

**MONTE VISTA SCHOOL DISTRICT NO. 8
MONTE VISTA, COLORADO**

FINANCIAL STATEMENTS

June 30, 2023



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

MONTE VISTA SCHOOL DISTRICT NO. 8
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Monte Vista School District No. 8
Monte Vista, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monte Vista School District No. 8 (the District), as of and for the year ended June 30, 2023, 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, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 auditor's report that 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



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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, pension, and other postemployment 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 nonmajor fund financial schedules, the Colorado School Districts 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 Colorado School District's 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 October 24, 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

October 24, 2023

**Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023**

As management of the Monte Vista School District C-8, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2023, are as follows:

- In total, net position for the District is \$16,185,503, an increase of \$1,661,872. The increase is a result of changes to reporting requirements as required by *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions made subsequent to the Measurement Date*. This statement revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The pension adjustment for FY2023 was \$(226,569), the OPEB (Other Post-Employment Benefits) was \$(75,003).
- General Revenues accounted for \$11,753,048 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$4,738,281 or 29% of total revenues of \$16,491,329.
- The District had \$14,829,457 in expenses related to governmental activities. Of these expenses \$4,738,281 were offset by program specific charges for services, grants, and contributions.

Governmental Funds

The District has three major governmental funds as determined by Governmental Accounting Standards Board Statement No. 34 (GASB 34). The major funds are the General Fund, the Projects Fund, and the Bond Redemption Fund.

- The General Fund had \$13,590,652 in revenues and \$11,890,914 in expenditures. The General Fund's fund balance increased \$1,367,261 to \$6,536,124 from \$5,168,863 in 2021-2022. A portion of the ending fund balance was set aside to meet other obligations as follows:

Restricted:	
TABOR 3% Reserve	\$ 395,000
Committed:	
Multi-year Contracts	418,055
Insurance Reserve	15,236
Pre-School Fund	62,928
Assigned:	
Pupil Count Audit	60,000
Designated:	
Subsequent years	58,428
Unassigned:	<u>5,526,477</u>
Total Fund Balance	<u>\$ 6,536,124</u>

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

- The Projects Fund reflects State and Federal source revenues, which are to be used for specific purposes as defined in the grant documents. In fiscal year 2023, the District expended \$1,998,987.
- The Bond Redemption Fund had revenues from property taxes and earnings on investments of \$650,303 and debt service payments of \$574,438. The fund balance increased by \$75,865 to \$1,012,531. The District passed a bond issue in November 2008 for \$8.4 million. As of June 30, 2022, a total of \$8,397,301 of the \$8.4 million have been sold. The mill levies of 11.300 mills reflected the funding needed to meet the new obligations. The current fund balance is adequate to meet the current obligations of the bond issue.

Proprietary Fund

- In Fiscal year 2015, an Internal Service Fund was created to handle costs associated with the level-funding self-insurance medical insurance plan.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and its component units, or to other governmental units, on a cost-reimbursement basis.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

Government-wide Statements

The government-wide statements report information about the District using accounting methods like those used by private-sector companies. The statement of net position presents information on all the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are categorized as governmental funds:

- *Governmental activities:* Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

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

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

- *Internal Service Fund:* The District uses an internal service fund to account for services provided to the different departments on a cost-reimbursement basis. The District is the only participant in the activity.
- *Fiduciary funds:* The District is the custodian, or *fiduciary*, for assets that belong to others, such as small scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

Financial Analysis of the District as a Whole

Government-wide Analysis

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 90% of the annual property tax assessment in the first half of the calendar year.

Capital Assets are used in the operation of the District. These assets are land, improvements, buildings, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2024. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2024.

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

Table I
Condensed Statement of Net Position
As of June 30, 2023

	<u>Governmental Activities</u>		<u>% Change</u>
	<u>2022</u>	<u>2023</u>	
Assets			
Current Assets	\$ 8,911,481	\$ 10,514,479	17.99%
Capital Assets	29,147,328	29,718,836	1.96%
Total Assets	<u>38,058,809</u>	<u>40,233,315</u>	<u>5.71%</u>
Deferred Outflows of Resources			
Bond Refunding	231,066	192,555	-16.67%
Pension	2,865,149	3,671,940	28.16%
OPEB	71,211	103,025	44.68%
Total Deferred Outflows of Res.	<u>3,167,426</u>	<u>3,967,520</u>	
Liabilities			
Current Liabilities	2,028,983	2,011,151	-0.88%
Long-Term Liabilities	18,456,142	23,368,870	26.62%
Total Liabilities	<u>20,485,125</u>	<u>25,380,021</u>	<u>23.89%</u>
Deferred Inflows of Resources			
Pension	5,952,884	2,206,469	-62.93%
OPEB	237,745	219,918	-7.50%
Unavailable Revenue - Property Tax	26,850	\$ 49,193	83.21%
Unavailable Revenue- Leases	-	159,731	100.00%
Total Deferred Inflows of Resources	<u>6,217,479</u>	<u>2,635,311</u>	<u>-57.61%</u>
Net Position			
Net Investment in			
Capital Assets	23,268,651	23,180,796	-0.38%
Restricted	1,959,368	1,977,545	0.93%
Unrestricted	(10,704,388)	(8,972,838)	-16.18%
Total Net Position	<u>\$ 14,523,631</u>	<u>\$ 16,185,503</u>	<u>11.44%</u>

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

The effect of the PERA pension and OPEB on the District's total net position for the Fiscal Year 2022 and 2023 is summarized below:

	Fiscal Year 2023	Fiscal Year 2022
Net Position (GAAP Basis)	\$ 16,185,503.00	\$ 14,523,631.00
GASB 68 - Pension	14,955,184.00	15,181,754.00
GASB 75 - OPEB	676,644.00	751,646.00
Net Position Excluding Pension and OPEB	<u>31,817,331.00</u>	<u>30,457,031.00</u>

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

	Fiscal Year 2023	Fiscal Year 2022
Unrestricted Net Position (GAAP Basis)	\$ (8,972,838.00)	\$ (10,567,700.00)
GASB 68 - Pension	14,955,184.00	15,181,754.00
GASB 75 - OPEB	676,644.00	751,646.00
Net Position Excluding Pension and OPEB	<u>6,658,990.00</u>	<u>5,365,700.00</u>

Management's estimate of the Districts' proportionate share of the State On-Behalf Direct Distribution is \$408,049, which is recognized as a contribution and allocation in the General Fund.

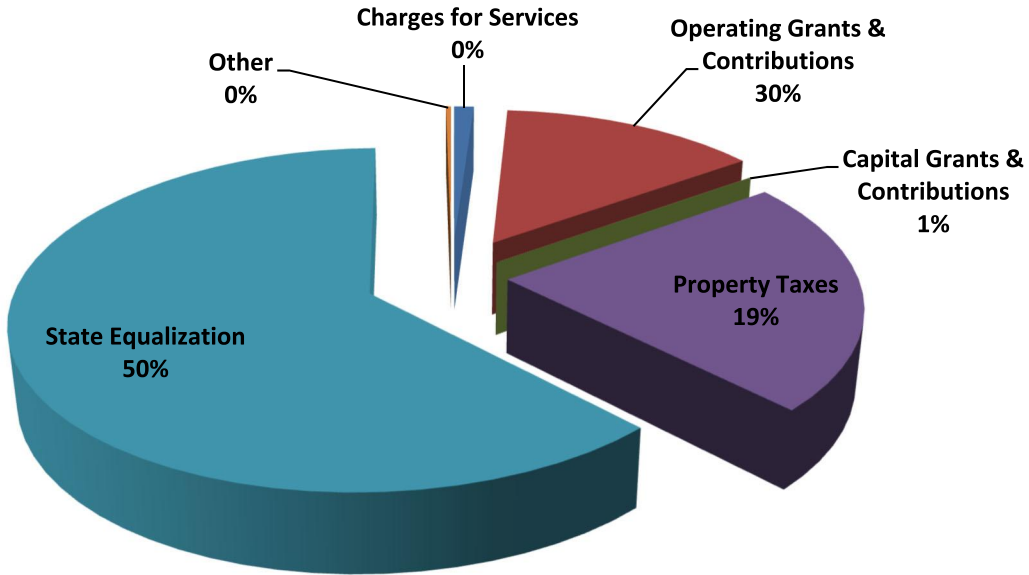
Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

Table II
Condensed Statement of Changes in Net Position
Fiscal Year 2023

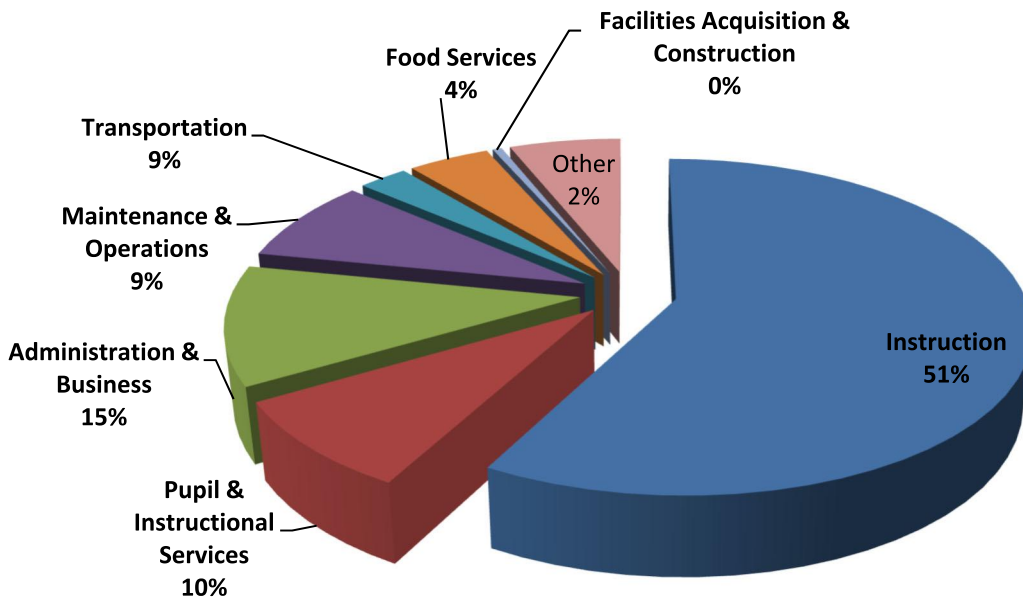
	<u>Governmental Activities</u>		<u>% Change</u>
	<u>2022</u>	<u>2023</u>	
Revenue			
Program Revenues:			
Charges for Services	\$ 31,463	\$ 82,585	162.48%
Operating Grants & Contributions	5,040,893	4,116,280	-18.34%
Capital Grants & Contributions	29,771	539,416	1711.88%
General Revenues:			
Property Taxes	2,880,783	3,201,919	11.15%
State Equalization	8,068,470	8,417,380	4.32%
Other	71,199	133,749	87.85%
Total Revenues	16,122,579	16,491,329	2.29%
Expenses			
Instruction	5,127,404	8,717,717	70.02%
Pupil & Instructional Services	1,015,576	1,256,260	23.70%
Administration & Business	1,505,734	1,787,521	18.71%
Maintenance & Operations	928,251	1,295,752	39.59%
Transportation	279,760	377,023	34.77%
Food Services	431,668	579,631	34.28%
Facilities Acquisition & Construction	-	-	
Other	749,157	815,553	8.86%
Total Expenses	10,037,550	14,829,457	47.74%
Increase (Decrease) in Net Position	6,085,029	1,661,872	-72.69%
Net Position, Beginning of Year	8,438,602	14,523,631	72.11%
Ending Net Position	\$ 14,523,631	\$ 16,185,503	11.44%

**Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023**

2022-2023 REVENUES - GOVERNMENT WIDE



2022-2023 EXPENDITURES - GOVERNMENT WIDE



Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

Governmental Activities

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, designated and undesignated fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year. The fund balance for the General Fund that has not been restricted or committed is \$5,526,477. The Taxpayer Bill of Rights (TABOR) Reserve, required by state statute was \$395,000. This reserve is based on 3% of specific revenue sources. The District's TABOR Reserve is held in cash with C Safe.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA, total program funding was \$10,101 per student or \$10,847,397. This is an increase of \$279 or 2.6% over the previous year. The total program funding was then adjusted by the "Budget Stabilization Factor" of 3.6% or \$399,396, reducing the actual funding by about \$372 per student. The funded pupil count for fiscal year 2023 was 1,073.9. The District's funded pupil count was slightly lower than the prior year. Funding for the SFA comes from property taxes, specific ownership tax and state equalization.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table III shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes. Other governmental revenues, from property taxes, state equalization, and interest on investments, were adequate to cover the excess costs.

Table III
Cost of Services – Governmental Activities
Fiscal Year 2023

	Total Cost of Services		Net Cost of Services	
	2022	2023	2022	2023
Instruction	\$ 5,127,404	\$ 8,717,717	\$ 1,212,252	\$ 5,025,315
Pupil & Instructional Services	1,015,576	1,256,260	568,740	864,444
Administration & Business	1,505,734	1,787,521	1,485,998	1,731,620
Maintenance & Operations	928,251	1,295,752	920,436	1,270,355
Transportation	279,760	377,023	201,555	310,445
Food Services	431,668	579,631	(195,818)	77,157
Facilities Acquisition & Construction	-	-	-	-
Other	749,157	815,553	742,260	811,840
Total Expenses	\$ 10,037,550	\$ 14,829,457	\$ 4,935,423	\$ 10,091,176

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on the modified accrual basis. Therefore, the District budgets each year for actual salaries for nine- and ten-month employees, based on salaries for the school term of September to May, but paid out over twelve months (September to August). The July and August salaries are accrued in the budgeted financial statements. The Board of Education can make final changes to the fiscal year adopted budget on or before January 31st. These adjustments reflect information as of December 31st. After that, all changes must be approved by supplemental budget resolution.

The original 2022-2023 adopted General Fund budget was amended in January 2023, for the following reasons:

- The adopted budget for 2022-2023 reflected an estimated funded pupil count of 970.9 (Average), while the actual funded pupil count was 1073.9. The revised budget in January 2023 included an adjustment to equalization, reflecting an increase in funded pupil count of \$544,481.
- The audited beginning fund balance increase of \$1,068,863 helped to offset expenditures for the current year that exceeded current budgeted revenues.
- Major adjustments to the General Fund revenues primarily were to reduce the estimated revenues to more realistic amounts.
- Major adjustments to General Fund expenditures include the recalculation of salaries and benefits, and various reclassifications of individual line items.

Adjustments to other funds reflected final FY23 ending fund balances and final numbers for grant funds.

The Monte Vista School Board approved the following supplemental budgets:

- Supplemental budget for the Projects Fund were approved in May 2023, to account for an EASI CoHort 5 Grant received for the BSDELTA Center in the amount of \$35,346.

District General Fund expenditures were lower than total budgeted expenditures by \$1,340,017 as is reflected in the budgeted carryover of \$6,536,124.

**Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023**

Capital Assets and Debt Administration

Capital Assets

On June 30, 2023, the District had \$29,718,836 invested in sites, land improvements, buildings, equipment, and vehicles, which was used in governmental activities. Table IV shows the investment in capital assets net of depreciation expense for governmental activities.

**Table IV
Capital Assets at June 30, 2023
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>% Change</u>
	<u>2022</u>	<u>2023</u>	
Sites	\$ 258,329	\$ 258,329	0.00%
Site Improvements - Inexhaustible	2,532,852	2,532,852	0.00%
Land Improvements	3,411,418	3,246,740	-4.83%
Buildings	21,950,167	22,960,332	4.60%
Infrastructure	93,723	164,480	0.00%
Equipment	325,246	357,713	9.98%
Vehicles	158,124	198,390	25.46%
Construction in Progress	417,469	-	0.00%
Totals	<u>\$ 29,147,328</u>	<u>\$ 29,718,836</u>	<u>1.96%</u>

Long-Term Debt

At June 30, 2023, the District had \$6,921,426 in total long-term debt. Of this amount \$532,962 is due within one year. Table V details the outstanding debt and the portion due within one year for the District. Compensated absences of \$383,386, are considered paid when used, or when it is bought back upon retirement or resignation of an employee.

**Table V
Outstanding Debt
Current and Total at June 30, 2023**

	<u>2022</u>		<u>2023</u>	
	<u>Due Within One Year</u>	<u>Total Debt</u>	<u>Due Within One Year</u>	<u>Total Debt</u>
General Obligation Bonds	\$ 383,698	\$ 5,576,764	\$ 391,605	\$ 5,193,066
Lease Purchase Agreements	50,780	50,780	95,770	1,134,253
Early Retirement Bonus Payable	1,454	1,454	-	-
Compensated Absences Payable	6,138	379,362	5,175	383,386
Bond Premium	40,412	251,133	40,412	210,721
Totals	<u>\$ 482,482</u>	<u>\$ 6,259,493</u>	<u>\$ 532,962</u>	<u>\$ 6,921,426</u>

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

On December 16, 2010, the District issued general obligation bonds series 2010D-F matching money bonds in the amount of \$3,752,301 with an interest rate of 4.082%, to be paid in full on December 1, 2030. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction of the new high school and the construction and renovation of the Bill Metz elementary school. The principal balance outstanding at June 30, 2023, was \$1,863,066.

On August 10, 2016, the District issued \$4,120,000 in Series 2016 General Obligation Refunding Bonds to refund \$2,630,000 of the District's outstanding Series 2009 Bonds, issued in the original aggregate principal amount of \$3,000,000 and currently outstanding in the aggregate principal amount of \$2,820,000 and \$1,215,000 of its Series 2010 Bonds, issued in the original aggregate principal amount of \$1,645,000. The principal balance outstanding at June 30, 2023, was \$3,330,000.

The District entered into a financed purchase agreement between Government Capital Corporation, as lessor, and the District, as lessee, for the purpose of upgrading the Activity Bus. The lease, dated June 20, 2019, was for \$148,023 with an interest rate of 3.651%. The lease has a term of 3 annual payments from the General Fund, with final payment due on July 1, 2022. The cost of the bus was \$148,023.42 and accumulated depreciation was \$45,229 at June 30, 2023. The principal balance outstanding at June 30, 2023, was \$0.

The District entered into a financed purchase agreement between Signature Public Funding Corp, as lessor, and the District, as lessee, for the purchase of energy performance improvements. The agreement, dated June 28, 2022, was for \$1,134,253 with an interest rate of 3.35%. The agreement has a term of 10 annual payments from the General Fund, with final payment due on July 15, 2032. The cost of the performance improvements was \$1,181,580 and accumulated depreciation was \$3,939 at June 30, 2023. The District has only drawn down \$839,070 as of June 30, 2023, and the remaining balance is included with cash with fiscal agent. The principal balance outstanding at June 30, 2023, was \$1,134,253.

Factors Bearing on the District's Future

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

- District has been experiencing fluctuating enrollment since fiscal year 2000. The School Finance Act, as changed in 2008, averages student counts for the previous four years plus the current year to determine the *funded pupil count (FPC)*. In the past three years it was advantageous for the District to use the actual FTE. The actual FTE for 2022-2023 is 1073.9. The trend in current FTE numbers is an indication that the District may once again benefit from using the averaging method.
- Starting in FY 2010-11, an additional factor was included in the school finance formula. This factor acts as a reduction to other existing factors and shall not reduce any base per pupil funding districts receive through the school finance formula. In general, this factor is calculated by first determining the total program prior to application of the Budget Stabilization Factor (BS). The BS factor in, FY 2017-18 was 11.04%, FY 2018-2019 was 9%, FY 2019-2020 was 7%, FY 2020-2021 was 6%, 2021-2022 was 5%, and 2022-2023 is 3.6%.

Monte Vista School District C-8
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023

- 2022-2023 funding has been less affected by the economic impacts of COVID-19 in Colorado. State Equalization for the Monte Vista School District been lowered by approximately 7.6% average over the last 5 years, due to the State Budget Stabilization Factor. However, for the 2022-23 FY the Budget Stabilization Factor was decreased to 3.6%, resulting in increase in total program. We are aware that the long-term effects of COVID-19 will still require diligence in the use of General Fund balance to meet expense obligations in 2023-2024
- Professional level staffing continues to be a major concern due to extreme teacher shortages locally and statewide. The ability to attract just applicants for some historically easy to fill positions has become increasing difficult. Additionally, the Colorado retirement system proposed changes will put additional pressure on the district resources to meet the statutory funding obligations, which, short of additional state revenue, will further erode local instructional support resources.
- The District did receive Emergency Federal Funding during the 2022-2023 related to the COVID19 pandemic. These funds were used to facilitate the hybrid learning environment and increase staff to keep class sizes to help limit exposures and quarantine numbers.

ESSER II	\$ 526,737 (final year)
ESSER III	\$ 1,173,055

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent's Office, Monte Vista School District C-8, 59 N Broadway St., Monte Vista, CO 81144.

MONTE VISTA SCHOOL DISTRICT NO. 8
BASIC FINANCIAL STATEMENTS

MONTE VISTA SCHOOL DISTRICT NO. 8

STATEMENT OF NET POSITION

June 30, 2023

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 9,721,011
Accounts Receivable	326,717
Property Tax Receivable	49,193
Due from Other Governments	403,938
Inventories	13,620
Total Current Assets	<u>10,514,479</u>
Noncurrent Assets	
Capital assets not being depreciated	2,791,181
Capital assets, net of accumulated depreciation	26,927,655
Total Noncurrent Assets	<u>29,718,836</u>
TOTAL ASSETS	<u>40,233,315</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond Refunding	192,555
Pension	3,671,940
OPEB	103,025
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,967,520</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	164,076
Accrued Salaries and Benefits	1,295,634
Unearned Grant Revenue	18,479
Premium on Issuance of Bonds	40,412
Financed Purchase Agreement	95,770
General Obligation Bonds	391,605
Compensated Absences	5,175
Total Current Liabilities	<u>2,011,151</u>
Noncurrent Liabilities	
Premium on Issuance of Bonds	170,309
Financed Purchase Agreement	1,038,483
General Obligation Bonds	4,801,461
Compensated Absences	378,211
Pension Liability	16,420,655
OPEB Liability	559,751
Total Noncurrent Liabilities	<u>23,368,870</u>
TOTAL LIABILITIES	<u>25,380,021</u>

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

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Pension	2,206,469
OPEB	219,918
Unavailable Revenue - Property Tax	49,193
Unavailable Revenue - Leases	159,731
TOTAL DEFERRED INFLOWS OF RESOURCES	2,635,311
NET POSITION	
Net Investment in Capital Assets	23,180,796
Restricted	1,977,545
Unrestricted	(8,972,838)
TOTAL NET POSITION	\$ 16,185,503

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

MONTE VISTA SCHOOL DISTRICT NO. 8

STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenues and Changes in Net Position
					Primary Government
Primary Government					
Governmental Activities					
Instructional Program	\$ 8,717,717	\$ 55,809	\$ 3,097,177	\$ 539,416	\$ (5,025,315)
Student Supporting Services	917,493	16,703	363,450	-	(537,340)
Instructional Staff Supporting Services	338,767	-	11,663	-	(327,104)
General Administration Supporting Services	411,356	-	6,963	-	(404,393)
School Administration Supporting Services	1,050,120	-	39,473	-	(1,010,647)
Business Supporting Services	326,045	-	9,465	-	(316,580)
Operations and Maintenance of Plant Services	1,295,752	-	25,397	-	(1,270,355)
Student Transportation Services	377,023	4,030	62,548	-	(310,445)
Central Supporting Services	503,257	-	3,497	-	(499,760)
Community Services	89,712	-	-	-	(89,712)
Food Services	579,631	6,043	496,431	-	(77,157)
Non - Instructional Services	29,899	-	216	-	(29,683)
Interest on Long-term Debt	192,685	-	-	-	(192,685)
Total Governmental Activities	14,829,457	82,585	4,116,280	539,416	(10,091,176)
Total Primary Government	\$ 14,829,457	\$ 82,585	\$ 4,116,280	\$ 539,416	(10,091,176)
General Revenues					
Taxes					
					2,802,811
					387,580
					11,528
					8,417,380
					76,878
					56,871
					11,753,048
					Change in Net Position
					1,661,872
					Net Position, Beginning of Year
					14,523,631
					Net Position, End of Year
					\$ 16,185,503

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

MONTE VISTA SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

	<u>GENERAL FUND</u>	<u>PROJECTS FUND</u>	<u>BOND REDEMPTION FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and Cash Equivalents	\$ 7,029,156	\$ 115,286	\$ 988,326	\$ 1,089,365	\$ 9,222,133
Cash with Fiscal Agent	295,183	-	-	-	295,183
Accounts Receivable	302,512	-	24,205	-	326,717
Property Tax Receivable	35,919	-	13,274	-	49,193
Due from Other Governments	-	390,923	-	13,015	403,938
Due from Other Funds	201,727	-	-	-	201,727
Inventory	-	-	-	13,620	13,620
TOTAL ASSETS	<u>\$ 7,864,497</u>	<u>\$ 506,209</u>	<u>\$ 1,025,805</u>	<u>\$ 1,116,000</u>	<u>\$ 10,512,511</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 158,661	\$ 3,981	\$ -	\$ 1,434	\$ 164,076
Accrued Salaries and Benefits	965,353	290,731	-	39,550	1,295,634
Due to Other Funds	-	201,727	-	-	201,727
Unearned Grant Revenue	8,709	9,770	-	-	18,479
TOTAL LIABILITIES	<u>1,132,723</u>	<u>506,209</u>	<u>-</u>	<u>40,984</u>	<u>1,679,916</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	35,919	-	-	-	35,919
Unavailable Revenue - Leases	159,731	-	13,274	-	173,005
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>195,650</u>	<u>-</u>	<u>13,274</u>	<u>-</u>	<u>208,924</u>
FUND BALANCE					
Nonspendable	-	-	-	13,620	13,620
Restricted	395,000	-	1,012,531	570,014	1,977,545
Committed	496,219	-	-	491,382	987,601
Assigned	118,428	-	-	-	118,428
Unassigned	5,526,477	-	-	-	5,526,477
TOTAL FUND BALANCE	<u>6,536,124</u>	<u>-</u>	<u>1,012,531</u>	<u>1,075,016</u>	<u>8,623,671</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,864,497</u>	<u>\$ 506,209</u>	<u>\$ 1,025,805</u>	<u>\$ 1,116,000</u>	<u>\$ 10,512,511</u>

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

MONTE VISTA SCHOOL DISTRICT NO. 8
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total governmental fund balances		\$ 8,623,671
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.		29,718,836
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position		3,774,965
Deferred results of bond refunding		192,555
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	\$ (5,193,066)	
Financed Purchase Agreements	(1,134,253)	
Compensated Absences	<u>(383,386)</u>	
		(6,710,705)
Certain transactions relating to the activity of bonds are expensed in the governmental funds, but are required to be capitalized and amortized in the government-wide financial statements.		
Premium on Issuance of Bonds		(210,721)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(16,980,406)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		(2,426,387)
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in governmental activities in the statement of net position.		<u>203,695</u>
Net position of governmental activities		<u><u>\$ 16,185,503</u></u>

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

MONTE VISTA SCHOOL DISTRICT NO. 8
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
For the Year Ended June 30, 2023

	GENERAL FUND	PROJECTS FUND	BOND REDEMPTION FUND	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	\$ 3,126,916	\$ -	\$ 650,303	\$ 361,586	\$ 4,138,805
Intermediate Sources	3,826	-	-	-	3,826
State Sources	9,251,204	145,452	-	542,432	9,939,088
Federal Sources	74,453	1,853,535	-	481,622	2,409,610
TOTAL REVENUES	12,456,399	1,998,987	650,303	1,385,640	16,491,329
EXPENDITURES					
Instructional Program	6,205,304	1,424,140	-	353,675	7,983,119
Student Supporting Services	583,592	187,784	-	-	771,376
Instructional Staff Supporting Services	77,592	269,404	-	-	346,996
General Administration Supporting Services	249,929	116,598	-	7,883	374,410
School Administration Supporting Services	1,079,293	-	-	-	1,079,293
Business Supporting Services	331,979	1,061	-	-	333,040
Operations and Maintenance of Plant Services	1,319,834	-	-	-	1,319,834
Student Transportation Services	337,631	-	-	-	337,631
Central Supporting Services	561,415	-	-	-	561,415
Community Services	89,712	-	-	-	89,712
Food Services	-	-	-	588,346	588,346
Non - Instructional Services	12,089	-	-	-	12,089
Capital Outlay	989,819	-	-	734,672	1,724,491
Debt Service	52,725	-	574,438	-	627,163
TOTAL EXPENDITURES	11,890,914	1,998,987	574,438	1,684,576	16,148,915
Excess (Deficiency) of Revenues Over Expenditures	565,485	-	75,865	(298,936)	342,414
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	-	-	-	332,477	332,477
Transfers to Other Funds	(332,477)	-	-	-	(332,477)
Financed Purchase Agreement Proceeds	1,134,253	-	-	-	1,134,253
TOTAL OTHER FINANCING SOURCES (USES)	801,776	-	-	332,477	1,134,253
Net Change in Fund Balance	1,367,261	-	75,865	33,541	1,476,667
Fund Balance, Beginning of Year	5,168,863	-	936,666	1,041,475	7,147,004
Fund Balance, End of Year	\$ 6,536,124	\$ -	\$ 1,012,531	\$ 1,075,016	\$ 8,623,671

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

MONTE VISTA SCHOOL DISTRICT NO. 8
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, 2023

Net change in fund balances - total governmental funds \$ 1,476,667

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

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

Fixed asset additions	\$ 1,918,693	
Depreciation expense	<u>(1,347,185)</u>	571,508

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. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Principal payment on general obligation bonds	383,698	
Financed purchase agreement proceeds	(1,134,253)	
Principal payment on financed purchase agreement	50,780	
Bond premium amortization	40,412	
Deferred charge on refunding	<u>(38,511)</u>	(697,874)

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		(2,570)
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An internal service fund is used by the District to account for its self-funded health insurance. The net income of the internal service fund is reported in the governmental activities. 12,569

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. These items consists of the change in pension and OPEB expense. 301,572

Change in net position of governmental activities \$ 1,661,872

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2023

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 203,695
Total Current Assets	<u>203,695</u>
TOTAL ASSETS	<u>203,695</u>
NET POSITION	
Unrestricted	<u>203,695</u>
TOTAL NET POSITION	<u><u>\$ 203,695</u></u>

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

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2023

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES	
Insurance Premiums	\$ 1,221,763
Total Operating Revenues	1,221,763
OPERATING EXPENSES	
Purchased Services	1,209,194
Total Operating Expenses	1,209,194
Operating Income (Loss)	12,569
NONOPERATING REVENUES (EXPENSES)	-
Change in Net Position	12,569
Net Position, Beginning of Year	191,126
Net Position, End of Year	\$ 203,695

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

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Insurance Premiums	\$ 1,221,763
Cash Payments for Claims and Fees	(1,209,194)
	12,569
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	-
Net Increase (Decrease) in Cash and Cash Equivalents	12,569
Cash and Cash Equivalents, Beginning of Year	191,126
Cash and Cash Equivalents, End of Year	\$ 203,695
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 12,569
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
(Increase) Decrease in Due from Other Funds	-
Net Cash provided (used) by Operating Activities	\$ 12,569

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

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	CUSTODIAL FUND
ASSETS	
Cash	\$ 21,348
TOTAL ASSETS	21,348
 LIABILITIES	
Funds Held for Others	-
TOTAL LIABILITIES	-
 NET POSITION	
Restricted for:	
Scholarships	21,348
TOTAL NET POSITION	\$ 21,348

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

MONTE VISTA SCHOOL DISTRICT NO. 8
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	CUSTODIAL FUND
ADDITIONS	
Receipts	\$ 14,596
Total Additions	14,596
DEDUCTIONS	
Disbursements	8,122
Total Deductions	8,122
Net Increase (Decrease) in Fiduciary Net Position	6,474
Net Position - Beginning of the Year	14,874
Net Position - End of the Year	\$ 21,348

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

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

Monte Vista School District No. 8 is a public school as established by Colorado State Statute. The District is declared to be a corporate body with perpetual existence and in its name may hold property, sue and be sued, and be a party to contracts for any purpose authorized by law. Members of the school board are voted on at large by the registered, qualified electors of the District. Taxes are levied upon all taxable property within the District's boundaries by the County Commissioners. The County Treasurer collects the taxes and remits them to the school district. The District also receives State and Federal funds. The school board has the authority to issue bonds up to 20% of the latest assessed valuation of the taxable property in the District. The board also has authority to select the depository of school funds and acquire short-term loans.

Component Units

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

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

Based on the aforementioned criteria, the Monte Vista School District No. 8 has no component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the District, except for District fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

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

The District reports the following major governmental funds:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Bond Redemption Fund** is used to account for the accumulation of resources for the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease-purchase debt.
- The **Projects Fund** is used to record financial transactions for grants received for designated programs funded by federal, state, or local governments.

Proprietary fund financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows.

The District's only proprietary fund is the Internal Service Fund, used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, generally, on a cost reimbursement basis. The District accounts for its self-funded health insurance in an internal service fund.

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The proprietary fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The fiduciary fund financial statements consist of private-purpose trust funds that are fiduciary in nature and present changes in fiduciary net position. Fiduciary funds are accounted for using the economic resources measurement and accrual basis of accounting. These funds are used to account for assets that the District holds for others in a fiduciary capacity.

The District reports the following private-purpose trust funds:

- The ***Custodial Fund*** accounts for transactions relating to the Ritchie Scholarship Trust for the purpose of providing scholarships to District students.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column.

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

Cash

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

Property Taxes

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

Uncollected property taxes that became an enforceable lien January 1, 2023, have been recorded in the financial statements as an asset and a corresponding deferred inflow of resources.

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".

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Inventories

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

USDA Commodities

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

Prepaid Items

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

Capital Assets

Capital Assets, which include land, land improvements, buildings, equipment, vehicles, and construction in progress are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Land Improvements	15-50
Buildings	10-50
Equipment	5-20
Vehicles	8-12

Leases

Lessor: The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Voluntary Early Retirement Bonus Plan

All employees shall be eligible to participate upon completion of 20 years of service, the last 15 of which are to be uninterrupted service to the District. Depending on years of service, an employee can receive a bonus of 20% to 70% of their last salary, excluding extra pay, paid out in January following retirement over the term of one to five years.

Compensated Absences

Teachers and administrative staff of the District receive 10, 11, or 12 days each contract year for personal leave based on the number of months worked each year. Personal leave may accumulate up to 40 days; any days earned over 40 days is paid to employees in June of each year and the balance is paid upon retirement or resignation from the District

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at a rate of \$100 per day for full-time certified employees and \$70 per day for full-time classified employees. Part-time employees are paid based upon the length of day worked. 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.

Deferred Outflows/Inflows of Resources

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

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

Certain amounts related to pensions must be deferred.

Pensions

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the 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, 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.

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- *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 governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

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	<u>GENERAL FUND</u>	<u>PROJECTS FUND</u>	<u>BOND REDEMPTION FUND</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 13,620	\$ 13,620
Restricted					
TABOR 3% Reserve	395,000	-	-	-	395,000
BEST Capital Reserve Renewal	-	-	-	570,014	570,014
Debt Service	-	-	1,012,531	-	1,012,531
	<u>395,000</u>	<u>-</u>	<u>1,012,531</u>	<u>570,014</u>	<u>1,977,545</u>
Committed					
Multi-Year Contracts	418,055	-	-	-	418,055
Pupil Activities	-	-	-	174,577	174,577
Insurance Reserve	15,236	-	-	-	15,236
Preschool Fund	62,928	-	-	-	62,928
Food Service	-	-	-	130,080	130,080
Capital Projects/Equipment	-	-	-	186,725	186,725
	<u>496,219</u>	<u>-</u>	<u>-</u>	<u>491,382</u>	<u>987,601</u>
Assigned					
Pupil Count Audit	60,000	-	-	-	60,000
Designated for Subsequent Years	58,428	-	-	-	58,428
	<u>118,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,428</u>
Unassigned	<u>5,526,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,526,477</u>
Total Fund Balance	<u>\$ 6,536,124</u>	<u>\$ -</u>	<u>\$ 1,012,531</u>	<u>\$ 1,075,016</u>	<u>\$ 8,623,671</u>

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

Encumbrances

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

Use of Estimates

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

New Accounting Pronouncements

During fiscal year 2023, the District adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA)*, that establishes that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in

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an exchange or exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the District.

Reclassifications

Certain amounts from fiscal year 2022 have been reclassified to conform to the fiscal year 2023 financial statement presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Monte Vista School District No. 8 follows the procedures set forth in the Colorado School District Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than June 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.

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

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of Education adopted supplemental appropriations during fiscal year 2023.

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

NOTE 3 CASH AND CASH EQUIVALENTS

A summary of cash and cash equivalents for the District are as follows:

Cash in Banks	\$ 7,650,646
Cash with Fiscal Agent	295,183
Cash on Hand	1,000
Short Term Investments	1,795,530
Less: amounts related to Custodial Funds	(21,348)
Total cash and cash equivalents on the Statement of Net Position	\$ 9,721,011

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.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, \$7,036,830 of the District’s bank balance of \$7,786,840 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

Investments

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

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

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

As of June 30, 2023, the District has the following investments:

Investments	Maturity	Total	Rating
CSAFE	Less than 1 year	\$1,795,530	AAAm

The Colorado Surplus Asset Fund Trust (CSAFE) investments are valued using the net asset value per share (or its equivalent) of the investments. The investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. CSAFE investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. CSAFE measures all of its investments at amortized cost.

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NOTE 4 PROPERTY TAXES RECEIVABLE

At June 30, 2023, the District had an estimated property tax receivable as follows:

General Fund	\$	35,919
Bond Redemption Fund		13,274
	<u>\$</u>	<u>49,193</u>

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023, consisted of the following:

General Fund		
June, July, and August Treasurer's Collections	\$	116,110
Lease Receivable		159,731
Other		26,671
Bond Redemption Fund		
June, July, and August Treasurer's Collections		24,205
	<u>\$</u>	<u>326,717</u>

Lessor

The District is leasing land to a solar farm. The District has recognized a lease receivable as of June 30, 2023 for the terms of the lease. Total lease revenue recognized during the fiscal year ending June 30, 2023 is \$2,090 of principal and \$4,855 of interest income.

The following is the lease receivable schedule as of June 30, 2023:

	Principal	Interest	Total
FY 2024	\$ 2,222	\$ 4,792	\$ 7,014
FY 2025	2,359	4,725	7,084
FY 2026	2,500	4,655	7,155
FY 2027	2,647	4,580	7,227
FY 2028	2,798	4,500	7,298
FY 2029-2033	16,457	21,145	37,602
FY 2034-2038	21,113	18,406	39,519
FY 2039-2043	26,616	14,920	41,536
FY 2044-2048	33,103	10,551	43,654
FY 2049-2053	40,739	5,143	45,882
FY 2054	9,178	275	9,453
Total	<u>\$ 159,732</u>	<u>\$ 93,692</u>	<u>\$ 253,424</u>

NOTE 6 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. As of June 30, 2023, the

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District had \$403,938 due from Federal, State, and Local governments, reflected as Due from Other Governments in the accompanying basic financial statements.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The District reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balances at June 30, 2023, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Projects Fund	\$ 201,727
		\$ 201,727

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, were as follows:

Transfer In	Transfer Out	Amount
Pupil Activity Fund	General Fund	\$ 60,000
Building Fund	General Fund	272,477
		\$ 332,477

The General Fund transfers were made to subsidize the Pupil Activity Fund, increase the BEST Capital Renewal Reserve and for capital improvement projects in the Building Fund.

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NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$ 258,329	\$ -	\$ -	\$ 258,329
Site Improvements- Inexhaustible	2,532,852	-	-	2,532,852
Construction in Progress	417,469	-	417,469	-
Total capital assets not being depreciated	<u>3,208,650</u>	<u>-</u>	<u>417,469</u>	<u>2,791,181</u>
Capital Assets Being Depreciated				
Land Improvements	5,116,534	-	-	5,116,534
Buildings	37,845,172	2,051,314	-	39,896,486
Infrastructure	105,024	97,835	-	202,859
Equipment	2,180,879	115,176	-	2,296,055
Vehicles	1,090,528	71,837	48,520	1,113,845
Total Capital Assets Being Depreciated	<u>46,338,137</u>	<u>2,336,162</u>	<u>48,520</u>	<u>48,625,779</u>
Less: Accumulated Depreciation For				
Land Improvements	1,705,116	164,678	-	1,869,794
Buildings	15,895,005	1,041,149	-	16,936,154
Infrastructure	11,301	27,078	-	38,379
Equipment	1,855,633	82,709	-	1,938,342
Vehicles	932,404	31,571	48,520	915,455
Total Accumulated Depreciation	<u>20,399,459</u>	<u>1,347,185</u>	<u>48,520</u>	<u>21,698,124</u>
Net Capital Assets being depreciated	<u>25,938,678</u>	<u>988,977</u>	<u>-</u>	<u>26,927,655</u>
Total Capital Assets, net	<u>\$ 29,147,328</u>	<u>\$ 988,977</u>	<u>\$ -</u>	<u>\$ 29,718,836</u>

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

<i>Governmental Activities</i>	
Instructional Program	\$ 940,583
Student Support Services	166,888
Instructional Staff Support Services	391
General Administration Supporting Services	42,092
Operations and Maintenance of Plant Services	92,054
Student Transportation Services	45,945
Central Supporting Services	41,262
Food Services	17,970
Total depreciation expense - governmental activities	<u>\$ 1,347,185</u>

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NOTE 9 ACCRUED SALARIES AND BENEFITS

The teachers, administrators, and the administrative staff are employed under nine, ten, and eleven month contracts. All District employees are paid on a twelve-month basis, therefore, a difference exists between the actual amount of salaries earned under the contract and the amount paid. The difference between salaries earned and paid, including the District's share of benefits, has been accrued in the financial statements in the amount of \$1,295,384.

NOTE 10 LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

Long-term liability balances for the year ended June 30, 2023, were as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023	Within One Year
<i>Governmental Activities</i>					
G.O. Bonds Payable	\$ 5,576,764	\$ -	\$ 383,698	\$ 5,193,066	\$ 391,605
Compensated Absences	380,816	2,570	-	383,386	5,175
Bond Premium	251,133	-	40,412	210,721	40,412
Financed Purchase Agreement	50,780	1,134,253	50,780	1,134,253	95,770
<i>Total Governmental Activities</i>	<u>\$ 6,259,493</u>	<u>\$ 1,136,823</u>	<u>\$ 474,890</u>	<u>\$ 6,921,426</u>	<u>\$ 532,962</u>

General Obligation Bonds Payable

Series 2010D-F Matching Money Bonds

On December 16, 2010, the District issued general obligation bonds series 2010D-F matching money bonds in the amount of \$3,752,301 with an interest rate of 4.082% to be paid in full on December 1, 2030. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction of the new high school and the construction and renovation of the Bill Metz elementary school. The principal balance outstanding at June 30, 2023, was \$1,863,066.

Series 2016

On August 10, 2016, the District issued general obligation refunding bonds series 2016 in the amount of \$4,120,000 with an interest rate of 3.33% to be paid in full on December 1, 2034. The bonds were issued to refund \$2,630,000 of the District's outstanding Series 2009 Bonds callable December 1, 2019 and \$1,215,000 of its Series 2010 Bonds callable December 1, 2020. The principal balance outstanding at June 30, 2023, was \$3,330,000

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The annual debt service for the general obligation bonds is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2024	\$ 391,605	\$ 178,323	\$ 569,928
FY 2025	404,834	166,076	570,910
FY 2026	418,399	153,385	571,784
FY 2027	432,315	140,238	572,553
FY 2028	446,594	125,570	572,164
FY 2029-2033	2,454,319	381,737	2,836,056
FY 2034-2035	645,000	3,000	648,000
Total	<u>\$ 5,193,066</u>	<u>\$ 1,148,329</u>	<u>\$ 6,341,395</u>

Financed Purchase Agreements

The District entered into a financed purchase agreement between Government Capital Corporation, as lessor, and the District, as lessee, for the purchase of a bus and miscellaneous equipment. The agreement, dated June 20, 2019, was for \$148,023 with an interest rate of 3.651%. The agreement had a term of 3 annual payments from the General Fund, with final payment due on July 1, 2022. The cost of the bus was \$148,023 and accumulated depreciation was \$45,229 at June 30, 2023. The principal balance outstanding at June 30, 2023, was \$0.

The District entered into a financed purchase agreement between Signature Public Funding Corp, as lessor, and the District, as lessee, for the purchase of energy performance improvements. The agreement, dated June 28, 2022, was for \$1,134,253 with an interest rate of 3.35%. The agreement has a term of 10 annual payments from the General Fund, with final payment due on July 15, 2032. The cost of the performance improvements was \$1,181,580 and accumulated depreciation was \$3,939 at June 30, 2023. The District has only drawn down \$839,070 as of June 30, 2023, and the remaining balance is included with cash with fiscal agent. The principal balance outstanding at June 30, 2023, was \$1,134,253.

The annual debt service for the financed purchase agreement is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2024	\$ 95,770	\$ 34,789	\$ 130,559
FY 2025	100,773	31,413	132,186
FY 2026	104,149	27,924	132,073
FY 2027	107,638	24,318	131,956
FY 2028	111,244	20,592	131,836
FY 2029-2033	614,679	42,540	657,219
Total	<u>\$ 1,134,253</u>	<u>\$ 181,577</u>	<u>\$ 1,315,830</u>

NOTE 11 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article

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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.

Benefits provided as of December 31, 2022. 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.

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, 2023. 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 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

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	July 1, 2022 Through June 30, 2023
Employer Contribution Rate	11.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount Apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

*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 \$1,438,329, for the year ended June 30, 2023.

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. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. 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, 2023, the District reported a liability of \$16,420,655 for its proportionate share of the net pension liability that reflected an increase 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:

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Monte Vista School District's proportionate share of the net position liability	\$	16,420,655
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Monte Vista School District		4,785,144
Total	<u>\$</u>	<u>21,205,799</u>

At December 31, 2022, the District's proportion was 0.0902%, which was a decrease of 0.014% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of (\$226,569) and revenue of \$408,049 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 155,404	\$ -
Net difference between projected and actual earnings on pension plan investments	2,205,899	-
Changes of assumptions or other inputs	290,863	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	283,570	2,206,469
Contributions subsequent to the measurement date	736,204	-
Total	<u>\$ 3,671,940</u>	<u>\$ 2,206,469</u>

\$736,204 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (710,889)
2025	(440,837)
2026	597,919
2027	1,283,073
2028	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2021 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

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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 ¹	Financed by the AIR

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

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.
- **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, 2021, 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. 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

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allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	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 and required adjustments resulting from the 2018 and 2020 AAP assessment. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessment. 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), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.

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- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the 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	\$ 21,488,990	\$ 16,420,655	\$ 12,188,078

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.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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 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.

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

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each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure 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.

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 \$71,987 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$559,751 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.069%, which was an increase of 0.001% from its proportion measured as of December 31, 2021.

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For the year ended June 30, 2023 the District recognized OPEB expense of (\$75,003). At June 30, 2023, 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	\$ 73	\$ 135,366
Net difference between projected and actual earnings on OPEB plan investments	34,189	-
Changes of assumptions or other inputs	8,997	61,779
Changes in proportion and differences between contributions recognized and proportionate share of contributions	22,921	22,772
Contributions subsequent to the measurement date	36,846	-
Total	\$ 103,026	\$ 219,917

\$36,846 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, 2024. 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,		
2024	\$	(55,908)
2025		(55,088)
2026		(27,304)
2027		232
2028		(12,674)
Thereafter		(2,997)

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, 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 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		6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums		3.75% in 2022, gradually increasing to 4.50% in 2029

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The TOL for the HCTF, as of December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, per capita health care costs are developed by plan option: based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

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The 2022 Medicare Part A premium is \$499 (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, 2021, 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:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021 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.

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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.

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

- Per capita health care costs in effect as of the December 31, 2021, for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums Medicare Part A premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, 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. 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:

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Part A trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 543,907	\$ 559,751	\$ 576,990

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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, 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.

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, 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 liability	\$ 648,917	\$ 559,751	\$ 483,485

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.

NOTE 13 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended June 30, 2023, program members contributed \$35,776 for the Voluntary Investment Program.

NOTE 14 JOINT VENTURES AND RELATED PARTIES

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

- are financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- have a separate governing board from that of the District,
- have a separate management which is responsible for day-to-day operations and is accountable to the separate governing board,

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

- have governing boards and management with the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome for disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

San Luis Valley Board of Cooperative Educational Services (BOCES)

The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The Board of the BOCES is selected from the elected members of the District Boards. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is approximately 7% at June 30, 2023. Complete separate financial statements may be obtained from BOCES.

Colorado School Districts' Self-Insurance Pool

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

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as expenditures in the General Fund. The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2023. Complete separate financial statements may be obtained from the Colorado School Districts' Self-Insurance Pool.

NOTE 15 COMMITMENTS AND CONTINGENCIES

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

NOTE 16 TABOR EMERGENCY RESERVE

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

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

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

On November 6, 2001 voters approved a ballot measure authorizing the District to collect, retain and expend all revenues including grants and other funds collected during 2000-01 budget year and each subsequent year from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

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

NOTE 17 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by Colorado School District's Self Insurance Pool. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Self-Insurance Funds

Internal Service - Health Insurance Fund

Effective July 1, 2014, the District began a level-funding self-insurance program to internally provide services previously purchased through a third party contract. The purpose of the program is to pay medical and prescription claims of the District employees and minimize annual medical insurance costs to the District. Medical claims exceeding \$40,000 per covered individual claim liability is covered by a private insurance carrier.

The costs associated with the self-insurance plan are reported as interfund transactions. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the other funds. The District does not report a liability based on the requirements of Governmental Accounting Standards Board No. 10, as the plan is a level-funding health plan in which monthly payments to the Third Party Administrator are fixed.

MONTE VISTA SCHOOL DISTRICT NO. 8

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and 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.

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	<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>
REVENUES				
Local Sources	\$ 2,929,150	\$ 3,000,278	\$ 3,126,916	\$ 126,638
Intermediate Sources	1,100	1,100	3,826	2,726
State Sources	8,715,151	8,912,989	9,251,204	338,215
Federal Sources	(75,000)	-	74,453	74,453
TOTAL REVENUES	<u>11,570,401</u>	<u>11,914,367</u>	<u>12,456,399</u>	<u>542,032</u>
EXPENDITURES				
Instructional Program	6,624,653	5,926,171	6,205,304	(279,133)
Student Supporting Services	618,867	535,301	583,592	(48,291)
Instructional Staff Supporting Services	127,612	115,713	77,592	38,121
General Administration Supporting Services	251,432	269,932	249,929	20,003
School Administration Supporting Services	1,052,731	1,068,154	1,079,293	(11,139)
Business Supporting Services	344,953	340,810	331,979	8,831
Operations and Maintenance of Plant Services	1,095,560	1,181,173	1,319,834	(138,661)
Student Transportation Services	334,416	333,780	337,631	(3,851)
Central Support Services	630,643	631,645	561,415	70,230
Community Services	216,684	84,567	89,712	(5,145)
Non - Instructional Services	8,000	8,000	12,089	(4,089)
Capital Outlay	1,205,000	1,283,000	989,819	293,181
Debt Service	54,488	54,488	52,725	1,763
Other Reserves	380,000	380,000	-	380,000
TOTAL EXPENDITURES	<u>12,945,039</u>	<u>12,212,733</u>	<u>11,890,914</u>	<u>321,819</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,374,638)</u>	<u>(298,366)</u>	<u>565,485</u>	<u>863,851</u>
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	-	-	-
Transfers to Other Funds	(327,477)	(357,477)	(332,477)	25,000
Financed Purchased Agreement Proceeds	1,200,000	1,200,000	1,134,253	(65,747)
TOTAL OTHER FINANCING SOURCES (USES)	<u>872,523</u>	<u>842,523</u>	<u>801,776</u>	<u>(40,747)</u>
Net Change in Fund Balance	(502,115)	544,157	1,367,261	823,104
Fund Balance, Beginning of Year	<u>4,111,634</u>	<u>5,181,499</u>	<u>5,168,863</u>	<u>(12,636)</u>
Fund Balance, End of Year	<u>\$ 3,609,519</u>	<u>\$ 5,725,656</u>	<u>\$ 6,536,124</u>	<u>\$ 810,468</u>

Notes To Required Supplementary Information

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

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PROJECTS FUND
For the Year Ended June 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
State Sources	\$ 228,177	\$ 255,051	\$ 145,452	\$ (109,599)
Federal Sources	1,625,114	1,748,744	1,853,535	104,791
TOTAL REVENUES	1,853,291	2,003,795	1,998,987	(4,808)
EXPENDITURES				
Instructional Program	1,930,270	2,040,840	1,424,140	616,700
Student Supporting Services	392,969	417,943	187,784	230,159
Instructional Staff Supporting Services	250,965	265,860	269,404	(3,544)
General Administration Supporting Services	103,512	103,577	116,598	(13,021)
Business Supporting Services	432	432	1,061	(629)
Other Reserves	129,743	129,743	-	129,743
TOTAL EXPENDITURES	2,807,891	2,958,395	1,998,987	959,408
Excess (Deficiency) of Revenues Over Expenditures	(954,600)	(954,600)	-	954,600
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	954,600	954,600	-	(954,600)
Transfers to Other Funds	-	-	-	-
Sale of Fixed Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	954,600	954,600	-	(954,600)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

Notes To Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0902%	0.1039%	0.1146%	0.1066%	0.1070%	0.1202%	0.1209%	0.1202%	0.1237%	0.1256%
District's proportionate share of the net pension liability (asset)	\$ 16,420,655	\$ 12,094,019	\$ 17,321,521	\$ 15,925,226	\$ 18,954,691	\$ 38,864,805	\$ 35,988,888	\$ 18,384,069	\$ 16,767,958	\$ 16,016,010
State's proportionate share of the net pension liability (asset) associated with the District	4,785,144	1,386,425	-	2,019,912	2,591,791	-	-	-	-	-
Total	\$ 21,205,799	\$ 13,480,444	\$ 17,321,521	\$ 17,945,138	\$ 21,546,482	\$ 38,864,805	\$ 35,988,888	\$ 18,384,069	\$ 16,767,958	\$ 16,016,010
District's covered payroll	\$ 6,955,178	\$ 6,497,006	\$ 6,129,191	\$ 6,264,153	\$ 5,884,892	\$ 5,544,171	\$ 5,453,729	\$ 5,240,179	\$ 5,182,899	\$ 5,061,993
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236%	186%	283%	254%	322%	701%	660%	351%	324%	316%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	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.

See Notes to the Required Supplementary Information

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,438,329	\$ 1,345,317	\$ 1,241,356	\$ 1,214,187	\$ 1,160,152	\$ 1,077,911	\$ 1,009,025	\$ 951,302	\$ 876,868	\$ 821,580
Contributions in relation to the contractually required contribution	(1,438,329)	(1,345,317)	(1,241,356)	(1,214,187)	(1,160,152)	(1,077,911)	(1,009,025)	(951,302)	(876,868)	(821,580)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	7,057,536	6,767,174	6,244,236	6,265,159	6,064,562	5,706,873	5,488,791	5,361,558	5,193,205	5,138,749
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%	18.89%	18.38%	17.74%	16.88%	15.99%

See Notes to the Required Supplementary Information

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTHCARE TRUST FUND

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0686%	0.0679%	0.0663%	0.0697%	0.0696%	0.0683%	0.0687%
District's proportionate share of the net OPEB liability (asset)	\$ 559,751	\$ 585,112	\$ 629,806	\$ 783,054	\$ 946,671	\$ 887,508	\$ 890,813
District's covered payroll	\$ 6,955,178	\$ 6,497,006	\$ 6,129,191	\$ 6,264,153	\$ 5,884,892	\$ 5,544,171	\$ 5,453,729
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8%	9%	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	20.00%

*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.

See Notes to the Required Supplementary Information

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF DISTRICT CONTRIBUTIONS
COLORADO PERA HEALTHCARE TRUST FUND

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 71,987	\$ 69,025	\$ 63,691	\$ 63,905	\$ 61,859	\$ 58,210	\$ 55,986	\$ 54,688	\$ 52,971	\$ 52,415
Contributions in relation to the contractually required contribution	(71,987)	(69,025)	(63,691)	(63,905)	(61,859)	(58,210)	(55,986)	(54,688)	(52,971)	(52,415)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,057,536	\$ 6,767,174	\$ 6,244,236	\$ 6,265,159	\$ 6,064,562	\$ 5,706,873	\$ 5,488,824	\$ 5,361,569	\$ 5,193,235	\$ 5,138,725
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See Notes to the Required Supplementary Information

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2023

NOTE 1 NET PENSION LIABILITY

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

2022

- Required contribution increased from 10.50% to 11.00% for eligible employees.

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%.

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2023

- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for actively working people, RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

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

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

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

2022

- The Medicare Part A premium increased from \$471 to \$499 per month.
- The per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.
- Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability.

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:

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2023

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- Disabled mortality assumptions were changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The PERA benefit structure for PERACare Medicare plans was revised from 5.00 percent to 5.60 percent in 2019, gradually decreasing to 4.5 percent in 2019.

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.

MONTE VISTA SCHOOL DISTRICT NO. 8

SUPPLEMENTARY INFORMATION

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

MONTE VISTA SCHOOL DISTRICT NO. 8
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 expenditures for specified purposes other than debt service or capital projects.

Pupil Activity Fund – 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 revenues from pupils, gate receipts, and other fundraising activities.

Food Service Fund - Used to account for the District's food service program. Revenues are derived from District contributions and student and adult charges.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for and report financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Building Fund – Used to account for all resources available for acquiring capital sites, buildings, and equipment. Specifically, bond and grant proceeds for construction projects.

MONTE VISTA SCHOOL DISTRICT NO. 8
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE - BALANCE SHEET
June 30, 2023

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
	<u>PUPIL ACTIVITY</u>	<u>FOOD SERVICE</u>	<u>FUND</u>	
	<u>FUND</u>	<u>FUND</u>	<u>BUILDING</u>	<u>FUNDS</u>
			<u>FUND</u>	
ASSETS				
Cash and Cash Equivalents	\$ 174,577	\$ 171,064	\$ 743,724	\$ 1,089,365
Due From Other Funds	-	-	-	-
Due From Other Governments	-	-	13,015	13,015
Inventory	-	13,620	-	13,620
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 174,577</u>	<u>\$ 184,684</u>	<u>\$ 756,739</u>	<u>\$ 1,116,000</u>
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ 1,434	\$ -	\$ 1,434
Accrued Salaries and Benefits	-	39,550	-	39,550
Due to Other Funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>-</u>	<u>40,984</u>	<u>-</u>	<u>40,984</u>
FUND BALANCE				
Nonspendable	-	13,620	-	13,620
Restricted	-	-	570,014	570,014
Committed	174,577	130,080	186,725	491,382
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>174,577</u>	<u>143,700</u>	<u>756,739</u>	<u>1,075,016</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 174,577</u>	<u>\$ 184,684</u>	<u>\$ 756,739</u>	<u>\$ 1,116,000</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>
	<u>PUPIL ACTIVITY FUND</u>	<u>FOOD SERVICE FUND</u>	<u>FUND BUILDING FUND</u>	
REVENUES				
Local Sources	\$ 297,498	\$ 36,996	\$ 27,092	\$ 361,586
State Sources	-	3,016	539,416	542,432
Federal Sources	-	481,622	-	481,622
TOTAL REVENUES	<u>297,498</u>	<u>521,634</u>	<u>566,508</u>	<u>1,385,640</u>
EXPENDITURES				
Instructional Program	353,675	-	-	353,675
General Supporting Services	7,883	-	-	7,883
Capital Outlay	-	-	734,672	734,672
Food Services	-	588,346	-	588,346
TOTAL EXPENDITURES	<u>361,558</u>	<u>588,346</u>	<u>734,672</u>	<u>1,684,576</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(64,060)</u>	<u>(66,712)</u>	<u>(168,164)</u>	<u>(298,936)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>60,000</u>	<u>-</u>	<u>272,477</u>	<u>332,477</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>-</u>	<u>272,477</u>	<u>332,477</u>
Net Change in Fund Balance	(4,060)	(66,712)	104,313	33,541
Fund Balance, Beginning of Year	<u>178,637</u>	<u>210,412</u>	<u>652,426</u>	<u>1,041,475</u>
Fund Balance, End of year	<u>\$ 174,577</u>	<u>\$ 143,700</u>	<u>\$ 756,739</u>	<u>\$ 1,075,016</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PUPIL ACTIVITY FUND
For the Year Ended June 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Local Sources	\$ 150,000	\$ 150,000	\$ 297,498	\$ 147,498
TOTAL REVENUES	<u>150,000</u>	<u>150,000</u>	<u>297,498</u>	<u>147,498</u>
EXPENDITURES				
Instructional Program	378,516	388,637	353,675	34,962
General Supporting Services	-	-	7,883	(7,883)
TOTAL EXPENDITURES	<u>378,516</u>	<u>388,637</u>	<u>361,558</u>	<u>27,079</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(228,516)</u>	<u>(238,637)</u>	<u>(64,060)</u>	<u>174,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(168,516)	(178,637)	(4,060)	174,577
Fund Balance, Beginning of Year	<u>168,516</u>	<u>178,637</u>	<u>178,637</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,577</u>	<u>\$ 174,577</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended June 30, 2023

	<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>
REVENUES				
Local Sources	\$ 7,100	\$ 7,100	\$ 36,996	\$ 29,896
State Sources	10,200	10,200	3,016	(7,184)
Federal Sources	440,352	443,983	481,622	37,639
TOTAL REVENUES	<u>457,652</u>	<u>461,283</u>	<u>521,634</u>	<u>60,351</u>
EXPENDITURES				
Supporting Services				
Food Services				
Salaries	205,012	205,366	208,045	(2,679)
Fringe Benefits	111,793	111,439	67,306	44,133
Purchased Property Services	1,000	1,000	-	1,000
Other Purchased Services	3,000	3,000	1,948	1,052
Food and Commodities	252,359	257,800	283,562	(25,762)
Equipment	18,000	21,631	27,485	(5,854)
Operating Reserves	-	96,459	-	96,459
TOTAL EXPENDITURES	<u>591,164</u>	<u>696,695</u>	<u>588,346</u>	<u>108,349</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(133,512)</u>	<u>(235,412)</u>	<u>(66,712)</u>	<u>168,700</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net Change in Fund Balance	(108,512)	(210,412)	(66,712)	143,700
Fund Balance, Beginning of Year	<u>108,512</u>	<u>210,412</u>	<u>210,412</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,700</u>	<u>\$ 143,700</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND
For the Year Ended June 30, 2023

	<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>
REVENUES				
Local Sources	\$ 3,500	\$ 3,500	\$ 27,092	\$ 23,592
State Sources	650,676	650,676	539,416	(111,260)
TOTAL REVENUES	<u>654,176</u>	<u>654,176</u>	<u>566,508</u>	<u>(87,668)</u>
EXPENDITURES				
Capital Outlay	856,153	856,153	734,672	121,481
Operating Reserves	466,220	764,373	-	764,373
TOTAL EXPENDITURES	<u>1,322,373</u>	<u>1,620,526</u>	<u>734,672</u>	<u>885,854</u>
Excess (Deficiency) of Revenues Over Expenditures	(668,197)	(966,350)	(168,164)	798,186
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	668,197	966,350	272,477	(693,873)
TOTAL OTHER FINANCING SOURCES (USES)	<u>668,197</u>	<u>966,350</u>	<u>272,477</u>	<u>(693,873)</u>
Net Change in Fund Balance	-	-	104,313	104,313
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>652,426</u>	<u>652,426</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756,739</u>	<u>\$ 756,739</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Year Ended June 30, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>		FINAL BUDGET
				(NEGATIVE)
REVENUES				
Local Sources	\$ 558,133	\$ 558,133	\$ 650,303	\$ 92,170
TOTAL REVENUES	<u>558,133</u>	<u>558,133</u>	<u>650,303</u>	<u>92,170</u>
EXPENDITURES				
Debt Service	574,690	574,690	574,438	252
Operating Reserves	936,007	920,109	-	920,109
TOTAL EXPENDITURES	<u>1,510,697</u>	<u>1,494,799</u>	<u>574,438</u>	<u>920,361</u>
Net Change in Fund Balance	(952,564)	(936,666)	75,865	1,012,531
Fund Balance, Beginning of Year	<u>952,564</u>	<u>936,666</u>	<u>936,666</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,012,531</u></u>	<u><u>\$ 1,012,531</u></u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
INTERNAL SERVICE FUND
For the Year Ended June 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
OPERATING REVENUES				
Premiums	\$ 1,185,000	\$ 1,185,000	\$ 1,221,763	\$ 36,763
TOTAL OPERATING REVENUES	<u>1,185,000</u>	<u>1,185,000</u>	<u>1,221,763</u>	<u>36,763</u>
OPERATING EXPENSES				
Purchased Services	1,248,916	1,185,000	1,209,194	(24,194)
Operating Reserves	-	191,126	-	191,126
TOTAL OPERATING EXPENSES	<u>1,248,916</u>	<u>1,376,126</u>	<u>1,209,194</u>	<u>166,932</u>
Operating Income (Loss)	<u>(63,916)</u>	<u>(191,126)</u>	<u>12,569</u>	<u>203,695</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(63,916)	(191,126)	12,569	203,695
Net Position, Beginning of Year	<u>63,916</u>	<u>191,126</u>	<u>191,126</u>	<u>-</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,695</u>	<u>\$ 203,695</u>

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CUSTODIAL FUND
For the Year Ended June 30, 2023

	<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>
REVENUES				
Local Sources	\$ 1,900	\$ 1,900	\$ 14,596	\$ 12,696
TOTAL REVENUES	<u>1,900</u>	<u>1,900</u>	<u>14,596</u>	<u>12,696</u>
EXPENDITURES				
Operating Reserves	<u>16,324</u>	<u>16,774</u>	<u>8,122</u>	<u>8,652</u>
TOTAL EXPENDITURES	<u>16,324</u>	<u>16,774</u>	<u>8,122</u>	<u>8,652</u>
Net Change in Fund Balance	(14,424)	(14,874)	6,474	21,348
Fund Balance, Beginning of Year	<u>14,424</u>	<u>14,874</u>	<u>14,874</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,348</u>	<u>\$ 21,348</u>

MONTE VISTA SCHOOL DISTRICT NO. 8

SINGLE AUDIT SECTION

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Child Nutrition Cluster</i>			
U.S. Department of Agriculture			
School Breakfast Program	10.553	Colorado Department of Education, 4553	\$ 211,825
National School Lunch Program	10.555	Colorado Department of Education, 4555	234,571
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	32,565
<i>Total Child Nutrition Cluster</i>			478,961
<i>Forest Service Schools and Roads Cluster</i>			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and Rio Grande County Treasurer, 7665	68,295
<i>Total Forest Service Schools and Roads Cluster</i>			68,295
<i>Total All Clusters</i>			547,256
<i>Other Programs</i>			
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010	412,234
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4424	6,146
COVID-19 Education Stabilization Fund	84.425C	Colorado Department of Education, 6427	50,000
COVID-19 Education Stabilization Fund	84.425D	Colorado Department of Education, 4420, 4432, 4437	539,800
COVID-19 Education Stabilization Fund	84.425U	Colorado Department of Education, 4414, 4434, 4454, 9414	759,035
COVID-19 Education Stabilization Fund	84.425W	Colorado Department of Education, 8425	191
Rural Education	84.358	Colorado Department of Education, 6358	31,589
English Language Acquisition State Grants	84.365	Colorado Department of Education, 4365	6,258

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	48,282
Career and Technical Education - Basic Grants to States	84.048	Colorado Community Colleges, 4048	6,158
<i>Total U.S. Department of Education</i>			1,859,693
U.S. Department of Agriculture			
Child Nutrition Discretionary Grants Limited Availability	10.579	Colorado Department of Education, 5579	2,661
<i>Total U.S. Department of Agriculture</i>			2,661
<i>Total Other Programs</i>			1,862,354
<i>Total Expenditures of Federal Awards</i>			\$ 2,409,610

MONTE VISTA SCHOOL DISTRICT NO. 8
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

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. Monte Vista School District No. 8 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, 2023. 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 Monte Vista School District No. 8 under programs of the federal government for the year ended June 30, 2023. 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 Monte Vista School District No. 8, it is not intended to and does not present the financial position or changes in net position of Monte Vista School District No. 8.

NOTE 3: FOOD DISTRIBUTION

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



Wall,
Smith,
Bateman Inc.

**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**

To the Board of Education
Monte Vista School District No. 8
Monte Vista, 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, and the aggregate remaining fund information of Monte Vista School District No. 8 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 24, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a significant deficiency.

Certified Public Accountants

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

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 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*.

District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

October 24, 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
Monte Vista School District No. 8
Monte Vista, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Monte Vista School District No. 8'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, 2023. 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, 2023.

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 Districts 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

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

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

October 24, 2023

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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)? X yes _____ 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>Federal Assistance Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425C	COVID-19 Education Stabilization Fund
84.425D	COVID-19 Education Stabilization Fund
84.425U	COVID-19 Education Stabilization Fund
84.425W	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? X yes _____ no

MONTE VISTA SCHOOL DISTRICT NO. 8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section II – Financial Statement Findings

Finding 2023-001: Internal Control over Financial Reporting

Type of finding: Internal Control (Significant Deficiency)

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, non-routine transactions, and financial statement preparation.

Cause/Condition: Due to employee transitions in the finance department, reconciliations contained errors that were not detected and corrected in a timely manner.

Effect: Audit adjustments were proposed to properly state the financial statements as of June 30, 2023, in accordance with generally accepted accounting principles.

Recommendation: The District should continue to strengthen its internal controls with adopted policies and procedures over reconciliations of the balance sheet to ensure transactions and reconciling items are properly recorded.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

MONTE VISTA SCHOOL DISTRICT

Inspiring the Pursuit of Excellence, *One Student at a Time!*

CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Education and U.S. Department of Agriculture

Monte Vista School District No.8 respectfully submits the following corrective action plan for the year ended June 30, 2023.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
3001 Adcock Circle
Alamosa, CO 81101

Audit period: Year ended June 30, 2023

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2023-001: Internal Control over Financial Reporting

Type of Finding: Internal Control (significant deficiency)

Recommendation: The District should continue to strengthen its internal controls with adopted policies and procedures over reconciliations of the balance sheet to ensure transactions and reconciling items are properly recorded.

Action Taken:

The Accounting Manager will review the District's current internal control procedures with business staff and align duties with those procedures. Balance Sheet accounts will be reviewed with appropriate business staff and reconciled monthly. As necessary, changes will be made to ensure the proper segregation of duties to ensure dual control of transactions. This process will begin immediately.

If there are questions regarding this plan, please call the responsible parties listed below.

Sincerely yours,


Leona Holland
Accounting/Risk Manager
Monte Vista School District No. 8


Scott Wiedeman
Superintendent
Monte Vista School District No. 8

Scott Wiedeman
Superintendent

59 North Broadway
Monte Vista
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U.S.A

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scottw@monte.k12.co.us
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MONTE VISTA SCHOOL DISTRICT NO. 8

CDE COMPLIANCE SECTION



Colorado Department of Education
Auditors Integrity Report
 District: 2740 - Monte Vista C-8
 Fiscal Year 2022-23
 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	5,156,227		12,816,095	11,514,363		6,457,959
18 Risk Mgmt Sub-Fund of General Fund	12,637		192,679	190,080		15,236
19 Colorado Preschool Program Fund	0		249,398	186,470		62,928
Sub-Total	5,168,864		13,258,172	11,890,913		6,536,122
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	210,411		521,633	588,345		143,699
22 Govt Designated-Purpose Grants Fund	0		1,998,987	1,998,987		0
23 Pupil Activity Special Revenue Fund	178,637		357,498	361,559		174,577
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	936,666		650,304	574,439		1,012,531
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	652,427		838,985	734,672		756,739
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	7,147,005		17,625,580	16,148,916		8,623,668
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	191,127		0	-12,569		203,695
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	191,127		0	-12,569		203,695
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	14,874		14,596	8,122		21,348
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	14,874		14,596	8,122		21,348
FINAL						