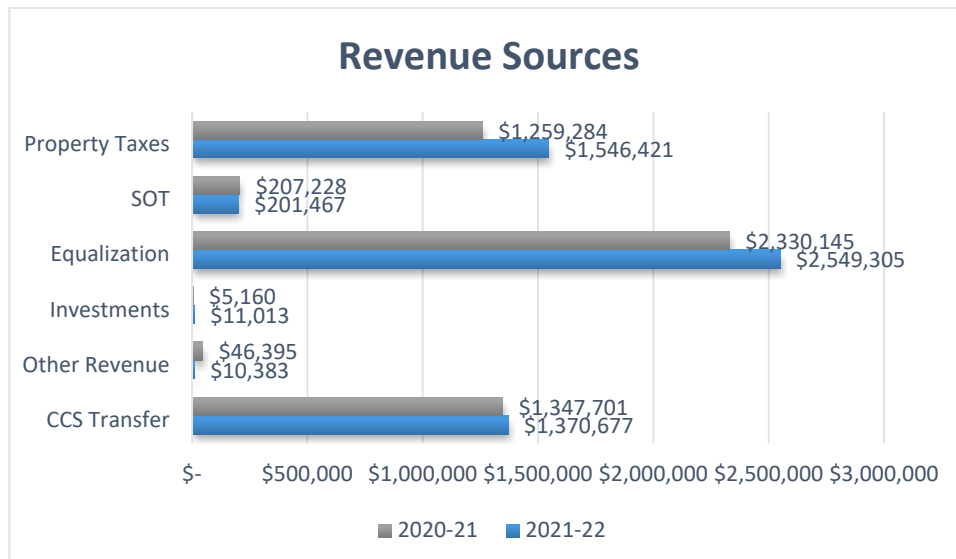
**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

**Moffat Consolidated School District #2**  
**Net Cost of Governmental Activities FY 2020-21 and FY 2021-22 Comparison**

	FY 2020-21		FY 2021-22	
	Expenses	Net Cost of Services	Expenses	Net Cost of Services
Instruction	2,080,571	(686,170)	1,626,050	39,369
Student Support	397,402	(397,402)	413,138	(129,434)
Instructional Staff	81,942	(81,942)	79,155	(61,473)
General Administration	229,866	(45,079)	554,256	(552,700)
School Administration	136,412	(136,412)	96,549	(94,602)
Business Support	179,353	(179,353)	133,585	(131,655)
Operation & Maintenance	446,664	(446,664)	315,882	(279,708)
Student Transportation	239,928	(196,610)	161,702	(115,696)
Central Support & other	(366,540)	481,761	508,736	(271,469)
Interest on Long-Term Debt	161,494	(161,494)	139,653	(139,653)
<b>Total</b>	<b>3,587,092</b>	<b>(1,849,365)</b>	<b>4,028,706</b>	<b>(1,737,021)</b>

The primary source of operating revenue for the School District comes from the School Finance Act of 1994. Each FTE (full-time equivalent) generated \$15,814.98 for the 2021-2022 program, which is \$1,547.66 per FTE more than during the 2020-2021 school year. The funded pupil count for the District was 227.0 FTE during FY 2021-2022.

The following chart shows the District revenues by revenue source for the General Fund only.



*NOTE: Transfers & CCS PP Revenue are reductions of total revenue shown above. The money goes from the General Fund to other funds.*

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

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

**Governmental Funds**

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

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

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

General Fund revenues totaling \$4,479,085 were \$76,207 more than anticipated in the budget. Actual expenditures of \$4,189,924 were \$2,854,462 under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$2,942,017 June 30<sup>th</sup> fund balance includes reserves for TABOR and accrued salaries. The increase in fund balance of the General Fund from FY 2020-21 is \$143,303.

**Capital Projects Fund**

The District is utilizing the Capital Projects Fund to set aside funds for capital projects and purchases. As of June 30, 2022 the Fund Balance showed a total of \$327,725, which includes BEST Grant Capital Renewal Reserve of \$79,280. This fund received revenues through a transfer of funds from the General Fund.

**Food Services Special Revenue Fund**

The Food Service Fund is one of the Special Revenue Funds in the District. Although our student participation in the hot lunch program is high, the small student population creates a challenge in funding and program expenditures exceed revenues. A transfer from the General Fund of \$45,858 allowed this fund to meet its expenditures. It is expected that a transfer of funds to support the Food Service Fund will continue in coming years.

**Governmental Activities**

**Bond Redemption**

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District's long-term debts. Long-Term Liabilities for general obligation debt is \$3,521,325 and are not due and payable in the 2022 fiscal year.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**For Fiscal Year Ended June 30, 2022**

**Capital Assets**

The District began the year with Net Capital Assets of \$16,537,440. Including the Moffat School facility, vehicles, equipment and routine depreciation of assets, the ending balance for the District’s Capital Assets is \$16,054,457 as of June 30, 2022. A summary of changes in capital assets:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2022</b>
<b>Non-Depreciable Total</b>	\$ 448,458	\$ -	\$ -	\$ 448,458
Land, Building & Site Improvements	5,816,390	-	-	5,816,390
Equipment & Vehicles	188,951	-	19,320	169,631
<b>Total Depreciable Assets</b>	<u>6,005,341</u>	<u>-</u>	<u>19,320</u>	<u>5,986,021</u>
<b>Less Accumulated Depreciation For:</b>				
Building & site Improvements	1,298,885	148,272	-	1,447,157
Equipment & Vehicles	113,843	16,217	19,320	110,740
<b>Total Accumulated Depreciation</b>	<u>1,412,728</u>	<u>164,489</u>	<u>19,320</u>	<u>1,557,897</u>
<b>Depreciable Assets Net</b>	<u>4,592,613</u>	<u>(164,489)</u>	<u>-</u>	<u>4,428,124</u>
<b>Total Capital Assets Net</b>	<u>\$ 5,041,071</u>	<u>\$ (164,489)</u>	<u>\$ -</u>	<u>\$ 4,876,582</u>

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

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee’s retirement (Colorado PERA) unfunded liability on each district. The uncertainty of the ongoing effects of the COVID-19 pandemic also present challenges. The District’s carryover will allow the School District to act instead of react to the financial woes of the State and Country. Moffat Consolidated School District is the smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 38 percent of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District’s student population. Approximately eighty-one percent of the District’s student population qualifies for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

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

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

Respectfully Submitted,

Joe Garcia, Superintendent

Jodi Anderson, Business Director

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**BASIC FINANCIAL STATEMENTS**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**STATEMENT OF NET POSITION**

**June 30, 2022**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Crestone Charter School</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 461,905	\$ 2,173,790
Investments	3,832,164	-
Accounts Receivable	179,370	-
Due from Other Governments	128,159	236,887
Property Tax Receivable	243,561	-
Inventory	11,556	-
Prepaid Expenses	10,692	2,802
<b>Total Current Assets</b>	<u>4,867,407</u>	<u>2,413,479</u>
<b>Noncurrent Assets</b>		
Capital assets not being depreciated:	188,618	448,458
Capital assets, net of accumulated depreciation:	15,865,839	4,428,124
<b>Total Noncurrent Assets</b>	<u>16,054,457</u>	<u>4,876,582</u>
<b>TOTAL ASSETS</b>	<u>20,921,864</u>	<u>7,290,061</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	926,808	342,792
OPEB	24,995	9,245
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>951,803</u>	<u>352,037</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	48,283	24,807
Accrued Salaries Payable	104,642	59,690
Due to Other Governments	236,887	1,345
Unearned Grant Revenue	238,585	156,489
General Obligation Bonds	247,532	-
<b>Total Current Liabilities</b>	<u>875,929</u>	<u>242,331</u>
<b>Noncurrent Liabilities</b>		
Compensated Absences	18,147	-
General Obligation Bonds	3,273,793	-
Net Pension Liability	3,024,709	1,118,728
Net OPEB Liability	146,336	54,124
<b>Total Noncurrent Liabilities</b>	<u>6,462,985</u>	<u>1,172,852</u>
<b>TOTAL LIABILITIES</b>	<u>7,338,914</u>	<u>1,415,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	1,553,730	574,667
OPEB	51,694	19,120
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,605,424</u>	<u>593,787</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	12,533,132	4,876,582
Restricted	1,128,968	320,000
Unrestricted	(732,771)	436,546
<b>TOTAL NET POSITION</b>	<u>\$ 12,929,329</u>	<u>\$ 5,633,128</u>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**STATEMENT OF ACTIVITIES**

**For the Fiscal Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government Governmental Activities	Component Unit Crestone Charter School
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Instructional Program	\$ 1,618,387	\$ 237,512	\$ 1,394,937	\$ 25,307	\$ 39,369	
Student Support Services	413,138	3,901	279,803	-	(129,434)	
Instructional Staff Support Services	79,155	-	17,682	-	(61,473)	
General Administration Support Services	554,256	-	1,556	-	(552,700)	
School Administration Support Services	96,549	-	1,947	-	(94,602)	
Business Support Services	133,585	-	1,930	-	(131,655)	
Operations and Maint. of Plant Services	315,882	-	36,174	-	(279,708)	
Student Transportation Services	161,702	49	45,957	-	(115,696)	
Central Support Services	199,824	-	764	-	(199,060)	
Other Support Services	88,086	-	88,086	-	-	
Food Services	210,526	9,398	139,019	-	(62,109)	
Facilities Acquisition and Const. Services	-	-	-	-	-	
Site Improvement Services	10,300	-	-	-	(10,300)	
Interest on Long-term Debt	139,653	-	-	-	(139,653)	
<b>Total Primary Government</b>	<b>\$ 4,021,043</b>	<b>\$ 250,860</b>	<b>\$ 2,007,855</b>	<b>\$ 25,307</b>	<b>(1,737,021)</b>	
<b>Component Unit - Crestone Charter School</b>	<b>\$ 1,367,644</b>	<b>\$ 4,495</b>	<b>\$ 554,644</b>	<b>\$ -</b>		<b>\$ (808,505)</b>
<b>General Revenues</b>						
Taxes:						
General Property Taxes					1,546,421	-
Specific Ownership Taxes					201,467	-
Other Taxes					10,283	-
State Equalization					1,178,628	1,370,677
Interest on Investments					11,013	973
Miscellaneous					100	-
<b>Total General Revenues</b>					<b>2,947,912</b>	<b>1,371,650</b>
<b>Change in Net Position</b>					1,210,891	563,145
<b>Net Position, Beginning of Year</b>					11,718,438	5,069,983
<b>Net Position, End of Year</b>					<b>\$ 12,929,329</b>	<b>\$ 5,633,128</b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2022**

	<b>GENERAL FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 378,997	\$ 47,392	\$ 35,516	\$ 461,905
Investments	2,800,721	699,957	331,486	3,832,164
Accounts Receivable	179,355	-	15	179,370
Due From Other Government	74,793	-	53,366	128,159
Due From Other Fund	38,191	-	-	38,191
Property Taxes Receivable	173,220	70,341	-	243,561
Inventories	-	-	11,556	11,556
Prepaid Expenses	8,567	-	2,125	10,692
<b>TOTAL ASSETS</b>	<b>\$ 3,653,844</b>	<b>\$ 817,690</b>	<b>\$ 434,064</b>	<b>\$ 4,905,598</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 39,711	\$ 250	\$ 8,322	\$ 48,283
Accrued Salaries and Benefits	104,250	-	392	104,642
Due to Other Governments	236,887	-	-	236,887
Due to Other Funds	-	-	38,191	38,191
Unearned Grant Revenue	238,585	-	-	238,585
<b>TOTAL LIABILITIES</b>	<b>619,433</b>	<b>250</b>	<b>46,905</b>	<b>666,588</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue- Property Tax	92,394	37,204	-	129,598
<b>FUND BALANCE</b>				
Nonspendable	8,567	-	13,681	22,248
Restricted	251,576	780,236	97,156	1,128,968
Committed	-	-	248,445	248,445
Assigned	-	-	27,877	27,877
Unassigned	2,681,874	-	-	2,681,874
<b>TOTAL FUND BALANCE</b>	<b>2,942,017</b>	<b>780,236</b>	<b>387,159</b>	<b>4,109,412</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,653,844</b>	<b>\$ 817,690</b>	<b>\$ 434,064</b>	<b>\$ 4,905,598</b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

<b>Total governmental fund balances</b>	\$	4,109,412
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.		16,054,457
Certain deferred inflows related to unavailable fund resources do not provide current financial resources and the revenues are not recognized on the fund financial statements but are recognized on the government-wide financial statements.		129,598
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		951,803
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	\$	(3,521,325)
Compensated Absences		(18,147)
		(3,539,472)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(3,171,045)
Certain amounts related to the net pension and OPEB liability are deferred and amortized over time. These are not reported in the funds.		(1,605,424)
		(1,605,424)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>12,929,329</b>
		<b>12,929,329</b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2022**

	<b>GENERAL FUND</b>	<b>BOND REDEMPTION FUND</b>	<b>TOTAL NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Local Sources	\$ 1,693,802	\$ 453,033	\$ 53,092	\$ 2,199,927
State Sources	1,984,339	-	692	1,985,031
Federal Sources	881,367	-	134,466	1,015,833
<b>TOTAL REVENUES</b>	<b>4,559,508</b>	<b>453,033</b>	<b>188,250</b>	<b>5,200,791</b>
<b>EXPENDITURES</b>				
Instructional Program	1,626,636	-	24,179	1,650,815
Student Support Services	564,480	-	-	564,480
Instructional Staff Support Services	92,377	-	-	92,377
General Administration Support Services	603,559	-	-	603,559
School Administration Support Services	158,246	-	-	158,246
Business Support Services	194,730	-	-	194,730
Operations and Maint. of Plant Services	396,775	-	12,947	409,722
Student Transportation Services	271,691	-	-	271,691
Central Support Services	224,015	-	-	224,015
Other Support Services	88,086	-	-	88,086
Food Services	39,452	-	209,185	248,637
Facilities Acquisition and Const. Costs	-	-	34,948	34,948
Site Improvement Services	10,300	-	-	10,300
Debt Service	-	390,364	-	390,364
<b>TOTAL EXPENDITURES</b>	<b>4,270,347</b>	<b>390,364</b>	<b>281,259</b>	<b>4,941,970</b>
Excess (deficiency) of revenues over expenditures	289,161	62,669	(93,009)	258,821
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Funds	-	-	145,858	145,858
Transfers To Other Funds	(145,858)	-	-	(145,858)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(145,858)</b>	<b>-</b>	<b>145,858</b>	<b>-</b>
Net Change in Fund Balance	143,303	62,669	52,849	258,821
<b>Fund Balance, Beginning of Year</b>	<b>2,798,714</b>	<b>717,567</b>	<b>334,310</b>	<b>3,850,591</b>
<b>Fund Balance, End of Year</b>	<b>\$ 2,942,017</b>	<b>\$ 780,236</b>	<b>\$ 387,159</b>	<b>\$ 4,109,412</b>

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

**Net change in fund balances - total governmental funds** \$ 258,821

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.

Capital Asset Additions	\$ 139,557	
Depreciation expense	<u>(622,540)</u>	(482,983)

Unearned revenue does not provide current financial resources on the governmental fund financial statements, but this change in unearned revenue from year to year is recognized on the government-wide financial statements. 31,143

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.

General Obligation Bond Payment	237,710	
Interest Expense	<u>13,001</u>	250,711

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		8,845
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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. 1,144,354

**Change in net position of governmental activities** \$ 1,210,891

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**REPORTING ENTITY**

***Primary Government***

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

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

***Component Units***

The District's charter school is the Crestone Charter School. Charter schools are public schools authorized by the State of Colorado to provide alternatives for parents, pupils, and teachers. The schools have separate governing boards but are fiscally dependent on the District for the majority of funding and their exclusion would render the District's financial statements incomplete. The School's financial information is discretely presented in the District's financial statements. The Crestone Charter School does issue separate financial statements. Additional information can be obtained by writing to Crestone Charter School, Office and Business Manager, P.O. Box 400, 330 East Lime Avenue, Crestone Colorado 81131.

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

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2022**

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

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

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

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

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

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

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

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

***Fund Accounting***

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

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

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

***Cash and Investments***

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

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

***Grants Receivable***

Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

***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.

Property taxes levied in 2021 but uncollected in 2022 are identified as property taxes receivable. Amounts of property taxes that are no available at June 30, 2022 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes.

***Receivables/Payables From Other District Funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

***Inventories/USDA Commodities***

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

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

***Capital Assets***

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

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

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

***Long-Term Obligations***

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

***Constitutional Amendment – TABOR Emergency Reserve***

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service).

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

***Compensated Absences***

Employees of the District may accumulate sick leave up to 30 days. Upon retirement from the District, an employee will be paid their daily rate for each sick day accumulated. Employees leaving the District for any other reason will not receive compensation for their accumulated sick days. A liability is accrued in the government-wide financial statements.

***Unearned Grant Revenue***

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.

***Interest Expense***

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

***Deferred Outflows/Inflows of Resources***

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

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

***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 FNP 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.

***Other Postemployment Benefits (OPEB)***

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

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:

- *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 can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2022**

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Food Services Fund	Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
<b>Nonspendable:</b>						
Inventories	\$ -	\$ 11,556	\$ -	\$ -	\$ -	\$ 11,556
Prepaid Expenses	8,567	2,125	-	-	-	10,692
	<u>8,567</u>	<u>13,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,248</u>
<b>Restricted:</b>						
TABOR Reserve	98,200	-	-	-	-	98,200
Preschool	153,376	-	-	-	-	153,376
Debt Service	-	-	-	780,236	-	780,236
Food Service	-	17,876	-	-	-	17,876
BEST Reserve	-	-	-	-	79,280	79,280
	<u>251,576</u>	<u>17,876</u>	<u>-</u>	<u>780,236</u>	<u>79,280</u>	<u>1,128,968</u>
<b>Committed:</b>						
Capital Outlay	-	-	-	-	248,445	248,445
<b>Assigned:</b>						
Student Activities	-	-	27,877	-	-	27,877
	<u>-</u>	<u>-</u>	<u>27,877</u>	<u>-</u>	<u>-</u>	<u>27,877</u>
<b>Unassigned</b>						
	<u>2,681,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,681,874</u>
<b>Total Fund Balances</b>	<u><u>\$2,942,017</u></u>	<u><u>\$ 31,557</u></u>	<u><u>\$ 27,877</u></u>	<u><u>\$ 780,236</u></u>	<u><u>\$ 327,725</u></u>	<u><u>\$ 4,109,412</u></u>

***Use of Estimates***

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

***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.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2  
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*New Accounting Pronouncements*

During fiscal year 2022, the District adopted the provisions of *GASB Statement No. 87, Leases*, that establishes a single model for leases accounting based on the foundational principal that leases are financings of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This standard does not have a material effect on the financial statements of the District.

*Reclassifications*

Certain amounts from prior years have been reclassified to conform to the fiscal year 2022 financial statement presentation.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgets and Budgetary Accounting*

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

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

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

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

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

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 June 30, 2022

**NOTE 3 CASH, DEPOSITS, AND INVESTMENTS**

***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.

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

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

Cash on Hand	\$ 100
Cash in Banks	355,818
Cash with County Treasurer	105,987
COLOTRUST Investments	3,832,164
Total cash, deposits, and investments on the Statement of Net Position	\$ 4,294,069

***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 not have a deposit policy for custodial credit risk. As of year-end, \$633,003 of the District’s bank balance of \$883,003 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

***Investments***

At June 30, 2022, the District had the following investments:

Investment	Maturity	Value	Credit Risk Rating
COLOTRUST Plus	44 Day		
External Investment Pool	Average	3,832,164	AAAm

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

*Credit Risk* — Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agencies’ securities
- Certain international agencies’ 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

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- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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

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

The District invested \$3,832,164 in the Colorado Government Liquid Asset Trust (COLOTRUST), a money market investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State Statutes governing COLOTRUST. The pool operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by the U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. COLOTRUST is rated AAAM by Standard and Poors, and maintains a constant net asset value of \$1 per share. Financial statements for COLOTRUST are available at [www.colotruster.com](http://www.colotruster.com).

The District has no recurring fair value measurements as of June 30, 2022.

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***Interfund Receivables/Payables***

Due to/from other funds are recorded at the fund level and are eliminated, where possible. Amounts are a result of pooled cash transactions. At the fund level at June 30, 2022, interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	\$ 36,542
General Fund	Student Activity Fund	1,649
Total		\$ 38,191

***Interfund Transfers***

Interfund transfers for the year ended June 30, 2022, were as follows:

Transfer In	Transfer Out	Amount
Food Service Fund	General Fund	\$ 45,858
Capital Projects Fund	General Fund	100,000
		\$ 145,858

The General Fund transferred funds into the Food Service Fund and Capital Projects Fund to subsidize these funds.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 5 CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<i>Governmental Activities</i>				
Non Depreciable Assets:				
Land	\$ 163,470	\$ -	\$ -	\$ 163,470
Construction In Progress	-	25,148	-	25,148
Total Non Depreciable Assets	<u>163,470</u>	<u>25,148</u>	<u>-</u>	<u>188,618</u>
Depreciable Assets:				
Buildings	16,617,472	7,265	-	16,624,737
Buildings & Site Improvements	1,642,459	20,100	-	1,662,559
Equipment	801,799	15,672	-	817,471
Vehicles	569,908	71,372	-	641,280
Total Depreciable Assets	<u>19,631,638</u>	<u>114,409</u>	<u>-</u>	<u>19,746,047</u>
Less Accumulated Depreciation for:				
Buildings	1,755,789	416,630	-	2,172,419
Building & Site Improvements	531,395	75,522	-	606,917
Equipment	498,620	91,280	-	589,900
Vehicles	471,864	39,108	-	510,972
Total Accumulated Depreciation	<u>3,257,668</u>	<u>622,540</u>	<u>-</u>	<u>3,880,208</u>
Total Capital Assets, Net	<u>\$ 16,537,440</u>	<u>\$ (482,983)</u>	<u>\$ -</u>	<u>\$ 16,054,457</u>

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

<i>Governmental Activities:</i>	
Instruction	\$ 537,374
Operations and Maintenance	14,678
Transportation	39,598
Food Service	<u>30,890</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 622,540</u>

**NOTE 6 ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2022 are estimated to be \$104,642. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

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**NOTE 7 LONG-TERM DEBT**

***Changes in Long-Term Debt***

Long-term debt balances for the year ended June 30, 2022, were as follows:

	Beginning Balance <u>6/30/2021</u>	Additions	Deletions	Ending Balance <u>6/30/2022</u>	Due Within One Year
<i>Governmental Activities</i>					
Series 2010 G.O. Bonds	\$ 400,332	\$ -	\$ 38,082	\$ 362,250	\$ 39,544
Series 2013 G.O. Bonds	<u>3,358,703</u>	<u>-</u>	<u>199,628</u>	<u>3,159,075</u>	<u>207,988</u>
	3,759,035	-	237,710	3,521,325	247,532
Compensated Absences	<u>26,992</u>	<u>-</u>	<u>8,845</u>	<u>18,147</u>	<u>1,234</u>
Total Governmental Activities	<u>\$ 3,786,027</u>	<u>\$ -</u>	<u>\$ 246,555</u>	<u>\$ 3,539,472</u>	<u>\$ 248,766</u>

***General Obligation Bonds Payable***

***Series 2013 General Obligation Bonds***

On December 9, 2013, the District issued General Obligation Bonds Series 2013 for the construction of the new school building and facilities in the amount of \$4,552,677. The Bonds were used to match \$12,124,993 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2013 Matching Money Bonds were issued at an interest rate of 4.187%. Principal is due annually on December 1, and interest is due semiannually on June 1, and December 1. Final payment is due December 1, 2033. Payments are made through the Bond Redemption Fund.

The annual debt service for the Series 2013 General Obligation Bonds is as follows:

	Principal	Interest	Total
FY 2023	207,988	127,941	335,929
FY 2024	216,699	119,049	335,748
FY 2025	225,774	109,784	335,558
FY 2026	235,229	100,131	335,360
FY 2027	245,079	90,072	335,151
FY 2028-2032	1,388,220	284,135	1,672,355
FY 2033-2034	<u>640,086</u>	<u>27,081</u>	<u>667,167</u>
	<u>\$ 3,159,075</u>	<u>\$ 858,193</u>	<u>\$ 4,017,268</u>

***Series 2010 General Obligation Bonds***

On April 27, 2010, the District issued General Obligation Bonds Series 2010 for the construction of the Crestone Charter School building and facilities in the amount of \$726,519. The Bonds were used to match \$5,327,806 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2010 Matching Money Bonds were issued at an interest rate of

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3.84%. Principal is due annually on December 1, and interest is due semiannually on June 1, and December 1. Final payment is due December 1, 2029. Payments are made through the Bond Redemption Fund.

The annual debt service for the Series 2010 General Obligation Bonds is as follows:

	Principal	Interest	Total
FY 2023	39,544	13,139	52,683
FY 2024	41,061	11,593	52,654
FY 2025	42,636	9,988	52,624
FY 2026	44,272	8,320	52,592
FY 2027	45,970	6,589	52,559
FY 2028-2030	148,767	26,153	174,920
	\$ 362,250	\$ 75,782	\$ 438,032

**NOTE 8 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 annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2021.* 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% and then multiplied by years of service credit
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. 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 the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2022.* Eligible employees of the District 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 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through June 30, 2022
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).

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 \$348,326, for the year ended June 30, 2022.

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. As specified in C.R.S. §24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution 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 School Division Trust Fund.

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In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

**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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The District's proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the District reported a liability of \$3,024,709 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:

Moffat Consolidated School District No. 2 proportionate share of the net pension liability	\$ 3,024,709
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with Moffat Consolidated School District No. 2	<u>\$ 346,744</u>
Total	\$ 3,371,453

At December 31, 2021, the District's proportion was 0.026%, which was a decrease of 0.0032% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$1,092,683) and revenue of \$36,121 for support from the State as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	115,798	-
Changes of assumptions or other inputs	230,914	-
Net difference between projected and actual earnings on pension plan investments	-	1,137,200
Changes in proportion and differences between contributions recognized and proportionate share of contributions	388,432	416,530
Contributions subsequent to the measurement date	<u>191,664</u>	<u>-</u>
Total	926,808	1,553,730

\$191,664 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, 2023. 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,	
2023	15,626
2024	(367,013)
2025	(329,167)
2026	(138,037)
2027	-
Thereafter	-

*Actuarial assumptions.* The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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)	1.00%
PERA Benefit Structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

<sup>1</sup> 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.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
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- **Females:** 105% 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% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020

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% 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	6.00%	4.70%
Total	<u>100.00%</u>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily

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recognized July 1, 2021 and effective July 1, 2022. 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- 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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%. 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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,452,124	3,024,709	1,833,584

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

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**NOTE 9 OTHER POST EMPLOYMENT 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, 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 annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

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 health benefits program 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% 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 \$17,872 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$146,336 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District proportion was 0.0170%, which was an increase of 0.0001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022 the District recognized OPEB expense of (\$51,670). At June 30, 2022, District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	223	34,698
Changes of assumptions or other inputs	3,029	7,938
Net difference between projected and actual earnings on pension plan investments	-	9,058
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,909	-
Contributions subsequent to the measurement date	9,834	-
Total	24,995	51,694

\$9,874 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, 2023. 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,	
2023	(8,372)
2024	(10,163)
2025	(10,876)
2026	(5,850)
2027	(1,117)
Therafter	(155)

*Actuarial assumptions.* The TOL in the December 31, 2020 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	2.30%
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 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	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/ premiums (actual dollars) are assumed for 2021, for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

The following health care costs assumptions were updated and used in the roll forward calculation for the Trust Fund.

- 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 2021 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.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

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.

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.

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	6.00%	4.70%
Total	<u>100.00%</u>	

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

*Sensitivity of the District’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:

	1% Decreases in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 142,134	\$ 146,336	\$ 151,205

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

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- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, 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 year, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF’s 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% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB lliability	169,954	146,336	126,163

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

**NOTE 10 DEFINED CONTRIBUTION PENSION PLAN**

***Voluntary Investment Program***

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

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*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, 2022, program members contributed \$1,559.

**NOTE 11 RISK MANAGEMENT**

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

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

**NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

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

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

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, 2022. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

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NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2022

**NOTE 14 JOINT VENTURES**

***San Luis Valley Board of Cooperative Educational Services (BOCES)***

Not reflected in the accompanying financial statements is the District's participation in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District. The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2022.

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

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

A completed separate financial statement may be obtained by contacting San Luis Valley BOCES, P.O. Box 1198, Alamosa, CO 81101.

## **MOFFAT CONSOLIDATED SCHOOL DISTRICT NO.2**

### **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 liability are required to supplement the basic financial statements.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2022**

	<b>BUDGETED AMOUNTS</b>			<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 1,117,295	\$ 1,642,185	\$ 1,693,802	\$ 51,617
State Sources	2,039,616	1,672,899	1,984,339	311,440
Federal Sources	871,006	1,054,494	881,367	(173,127)
<b>TOTAL REVENUES</b>	<b>4,027,917</b>	<b>4,369,578</b>	<b>4,559,508</b>	<b>189,930</b>
<b>EXPENDITURES</b>				
Instructional Program	1,586,030	1,718,024	1,626,636	91,388
Student Support Services	358,636	521,451	564,480	(43,029)
Instructional Staff Support Services	119,229	133,705	92,377	41,328
General Administration Support Services	348,274	243,836	603,559	(359,723)
School Administration Support Services	139,029	155,785	158,246	(2,461)
Business Support Services	166,863	183,986	194,730	(10,744)
Operations and Maintenance of Plant Services	887,912	831,960	396,775	435,185
Student Transportation Services	262,162	295,141	271,691	23,450
Central Support Services	222,024	230,228	224,015	6,213
Other Support Services	-	-	88,086	(88,086)
Site Improvement Services	10,000	48,300	10,300	38,000
Food Services	-	30,675	39,452	(8,777)
Reserves	2,288,094	2,617,995	-	2,617,995
<b>TOTAL EXPENDITURES</b>	<b>6,388,253</b>	<b>7,011,086</b>	<b>4,270,347</b>	<b>2,740,739</b>
Excess (deficiency) of revenues over expenditures	(2,360,336)	(2,641,508)	289,161	(2,550,809)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(153,043)	(157,206)	(145,858)	11,348
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(153,043)</b>	<b>(157,206)</b>	<b>(145,858)</b>	<b>11,348</b>
Net change in fund balance	(2,513,379)	(2,798,714)	143,303	2,942,017
<b>Fund Balance, Beginning of Year</b>	<b>2,513,379</b>	<b>2,798,714</b>	<b>2,798,714</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,942,017</b>	<b>\$ 2,942,017</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0259914%	0.0291800%	0.0256259%	0.0243922%	0.0268303%	0.0248000%	0.0297545%	0.0254000%	0.0269000%
District's proportionate share of the net pension liability (asset)	\$ 3,024,709	\$ 4,393,184	\$ 3,954,323	\$ 4,459,497	\$ 8,317,594	\$ 7,373,564	\$ 3,542,767	\$ 3,447,583	\$ 3,428,203
State's proportionate share of the net pension liability (asset) associated with the District	346,744	-	501,556	596,812	-	-	-	-	-
<b>Total</b>	<b>\$ 3,371,453</b>	<b>\$ 4,393,184</b>	<b>\$ 4,455,879</b>	<b>\$ 5,056,309</b>	<b>\$ 8,317,594</b>	<b>\$ 7,373,564</b>	<b>\$ 3,542,767</b>	<b>\$ 3,447,583</b>	<b>\$ 3,428,203</b>
District's covered payroll	\$ 1,634,210	\$ 1,582,753	\$ 1,608,572	\$ 1,471,900	\$ 1,205,004	\$ 1,159,942	\$ 1,008,697	\$ 1,058,958	\$ 1,093,473
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	185%	278%	246%	303%	690%	636%	351%	326%	314%
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.2%	62.8%	64.1%

\*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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERA SCHDTF PENSION PLAN**  
**For the Years Ended June 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 348,326	\$ 314,652	\$ 326,509	\$ 281,580	\$ 227,614	\$ 216,291	\$ 178,711	\$ 179,229	\$ 174,854	\$ 162,336
Contributions in relation to the contractually required contribution	<u>(348,326)</u>	<u>(314,652)</u>	<u>(326,509)</u>	<u>(281,580)</u>	<u>(227,614)</u>	<u>(216,291)</u>	<u>(178,711)</u>	<u>(179,229)</u>	<u>(174,854)</u>	<u>(162,336)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,752,145	\$ 1,582,753	\$ 1,608,572	\$ 1,471,900	\$ 1,205,004	\$ 1,159,942	\$ 1,008,697	\$ 1,058,958	\$ 1,093,473	\$ 1,073,797
Contributions as a percentage of covered payroll	19.88%	19.88%	20.30%	19.13%	18.89%	18.65%	17.72%	16.93%	15.99%	15.12%

See Notes to the Required Supplementary Information.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET OPEB LIABILITY**  
**COLORADO PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.01697040%	0.01688610%	0.01675030%	0.01585500%	0.01524490%	0.01485760%
District's proportionate share of the net OPEB liability (asset)	\$ 146,336	\$ 159,793	\$ 194,463	\$ 217,990	\$ 189,938	\$ 182,079
District's covered payroll	\$ 1,634,210	\$ 1,582,753	\$ 1,608,572	\$ 1,471,900	\$ 1,205,004	\$ 1,159,942
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9%	10%	12%	15%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**COLORADO PERA HEALTH CARE TRUST FUND**  
**For the Years Ended June 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 17,872	\$ 16,144	\$ 16,407	\$ 15,013	\$ 12,291	\$ 11,831
Contributions in relation to the contractually required contribution	<u>(17,872)</u>	<u>(16,144)</u>	<u>(16,407)</u>	<u>(15,013)</u>	<u>(12,291)</u>	<u>(11,831)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,752,145	\$ 1,582,753	\$ 1,608,572	\$ 1,471,900	\$ 1,205,004	\$ 1,159,942
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	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 for which information is available.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2022**

**NOTE 1 NET PENSION LIABILITY**

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

*2021*

- Required contribution increased from 10.00% to 10.50% for eligible employees.
- AI cap decreased from 1.25% to 1.00%

*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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2022**

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.

**NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

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

2021

- The Medicare Part A premium increased from \$458 to \$471 per month.
- The health care cost trend rates from 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.

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended June 30, 2022**

*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.

## **MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

### **SUPPLEMENTARY INFORMATION**

The combining financial statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**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. Revenues are derived from District contributions and student and adult charges.

**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.

**CAPITAL PROJECT FUNDS**

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

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2022**

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL</u>	<u>TOTAL</u>
	<u>FOOD</u>	<u>STUDENT</u>	<u>PROJECTS FUND</u>	
	<u>SERVICE</u>	<u>ACTIVITY</u>	<u>CAPITAL</u>	<u>NONMAJOR</u>
	<u>FUND</u>	<u>FUND</u>	<u>RESERVE</u>	<u>GOVERNMENTAL</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,712	\$ 29,526	\$ 1,278	\$ 35,516
Investments	-	-	331,486	331,486
Accounts Receivable	15	-	-	15
Due From Other Governments	53,366	-	-	53,366
Inventory	11,556	-	-	11,556
Prepaid Expenses	2,125	-	-	2,125
<b>TOTAL ASSETS</b>	<u>\$ 71,774</u>	<u>\$ 29,526</u>	<u>\$ 332,764</u>	<u>\$ 434,064</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,283	\$ -	\$ 5,039	\$ 8,322
Accrued Salaries and Benefits	392	-	-	392
Due to Other Funds	36,542	1,649	-	38,191
<b>TOTAL LIABILITIES</b>	<u>40,217</u>	<u>1,649</u>	<u>5,039</u>	<u>46,905</u>
<b>FUND BALANCE</b>				
Nonspendable	13,681	-	-	13,681
Restricted	17,876	-	79,280	97,156
Committed	-	-	248,445	248,445
Assigned	-	27,877	-	27,877
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>31,557</u>	<u>27,877</u>	<u>327,725</u>	<u>387,159</u>
<b>TOTAL LIABILITIES</b>				
<b>AND FUND BALANCE</b>	<u>\$ 71,774</u>	<u>\$ 29,526</u>	<u>\$ 332,764</u>	<u>\$ 434,064</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2022**

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL</u>
	<u>FOOD SERVICE FUND</u>	<u>STUDENT ACTIVITY FUND</u>	<u>CAPITAL RESERVE</u>	
<b>REVENUES</b>				
Local Sources	\$ 30,853	\$ 21,589	\$ 650	\$ 53,092
State Sources	692	-	-	692
Federal Sources	134,466	-	-	134,466
<b>TOTAL REVENUES</b>	<u>166,011</u>	<u>21,589</u>	<u>650</u>	<u>188,250</u>
<b>EXPENDITURES</b>				
Instructional Program	-	24,179	-	24,179
Operations and Maintenance of Plant Services	-	-	12,947	12,947
Food Services	209,185	-	-	209,185
Facilities Acquisition and Construction Services	-	-	34,948	34,948
<b>TOTAL EXPENDITURES</b>	<u>209,185</u>	<u>24,179</u>	<u>47,895</u>	<u>281,259</u>
Excess (deficiency) of revenues over expenditures	<u>(43,174)</u>	<u>(2,590)</u>	<u>(47,245)</u>	<u>(93,009)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Funds	45,858	-	100,000	145,858
Transfers to Other Funds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>45,858</u>	<u>-</u>	<u>100,000</u>	<u>145,858</u>
Net Change in Fund Balance	2,684	(2,590)	52,755	52,849
<b>Fund Balance, Beginning of Year,</b>	<u>28,873</u>	<u>30,467</u>	<u>274,970</u>	<u>334,310</u>
<b>Fund Balance, End of Year</b>	<u>\$ 31,557</u>	<u>\$ 27,877</u>	<u>\$ 327,725</u>	<u>\$ 387,159</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 7,011	\$ 29,030	\$ 30,853	\$ 1,823
State Sources	695	692	692	-
Federal Sources	97,555	115,997	134,466	18,469
<b>TOTAL REVENUES</b>	<u>105,261</u>	<u>145,719</u>	<u>166,011</u>	<u>20,292</u>
<b>EXPENDITURES</b>				
Food Services				
Salaries	61,424	78,639	86,346	(7,707)
Fringe Benefits	21,822	31,109	31,718	(609)
Purchased Services	3,000	3,000	2,964	36
Food, Commodities, and Supplies	73,789	95,950	83,826	12,124
Other Purchased Services	600	600	1,114	(514)
Travel, Registration, and Entrance	500	500	2,466	(1,966)
Equipment	2,000	2,000	751	1,249
Reserves	20,000	20,000	-	20,000
<b>TOTAL EXPENDITURES</b>	<u>183,135</u>	<u>231,798</u>	<u>209,185</u>	<u>22,613</u>
Excess (deficiency) of revenues over expenditures	<u>(77,874)</u>	<u>(86,079)</u>	<u>(43,174)</u>	<u>42,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Funds	57,874	57,206	45,858	(11,348)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>57,874</u>	<u>57,206</u>	<u>45,858</u>	<u>(11,348)</u>
Net change in fund balance	(20,000)	(28,873)	2,684	31,557
<b>Fund Balance, Beginning of Year</b>	<u>20,000</u>	<u>28,873</u>	<u>28,873</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,557</u>	<u>\$ 31,557</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**STUDENT ACTIVITY FUND**  
**For the Year Ended June 30, 2022**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET POSITIVE</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 80,000	\$ 80,000	\$ 21,589	\$ (58,411)
<b>TOTAL REVENUES</b>	<u>80,000</u>	<u>80,000</u>	<u>21,589</u>	<u>(58,411)</u>
<b>EXPENDITURES</b>				
Instructional Program	111,918	110,467	24,179	86,288
<b>TOTAL EXPENDITURES</b>	<u>111,918</u>	<u>110,467</u>	<u>24,179</u>	<u>86,288</u>
Excess (deficiency) of revenues over expenditures	<u>(31,918)</u>	<u>(30,467)</u>	<u>(2,590)</u>	<u>27,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(31,918)	(30,467)	(2,590)	27,877
<b>Fund Balance, Beginning of Year</b>	<u>31,918</u>	<u>30,467</u>	<u>30,467</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,877</u>	<u>\$ 27,877</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL RESERVE - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 510	\$ 107	\$ 650	\$ 543
<b>TOTAL REVENUES</b>	<u>510</u>	<u>107</u>	<u>650</u>	<u>543</u>
<b>EXPENDITURES</b>				
Operations and Maintenance of Plant Services	110,000	110,000	12,947	97,053
Facilities Acquisition and Construction Services	30,000	48,000	34,948	13,052
Reserves	235,527	217,077	-	217,077
<b>TOTAL EXPENDITURES</b>	<u>375,527</u>	<u>375,077</u>	<u>47,895</u>	<u>327,182</u>
Excess (deficiency) of revenues over expenditures	<u>(375,017)</u>	<u>(374,970)</u>	<u>(47,245)</u>	<u>327,725</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	100,000	100,000	100,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(275,017)	(274,970)	52,755	327,725
<b>Fund Balance, Beginning of Year</b>	<u>275,017</u>	<u>274,970</u>	<u>274,970</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,725</u>	<u>\$ 327,725</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**BOND REDEMPTION DEBT SERVICE FUND**  
**For the Year Ended June 30, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<b>VARIANCE WITH</b>
	<u>ORIGINAL</u>	<u>FINAL</u>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 398,527	\$ 450,750	\$ 453,033	\$ 2,283
<b>TOTAL REVENUES</b>	<u>398,527</u>	<u>450,750</u>	<u>453,033</u>	<u>2,283</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal Payments	237,711	237,711	237,710	1
Interest and Fees	153,204	153,204	152,654	550
Reserves	665,549	777,402	-	777,402
<b>TOTAL EXPENDITURES</b>	<u>1,056,464</u>	<u>1,168,317</u>	<u>390,364</u>	<u>777,953</u>
Net change in fund balance	(657,937)	(717,567)	62,669	780,236
<b>Fund Balance, Beginning of Year</b>	<u>657,937</u>	<u>717,567</u>	<u>717,567</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 780,236</u>	<u>\$ 780,236</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**SINGLE AUDIT SECTION**

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<b><i>Child Nutrition Cluster</i></b>			
U.S. Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 5553	\$ 24,757
National School Lunch Program	10.555	Colorado Department of Education, 5555/6555	97,948
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	8,080
Total National School Lunch Program			<u>106,028</u>
Summer Food Service Program	10.559	Colorado Department of Education, 4559	3,681
<b><i>Total Child Nutrition Cluster</i></b>			<u>134,466</u>
<b><i>Forest Service Schools and Roads Cluster</i></b>			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and Saguache County Treasurer, 7665	230,290
<b><i>Total Forest Service Schools and Roads Cluster</i></b>			<u>230,290</u>
<b><i>Total United States Department of Agriculture</i></b>			<u>364,756</u>
<b><i>Total All Clusters</i></b>			<u>364,756</u>
<b><i>Other Programs</i></b>			
U.S. Department of Agriculture			
Pandemic EBT Food Benefits	10.649	Colorado Department of Education, 4649	868
<b><i>Total U.S. Department of Agriculture</i></b>			<u>868</u>
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010/9202	147,875
Special Education - State Personnel Development	84.323	Colorado Department of Education, 5323	9,936
Rural Education	84.358	Colorado Department of Education, 4358	14,457
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4424	8,505
COVID-19 Education Stabilization Fund	84.425D	Colorado Department of Education, 4425/4420	263,959
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4414	157,573
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	17,265
<b><i>Total U.S. Department of Education</i></b>			<u>619,570</u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
U.S. Department of Health and Human Services			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Education, 7323	1,315
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Education, 7354	23,871
<i>Total U.S. Department of Health and Human Services</i>			<u>25,186</u>
U.S. Department of Treasury			
Coronavirus Relief Funds	21.019	Colorado Department of Education, 4012	5,453
<i>Total U.S. Department of Treasury</i>			<u>5,453</u>
<b><i>Total Other Programs</i></b>			<u>651,077</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<u><u>\$ 1,015,833</u></u>

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Moffat Consolidated School District No. 2 did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance for the year ended June 30, 2022. In addition, the District did not pass-through federal funds to subrecipients.

**NOTE 2: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Moffat Consolidated School District No. 2 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Moffat Consolidated School District No. 2, it is not intended to and does not present the financial position or changes in net position of Moffat Consolidated School District No. 2.

**NOTE 3: FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

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



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Moffat Consolidated School District No. 2  
Moffat, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Moffat Consolidated School District No. 2 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 04, 2023.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

**Certified Public Accountants**

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objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Wall, Smith, Bateman Inc*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 04, 2023

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



Wall,  
Smith,  
Bateman Inc.

To the Board of Education  
Moffat Consolidated School District No. 2  
Moffat, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Moffat Consolidated School District No. 2's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

**Certified Public Accountants**

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### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal

control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Wall, Smith, Bateman Inc*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

January 04, 2023

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2022**

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes        X  no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? \_\_\_\_\_yes        X  none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_yes        X  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes        X  no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? \_\_\_\_\_yes        X  none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_yes        X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	COVID-19 Education Stabilization Fund
84.425U	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_yes        X  no

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**Section IV – Summary Schedule of Prior Audit Findings**

None

**MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2**

**CDE COMPLIANCE SECTION**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2800 - Moffat 2  
 Fiscal Year 2021-22  
 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	2,764,522	4,180,909	4,156,790	2,788,641
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	34,192	232,739	113,556	153,375
<b>Sub- Total</b>	<b>2,798,714</b>	<b>4,413,648</b>	<b>4,270,346</b>	<b>2,942,016</b>
11 Charter School Fund	1,459,790	1,853,016	1,592,709	1,720,097
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	28,873	211,869	209,185	31,557
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	88,744	29,205	24,179	93,769
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	717,567	453,033	390,365	780,235
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	589,974	170,807	47,895	712,886
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>5,683,662</b>	<b>7,131,578</b>	<b>6,534,680</b>	<b>6,280,560</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL