Moffat County School District RE-1

Financial Statements

June 30, 2024

Moffat County School District RE-1
Financial Report
June 30, 2024

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McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Moffat County School District RE-1
Craig, 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 Moffat County School District RE-1, Colorado (the "District"), as of and for the year ended June 30, 2024, 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, 2024, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") 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 *Auditor's 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 these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 one year after the date that the financial statements are issued.

Auditor's 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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, 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

U.S. GAAP require Management's Discussion and Analysis in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, 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 section B in accordance with U.S. GAAS, 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.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the 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* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures, the statistical section, and the Schedule of Expenditures of Federal Awards listed in the accompanying table of contents is 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 February 28, 2025 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
February 28, 2025

Management's Discussion and Analysis

Moffat County School District RE-1
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

As management of the Moffat County School District RE-1 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

Financial Highlights

- The liabilities of the District exceeded its assets at year-end by $3,994,354. Of this amount, $21,740,608 is an unrestricted deficit. The remaining balance is either restricted for debt service or represents the net investment in capital assets.

- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of $16,024,249, which was a decrease of $1,622,427 from the prior year. The details of this change are reported at page C5.

- At the end of the current fiscal year, the total fund balance for the General Fund was $8,936,814 or 31% of total General Fund expenditures of $27,487,928. The District's General Fund includes the Insurance Reserve Fund, as required by the Colorado Department of Education.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

District-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the Moffat County School District RE-1, liabilities exceed assets by $3,994,354 at year end.

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

	Governmental Activities	
	FY 2024	**FY 2023**
Assets:		
Current and other assets	20,079,383	22,047,836
Capital assets, net	29,248,672	29,797,130
Total Assets	49,328,055	51,844,966
Deferred Outflows of Resources	12,471,020	9,089,130
Liabilities:		
Other liabilities	3,686,143	3,210,867
Long-term liabilities	51,338,086	46,168,999
Total Liabilities	55,024,229	49,379,866
Deferred Inflows of Resources	2,780,492	5,853,224
Net Position:		
Net investment in capital assets	20,668,364	19,039,479
Restricted	5,066,598	4,552,122
Unrestricted	(21,740,608)	(17,890,595)
Total Net Position	3,994,354	5,701,006

Of the District's total net position, $20,668,364 reflects its investment in capital assets (e.g. land, buildings and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students and the community; consequently, these assets are not available for future spending. Although the Moffat County School District RE-1's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's long-term liabilities increased $5,169,087 primarily due to an increase of $7,662,703, in the District's share of PERA's net pension liability to $40,549,319 and a decrease of $141,866 in the District's share of PERA's Health Care Trust Fund other post-employment benefit ("OPEB") to $979,098. These changes are partially related to changes in assumptions on the liabilities utilized by PERA's actuaries.

District-wide Financial Analysis (continued):

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

	Governmental Activities	
	FY 2024	**FY 2023**
Revenues:		
Program revenues		
Charges for services	547,021	504,790
Operating grants and contributions	5,934,812	3,234,941
Capital grants and contributions	-	408,171
General revenues		
Property taxes	14,507,360	14,331,177
Specific ownership taxes	1,507,685	1,389,098
State revenue	9,010,339	8,440,492
Investment earnings	487,168	349,976
Other	203,639	697,987
Total revenues	32,198,024	29,356,632
Expenses:		
Direct instruction	19,728,161	17,212,920
Indirect instruction	2,862,727	2,513,138
Transportation	1,104,015	958,340
Custodial maintenance	3,602,864	3,039,488
Support services	972,366	729,505
General administration	3,491,494	2,459,348
Community service	144,960	128,511
Student activities	535,864	598,885
Interest	404,852	418,079
Food services	1,057,373	825,993
Total Expenses	33,904,676	28,884,207
Change in net position	(1,706,652)	472,425
Net position - July 1	5,701,006	5,228,581
Net position - June 30	3,994,354	5,701,006

Governmental Activities:

As indicated above, governmental activities decreased the District's net position by $1,706,652. This was largely due to an increase in the net pension liability of $7,662,703, offset by related amortization of deferred inflows and outflows, and OPEB expense of $141,866.

Financial Analysis of the District's Funds

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

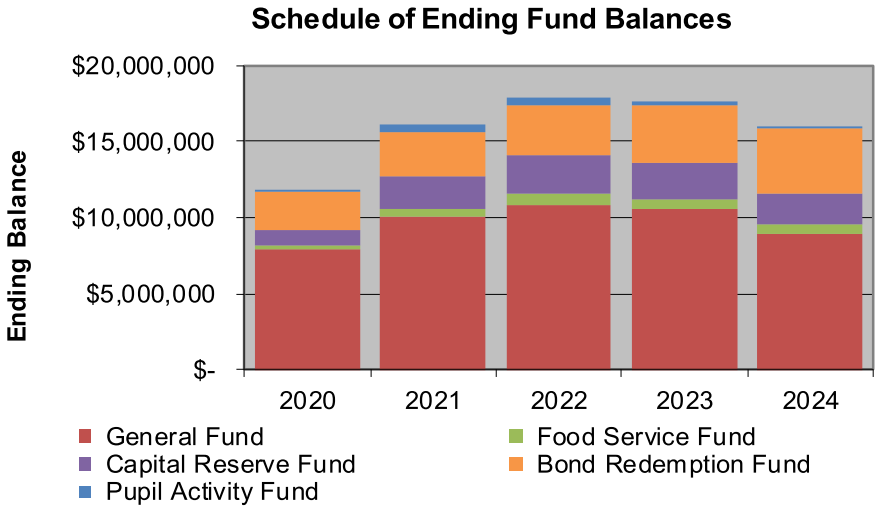
Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful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

- As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $16,024,249 which was a decrease of $1,622,427 from the prior year ending fund balances.

- Of the ending fund balance a portion is restricted to servicing required debt principal and interest payments, as well as the required 3% TABOR emergency reserve.

Fund Balance Trending:

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



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

REVENUES:	Final Budget	Actual Amounts	Variance Positive (Negative)	Reason
Taxes:				
Property taxes	9,359,659	11,584,351	2,224,692	Conservative budgeting
Specific ownership taxes	901,354	1,507,685	606,331	Conservative budgeting
Intergovernmental -				
Federal revenue	2,352,358	1,443,674	(908,684)	Over-estimated Preschool IDEA
Interest income	15,000	254,043	239,043	Market interest rates unexpectedly increased.
Other	497,000	694,594	197,594	Other revenue is higher than anticipated due to higher than anticipated dual enrollment tuition as well as federal mineral lease revenues.
EXPENDITURES:				
Direct instruction	14,657,561	16,273,709	(1,616,148)	Substitute salaries over budget due to difficulty in hiring all open positions. CNCC tuition costs also had an additional semester. Salaries in general were under budgeted.
Indirect instruction	3,169,888	2,404,542	765,346	Indirect instruction costs were below budget as a result of difficulty in hiring additional positions.
Transportation	941,346	893,097	48,249	Transportation costs were below budget were below budget due to difficulty in hiring bus drivers.
Custodial and maintenance	3,007,777	3,394,569	(386,792)	Due to difficulties in hiring in-house custodial maintenance personnel, District contracted out cleaning services.
General administration	2,476,160	3,196,637	(720,477)	Unbudgeted assistant superintendent, higher than anticipated legal fees, and hired additional secretaries and administrative assistants.

Budget Amendments: The District's General Fund was not amended during the year.

Capital Assets: The District's governmental capital assets, net of accumulated depreciation, totaled $29,248,671 as of June 30, 2024. The District capitalizes assets, including land, buildings and improvements, vehicles, equipment, and construction in progress, with an original cost greater than $5,000 and useful life of more than two years.

Capital Assets (continued):

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

Long-Term Debt: As of the end of the current fiscal year, the District's long-term general obligation bond debt totaled $8,345,000. As noted previously the District also reports its proportionate share of unfunded pension liability and post-employment health benefits in the amounts of $40,549,319 and $979,098, respectively.

Request for Information

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

Government-wide Financial Statements

Moffat County School District RE-1
Statement of Net Position
June 30, 2024

ASSETS	Governmental Activities
Cash and cash equivalents - Unrestricted	5,575,364
Investments - Unrestricted	8,817,708
Investments - Restricted	3,547,727
Accounts, taxes, and interest receivable	635,326
Due from other governments	1,323,209
Prepaid expenses	163,505
Inventory	16,544
Total current assets	20,079,383
Capital assets:	
Capital assets not being depreciated	432,418
Capital assets - depreciable and amortizable, net	28,816,254
Total capital assets	29,248,672
Total assets	49,328,055
DEFERRED OUTFLOWS OF RESOURCES	
Items related to pensions	11,465,346
Items related to post-employment health benefits	126,281
Deferred bond refunding costs, net	879,393
Total deferred outflows of resources	12,471,020
LIABILITIES	
Current liabilities:	
Accounts, retainage, arbitrage & deposits payable	1,125,106
Accrued compensation	2,474,278
Accrued interest	49,082
Deferred grant revenue	37,677
Total current liabilities	3,686,143
Noncurrent liabilities:	
Compensated absences	349,968
Bonds and leases	
Due within one year	2,293,369
Due in more than one year	7,166,332
Other liabilities - due in more than one year	
Pensions	40,549,319
Post-employment health benefits (OPEB)	979,098
Total noncurrent liabilities	51,338,086
Total liabilities	55,024,229
DEFERRED INFLOWS OF RESOURCES	
Items related to pensions	2,456,311
Items related to post-employment health benefits	324,181
Total deferred inflows of resources	2,780,492
EQUITY	
Net Investment in Capital Assets	20,668,364
Restricted for:	
TABOR	804,000
Debt service	4,262,598
Unrestricted	(21,740,608)
Total net position	3,994,354

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

Moffat County School District RE-1
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Direct instruction	19,728,161	512,428	4,083,289	-	(15,132,444)
Indirect instruction	2,862,727	-	166,426	-	(2,696,301)
Transportation	1,104,015	-	147,794	-	(956,221)
Custodial and maintenance	3,602,864	-	-	-	(3,602,864)
Support services	972,366	-	-	-	(972,366)
General administration	3,491,494	-	-	-	(3,491,494)
Community service	144,960	-	151,219	-	6,259
Food service	1,057,373	34,593	1,037,811	-	15,031
Student activities	535,864	-	348,273	-	(187,591)
Interest	404,852	-	-	-	(404,852)
Total governmental activities	33,904,676	547,021	5,934,812	-	(27,422,843)
General revenues:					
Taxes					
Local property taxes levied for general purposes					11,827,716
Local property taxes levied for debt payments					2,679,644
Specific ownership taxes					1,507,685
State equalization revenue					9,010,339
Grants and contributions not restricted to specific programs					203,639
Interest and investment earnings					487,168
Total general revenues and transfers					25,716,191
Change in net position					(1,706,652)
Net position, beginning					5,701,006
Net position, ending					3,994,354

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

Fund Financial Statements

Moffat County School District RE-1
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
ASSETS						
Assets:						
Cash and cash equivalents - Unrestricted	-	103,191	848,729	-	181,894	1,133,814
Cash with fiscal agent	3,200,442	-	-	687,506	-	3,887,948
Investments - Unrestricted	6,641,939	-	-	-	1,890,647	8,532,586
Investments - Restricted	-	-	-	3,547,727	-	3,547,727
Accounts, taxes, and interest receivable	120,896	-	-	27,365	-	148,261
Prepaid items	7,889	-	8,740	-	146,876	163,505
Inventory	-	16,544	-	-	-	16,544
Due from other governments	1,249,046	74,163	-	-	-	1,323,209
Due from other funds	298,340	838,120	122,039	-	-	1,258,499
Total assets	11,518,552	1,032,018	979,508	4,262,598	2,219,417	20,012,093
LIABILITIES						
Liabilities:						
Accounts and other current payables	456,110	28,026	15,416	-	229,553	729,105
Accrued compensation	2,474,278	-	-	-	-	2,474,278
Due to other funds	(386,327)	369,893	754,354	-	8,864	746,784
Unearned revenue	37,677	-	-	-	-	37,677
Total liabilities	2,581,738	397,919	769,770	-	238,417	3,987,844
FUND BALANCES						
Non-spendable	7,889	16,544	8,740	-	146,876	180,049
Spendable:						
Restricted	804,000	-	-	4,262,598	-	5,066,598
Committed	-	617,555	200,998	-	1,834,124	2,652,677
Assigned	6,975,000	-	-	-	-	6,975,000
Unassigned	1,149,925	-	-	-	-	1,149,925
Total fund balances	8,936,814	634,099	209,738	4,262,598	1,981,000	16,024,249
Total liabilities and fund balances	11,518,552	1,032,018	979,508	4,262,598	2,219,417	20,012,093

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

Moffat County School District RE-1
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Governmental Funds Total Fund Balance		16,024,249
Property taxes receivable will be collected this calendar year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the funds.		487,065
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	72,213,168	
Accumulated depreciation	(42,964,496)	29,248,672
Deferred charges such as deferred refunding costs, and premiums and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position:		
Deferred refunding costs		879,393
The District has a medical benefits fund. Accumulated resources in this fund are shown as an increase in governmental net position.		(68,992)
Long-term liabilities, including net pension and post-employment health benefits obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension and post-employment health benefits liabilities, adjusted for changes in pension and post-employment health benefits related actuarial assumptions, proportion of collective pension and post-employment health benefits amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension and post-employment health benefits plans, that are amortized over the average remaining service life of all active and inactive plan participants.		
Deferred Outflows of pension related items	11,465,346	
Deferred Outflows of post-employment health benefits	126,281	
Deferred Inflows of pension related items	(2,456,311)	
Deferred Inflows of post-employment health benefits	(324,181)	
Pension liability	(40,549,319)	
Post-employment health benefits liability	(979,098)	(32,717,282)
Long-term liabilities, including bonds payable, accrued compensated absences, leases payable, and accrued interest are not due and payable in the current period and therefore, are not reported in the funds. This is the amount of District long-term liabilities:		
Bond debt and interest coupons	(8,345,000)	
Accrued compensated absences	(349,968)	
Financed equipment notes	(672,525)	
Premiums and discounts on bonded debt	(442,176)	
Accrued interest	(49,082)	(9,858,751)
Governmental Activities Net Position		3,994,354

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

Moffat County School District RE-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Special Revenue Funds: Food Service Fund	Special Revenue Funds: Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
REVENUES						
Taxes:						
Property taxes	11,584,351	-	-	2,632,157	-	14,216,508
Specific ownership taxes	1,507,685	-	-	-	-	1,507,685
Intergovernmental - State revenue	12,053,638	252,108	-	-	-	12,305,746
Intergovernmental - Federal revenue	1,443,674	785,702	-	-	-	2,229,376
Interest income	254,043	2,165	12,508	127,469	90,983	487,168
Other	694,594	34,593	348,273	-	-	1,077,460
Total revenues	27,537,985	1,074,568	360,781	2,759,626	90,983	31,823,943
EXPENDITURES						
Direct instruction	16,318,832	-	-	-	-	16,318,832
Indirect instruction	2,410,252	-	-	-	-	2,410,252
Transportation	895,004	-	-	-	-	895,004
Custodial and maintenance	3,399,098	-	-	-	-	3,399,098
Support services	951,953	-	-	-	-	951,953
General administration	3,205,931	-	-	-	-	3,205,931
Community service	115,294	-	-	-	-	115,294
Food service	-	1,070,533	-	-	-	1,070,533
Student activities	-	-	535,864	-	-	535,864
Debt service:						
Principal	-	-	-	1,910,000	634,656	2,544,656
Interest and fiscal charges	39,393	-	-	362,350	29,085	430,828
Other	-	-	-	800	-	800
Capital outlay	152,171	-	-	-	1,797,935	1,950,106
Total expenditures	27,487,928	1,070,533	535,864	2,273,150	2,461,676	33,829,151
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,057	4,035	(175,083)	486,476	(2,370,693)	(2,005,208)
OTHER FINANCING SOURCES (USES)						
Lease proceeds	-	-	-	-	382,781	382,781
Transfers in (out)	(1,665,000)	-	100,000	-	1,565,000	-
Total other financing sources (uses)	(1,665,000)	-	100,000	-	1,947,781	382,781
NET CHANGE IN FUND BALANCES	(1,614,943)	4,035	(75,083)	486,476	(422,912)	(1,622,427)
FUND BALANCES, BEGINNING	10,551,757	630,064	284,821	3,776,122	2,403,912	17,646,676
FUND BALANCES, ENDING	8,936,814	634,099	209,738	4,262,598	1,981,000	16,024,249

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

Moffat County School District RE-1
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
June 30, 2024

Governmental Funds Change in Fund Balances	(1,622,427)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between capital outlays and depreciation and amortization expense.	1,709,988
Debt principal payments result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these payments as reductions against long-term liabilities.	2,544,656
The premium or discount upon issuing bonds is recorded on the funds, but is capitalized and amortized over the life of the bonds on the government-wide financial statements.	211,277
Net income (loss) on the District's medical benefit fund is adjusted to the government activities change in net position.	(1,123,464)
The change in accrued interest has no impact on current available resources but does change government-wide net position.	11,671
Property tax revenues assessed but not collected shortly after year end do not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is the change in the deferred property tax recognized in the Statement of Activities.	290,853
Debt proceeds represent an increase in current available resources in the fund financial statements. These proceeds represent an increase in liabilities on the government wide financial statements. This represents the total debt proceeds, including capital leases, issued during the year.	(382,781)
Accrued compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.	(21,764)
Changes in the District's net pension obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net pension obligation during the year, including differences between District contributions to the pension plan and amortization of pension-related deferrals.	(1,059,030)
Changes in the District's net post-employment health benefits obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment health benefits related	188,986
Amortization of deferred costs such as premium and discounts and deferred charges from refundings and changes in accrued interest have no impact on current available resources but do change government-wide net position.	(196,171)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense reported as an expenditure in the governmental activities' functions.	(2,258,446)
Governmental Activities Change in Net Position	(1,706,652)

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

Moffat County School District RE-1
Statement of Net Position
Proprietary Funds
June 30, 2024

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents - unrestricted	553,602
Investments - unrestricted	285,122
Total assets	838,724
LIABILITIES	
Current liabilities:	
Accounts and deposits payable	396,001
Due to other funds	511,715
Total liabilities	907,716
NET POSITION	
Unrestricted	(68,992)
Total net position (deficit)	(68,992)

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

Moffat County School District RE-1
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Insurance premiums	2,584,067
Other income	216,075
Total operating revenues	2,800,142
OPERATING EXPENSES	
Purchased services	3,959,467
Total operating expenses	3,959,467
OPERATING INCOME (LOSS)	(1,159,325)
NONOPERATING REVENUES (EXPENSES)	
Investment income	35,860
Total nonoperating revenues (expenses)	35,860
CHANGE IN NET POSITION	(1,123,465)
NET POSITION, BEGINNING	1,054,473
NET POSITION (DEFICIT), ENDING	(68,992)

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

Moffat County School District RE-1
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund service provided and employees	2,584,067
Other cash receipts	216,075
Payments to vendors	(3,880,466)
Net Cash Provided (Used) by Operating Activities	(1,080,324)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers received	354,219
Net Cash Provided (Ssed) by Noncapital Financing Activities	354,219
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash received from redemption/sale of investments	234,117
Cash received from investment income	35,860
Net Cash Provided (Ssed) by Investing Activities	269,977
NET INCREASE (DECREASE) IN CASH	(456,128)
CASH AND CASH EQUIVALENTS, BEGINNNING	1,009,730
CASH AND CASH EQUIVALENTS, ENDING	553,602
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	(1,159,325)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	79,001
Total adjustments	79,001
Net Cash Provided (Used) by Operating Activities	(1,080,324)

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

Notes to the Financial Statements

I. Summary of Significant Accounting Policies

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

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

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

A. Reporting Entity

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

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

B. District-wide and Fund Financial Statements

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

I. Summary of Significant Accounting Policies (continued)

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

1. District-wide Financial Statements

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

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

Additionally, the District reports the following fund types:

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

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

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

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

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

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

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

4. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Interfund Receivables and Payables

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

6. Long-Term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the *Bond Redemption Debt Service Fund*. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

7. Capital Assets

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

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

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

Assets	Years
Buildings and improvements	5 - 35
Vehicles	6 - 7
Equipment	5

8. Compensated Absences

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Interfund Transactions

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

10. Deferred Outflows and Inflows of Resources

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

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

11. Pensions

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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

The District participates in the Health Care Trust Fund (the "HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

13. Fund Equity

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

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

14. Use of Estimates

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

15. Restricted and Unrestricted Resources

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

II. Reconciliation of District-wide and Fund Financial Statements

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

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2024.

1. The proposed budget was submitted to the Board of Education by May 31 of the year proceeding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.

2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.

3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.

4. The final budget was adopted prior to June 30, along with an appropriation resolution.

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

During the year, the following fund expenditures exceeded appropriations:

Fund	Amount
General Fund	$ 2,083,113
Food Services Fund	53,077
Debt Service Fund	3,075
Capital Reserve Fund	46,676
Medical Benefits Fund	841,250

This may be a violation of Colorado State Statute.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

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

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR required, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such excess revenue.

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. The District has reserved $804,000 of its June 30, 2024 year-end General Fund balance for emergencies as required under TABOR.

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

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

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

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

Type:	Standard and Poor's Credit Rating	Carrying Amount	Maturities	
			Less Than One Year	One to Five Years
Deposits:				
Petty cash	Not Rated	$ 468	$ 468	$ -
Checking accounts	Not Rated	1,686,948	1,686,948	-
Investments:				
Investment pool	AAAm	8,817,709	8,817,709	-
Institutional mutual fund	AAAm	7,435,674	7,435,674	-
		$ 17,940,799	$ 17,940,799	$ -

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

Reconciliation to Statement of Net Position:		
Cash and cash equivalents - Unrestricted	$	5,575,364
Cash and investments - Unrestricted		8,817,708
Cash and investments - Restricted		3,547,727
Total	$	17,940,799

Investments Measured at Net Asset Value		**Total**
Colotrust	$	8,817,709
Institutional mutual fund		7,435,674
Total	$	16,253,383

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

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

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

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

Concentration of Credit Risk. The District places no limit on the amount that it may invest in any one issuer. More than 5% of the District's investments are in the COLOTRUST Investment Pool. These investments represented #DIV/0! of the District's total investments. The balance held in Morgan Stanley Institutional Liquidity Fund-Government is directed by the bond trustee, see Note IV.F.5 for information regarding the bond trustee.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	General Fund	Food Service Fund	Bond Redemption Fund	Total
Receivables:				
Taxes	$ 120,896	$ -	$ 27,365	$ 148,261
Intergovernmental	1,249,046	74,163	-	1,323,209
Gross receivables	1,369,942	74,163	27,365	1,471,470
Less: allowance for uncollectible	-	-	-	-
Net Receivables	$ 1,369,942	$ 74,163	$ 27,365	$ 1,471,470

C. Capital Assets

Capital asset activity for the year ended **June 30, 2024** was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 204,356	$ 135,085	$ (204,356)	$ 135,085
Land	297,333	-	-	297,333
Total capital assets, not being depreciated	501,689	135,085	(204,356)	432,418
Capital assets, being depreciated:				
Land improvements	4,162,914	33,207	-	4,196,121
Buildings and improvements	56,455,687	1,083,397	-	57,539,084
Vehicles	3,412,513	148,102	-	3,560,615
Equipment	5,970,377	514,553	-	6,484,930
Total capital assets, being depreciated	70,001,491	1,779,259	-	71,780,750
Total capital assets - Cost	70,503,180	1,914,344	(204,356)	72,213,168
Less accumulated depreciation for:				
Land improvements	(4,085,338)	(12,256)	-	(4,097,594)
Buildings and improvements	(31,325,410)	(1,413,857)	-	(32,739,267)
Vehicles	(2,142,446)	(129,798)	-	(2,272,244)
Equipment	(3,152,856)	(702,535)	-	(3,855,391)
Total accumulated depreciation	(40,706,050)	(2,258,446)	-	(42,964,496)
Governmental activities capital assets, net	$ 29,797,130	$ (344,102)	$ (204,356)	$ 29,248,672

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

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

	Capital Outlay	Depreciation Expense
Governmental activities:		
Direct instruction	$ 1,430,114	$ 2,038,470
Transportation	148,102	123,036
Custodial and maintenance	68,360	55,602
General administration	7,899	20,254
Food service	55,513	21,084
Total governmental activities	$ 1,709,988	$ 2,258,446

D. Interfund Receivables, Payables, and Transfers

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

The District has reports the following interfund balances as of June 30, 2024:

	Receivable Fund	Payable Fund
General Fund	$ 298,340	$ (386,327)
Pupil Activity Fund	122,039	754,354
Capital Projects	-	8,864
Food Services Fund	838,120	369,893
Health Insurance Fund	-	511,715
Total	$ 1,258,499	$ 1,258,499

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

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

IV. Detailed Notes on All Funds (continued)

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

Transfers for fiscal year 2024 were as follows:

	Transfer In	Transfer (out)
General Fund	$ -	$ (1,665,000)
Capital Reserve Fund	1,565,000	-
Pupil Activity Fund	100,000	-
Total	$ 1,665,000	$ (1,665,000)

E. Long-term Debt

1. General Obligation Bonds, Series 2007

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

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

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

2. General Obligation Refunding Bonds, Series 2014

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

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

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

3. General Obligation Refunding Bonds, Series 2015

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

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

4. Defeasance of Debt

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

5. Debt Requirements

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

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

6. Schedule of Future Debt Service Payments

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

Fiscal Year Ending:	Principal	Interest	Total
2025	$ 1,965,000	$ 294,500	$ 2,259,500
2026	2,045,000	214,300	2,259,300
2027	2,125,000	130,900	2,255,900
2028	2,210,000	44,200	2,254,200
Totals	$ 8,345,000	$ 683,900	$ 9,028,900

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

6. Schedule of Future Debt Service Payments (continued)

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

Fiscal Year Ended	Principal	Interest	Total
2025	314,709	16,582	$ 331,291
2026	184,361	6,704	191,065
2027	56,154	5,100	61,254
2028	57,796	3,458	61,254
2029	59,505	1,750	61,255
Totals	$ 672,525	$ 33,594	$ 706,119

7. Compensated Absences

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

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

8. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	(Reductions)	Balance June 30, 2024	Due in one Year
Governmental Activities:					
General obligation bonds	$ 10,255,000	$ -	$ (1,910,000)	$ 8,345,000	$ 1,965,000
Premium on general obligation bonds	653,453	-	(211,277)	442,176	-
Total bonds payable	10,908,453	-	(2,121,277)	8,787,176	1,965,000
Financed equipment notes	924,762	382,781	(635,018)	672,525	328,369
Compensated absences	328,204	21,764	-	349,968	-
Net OPEB liability	1,120,964	-	(141,866)	979,098	-
Net unfunded pension liability	32,886,616	7,662,703	-	40,549,319	-
Total	$ 46,168,999	$ 8,067,248	$ (2,898,161)	$ 51,338,086	$ 2,293,369

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

8. Changes in Long-term Debt (continued)

The general obligation bonds are being paid by the debt service fund and the capital leases are being paid from the capital reserve fund. Compensated absences, pensions and OPEB liabilities are paid from the various funds in the same proportion that those funds pay payroll costs; most of the compensated absences, pension and OPEB liabilities are expected to be liquidated primarily with revenues of the general fund.

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

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

Benefits provided as of December 31, 2023: 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.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

IV. Detailed Notes on All Funds (continued)

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

Benefits provided as of December 31, 2023 (continued): 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.

IV. Detailed Notes on All Funds (continued)

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

Contribution provisions as of June 30, 2024: Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. District contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-2018(1)(f)	(1.02%)
Amount apportioned to the Trust Fund	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 $3,033,405 for the year ended June 30, 2024.

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 a $225 million 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 Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

IV. Detailed Notes on All Funds (continued)

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

Contribution provisions as of June 30, 2024 (continued): The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total pension liability to December 31, 2023. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

At June 30, 2024, the District reported a liability of $40,549,319 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 40,549,319
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	870,049
Total	$ 41,419,368

At December 31, 2023, the District's proportion was 0.2293% as compared to its proportion of 0.1806% at December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $4,175,662 and revenue of $67,743 for support from the State as a nonemployer contributing entity. At June 30, 2024, 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	$ 1,922,806	$ -
Net difference between projected and actual earnings on pension plan investments	2,906,755	-
Changes in proportionate share of contributions	5,203,313	2,456,311
Contributions subsequent to the measurement date	1,432,472	-
Total	$ 11,465,346	$ 2,456,311

IV. Detailed Notes on All Funds (continued)

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

Contribution provisions as of June 30, 2024 (continued): $1,432,472, reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability calculated in the year ended June 30, 2028. 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,	Amortization
2025	$ 1,171,433
2026	3,763,796
2027	3,451,815
2028	(810,481)
Total	$ 7,576,563

Actuarial assumptions: The total pension liability in the December 31, 2022 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 pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[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.

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): 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, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

IV. Detailed Notes on All Funds (continued)

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

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

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

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%.

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 member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

IV. Detailed Notes on All Funds (continued)

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

Discount rate (continued):

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include 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.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP 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.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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 index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

IV. Detailed Notes on All Funds (continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	$ 54,221,185	$ 40,549,319	$ 29,148,637

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

IV. Detailed Notes on All Funds (continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $129,479 for the year ended June 30, 2024.

Liability: At June 30, 2024, the District reported a liability of $979,098 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the District proportion was 0.1372%, compared to 0.1373% its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB revenue of $188,986. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	200,676
Change of assumptions or other inputs	11,514	103,817
Net difference between projected and actual earnings on plan investments	30,281	-
Changes in proportionate share of contributions	12,792	19,688
Contributions subsequent to measurement date	71,694	-
Total	$ 126,281	$ 324,181

IV. Detailed Notes on All Funds (continued)

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

Liability (continued): The $71,694 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, 2029. 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,	Amortization
2025	$ (117,052)
2026	(62,738)
2027	(25,288)
2028	(47,901)
2029	(13,630)
Thereafter	(2,985)
Total	$ (269,594)

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IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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[1]		7.00% in 2023, gradually decreasing to 4.50% in 2033		
Medicare Part A premiums		3.50% in 2023, gradually increasing to 4.50% in 2035		
DPS benefit structure:				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		N/A		
Medicare Part A premiums		N/A		

[1] UnitedHealthcare MAPD PPO plans are 0% for 2023.

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued). Each year the per capita health care costs are developed by plan option; currently based on 2023 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)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

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	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

IV. Detailed Notes on All Funds (continued)

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

Actuarial Assumptions (continued)

The 2023 Medicare Part A premium is $506 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, 2022, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, 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.

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

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

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

- **Males:** 112% 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 mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date 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 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- 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 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.

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every 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 allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

IV. Detailed Notes on All Funds (continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERA Care Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERA Care Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 950,996	$ 979,098	$ 1,009,666

[1] For the January 1, 2024, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

IV. Detailed Notes on All Funds (continued)

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

Discount rate (continued).

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. 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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Proportionate Share of Net OPEB Liability	$ 1,156,437	$ 979,098	$ 827,384

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

H. Fund Balances

The District classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

IV. Detailed Notes on All Funds (continued)

H. Fund Balances (continued)

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District governmental funds had the following equity designations at **June 30, 2024**:

	Balance	Reason
Non-spendable:		
General Fund	$ 7,889	Prepaid expenditures
Food Service Fund	16,544	Inventory
Capital Reserve Fund	146,876	Prepaid expenditures
Restricted:		
General Fund	804,000	TABOR
Bond Redemption Fund	4,262,598	Debt service
Committed:		Projects
Food Service Fund	617,555	Provide meals
Student Activities	200,998	Pupil activities
Capital Reserve	1,834,124	Capital projects
Assigned:		
General Fund	6,975,000	Working capital
Student Activities	8,740	Student activities deposits
Total	$ 14,874,324	

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

V. Other Information

A. Defined Contribution Pension Plan

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

Funding Policy. Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year-ended June 30, 2024, program members contributed $84,244 for the Voluntary Investment program. The District does not match contributions and did not make any contributions for the year ended June 30, 2024.

V. Other Information (continued)

B. Contingencies

1. General Legal Matters

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District feels none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2024.

2. Federal Programs

Funds received from Federal grants are subject to audit and disallowance on ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2024.

3. State Programs

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. Management does not feel that any potential adjustments would be material and that they would affect the fairness of presentation of the financial statements at June 30, 2024.

C. Northwest Colorado Board of Cooperative Educational Services

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

For the year ended June 30, 2024, the District made operating contributions of $26,265.

D. State Interest Free Loan Program

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

In fiscal year 2024, the District did not obtain any financing under this program.

V. Other Information (continued)

E. Risk Management

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

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

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

	Year ended June 30, 2024
Unpaid claims, beginning of fiscal year	$ 317,000
Incurred claims (excluding IBNR)	3,261,735
Claim payments	(3,182,735)
Unpaid claims, end of fiscal year	$ 396,000

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

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

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

Required Supplementary Information

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
REVENUES	**Original Budget**	**Final Budget**	**Actual Amounts**	**Final Budget Variance Positive (Negative)**	**Actual Amounts**
Taxes:					
Property taxes	9,359,659	9,359,659	11,584,351	2,224,692	11,597,613
Specific ownership taxes	901,354	901,354	1,507,685	606,331	1,389,098
Intergovernmental - State revenue	11,648,330	11,648,330	11,985,895	337,565	9,798,446
Intergovernmental - Federal revenue	2,352,358	2,352,358	1,443,674	(908,684)	1,104,016
Interest income	15,000	15,000	254,043	239,043	179,838
Other	497,000	497,000	694,594	197,594	794,525
Total revenues	24,773,701	24,773,701	27,470,242	2,696,541	24,863,536
EXPENDITURES					
Direct instruction	14,657,561	14,657,561	16,273,709	(1,616,148)	14,461,323
Indirect instruction	3,169,888	3,169,888	2,404,542	765,346	2,732,646
Transportation	941,346	941,346	893,097	48,249	766,466
Custodial and maintenance	3,007,777	3,007,777	3,394,569	(386,792)	2,836,264
Support services	804,821	804,821	950,773	(145,952)	724,601
General administration	2,476,160	2,476,160	3,196,637	(720,477)	2,288,106
Community service	121,202	121,202	115,294	5,908	125,924
Debt service:					
Interest and fiscal charges	35,000	35,000	39,393	(4,393)	36,580
Capital outlay	-	-	152,171	(152,171)	1,018
Total expenditures	25,213,755	25,213,755	27,420,185	(2,206,430)	23,972,928
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(440,054)	(440,054)	50,057	490,111	890,608
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(1,788,317)	(1,788,317)	(1,665,000)	123,317	(1,179,121)
Total other financing sources (uses)	(1,788,317)	(1,788,317)	(1,665,000)	123,317	(1,179,121)
NET CHANGE IN FUND BALANCE	(2,228,371)	(2,228,371)	(1,614,943)	613,428	(288,513)
FUNDS BALANCE, BEGINNING - BUDGET BASIS	9,490,986	10,551,757	10,551,757	-	10,840,270
FUND BALANCE, ENDING - BUDGET BASIS	7,262,615	8,323,386	8,936,814	613,428	10,551,757
RECONCILIATION TO GAAP BASIS:					
Adjustments:					
Pension direct distribution - Special funding			67,743		817,224
Pension expense - Special funding			(67,743)		(817,224)
FUND BALANCE, ENDING - GAAP BASIS			8,936,814		10,551,757

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund
Fund Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Food Services Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
REVENUES					
Food and ala carte sales	6,000	6,000	34,593	28,593	127,069
Federal aid:					
Federal government meal reimbursement	833,854	833,854	723,575	(110,279)	472,471
USDA commodity contribution	-	-	62,127	62,127	63,487
State reimbursement	13,000	13,000	252,108	239,108	13,044
Interest income	-	-	2,165	2,165	161
Total revenues	852,854	852,854	1,074,568	221,714	676,232
EXPENDITURES					
Salaries and employee benefits	504,956	504,956	487,595	17,361	469,197
Purchased services	14,500	14,500	13,971	529	9,119
Supplies	22,750	22,750	31,540	(8,790)	21,156
Food costs:					
Purchased food	403,250	403,250	377,527	25,723	241,831
Donated commodities	47,000	47,000	62,127	(15,127)	63,487
Property	25,000	25,000	97,773	(72,773)	15,085
Total expenses	1,017,456	1,017,456	1,070,533	(53,077)	819,875
NET CHANGE IN FUND BALANCE	(164,602)	(164,602)	4,035	168,637	(143,643)
FUNDS BALANCE, BEGINNING	591,442	646,608	630,064	(16,544)	773,707
FUND BALANCE, ENDING	426,840	482,006	634,099	152,093	630,064

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Special Revenue Fund
Pupil Activity Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
REVENUES					
Other income	411,650	354,520	348,273	(6,247)	477,443
Interest income	-	-	12,508	12,508	209
Total revenues	411,650	354,520	360,781	6,261	477,652
EXPENDITURES					
Student activities	609,825	609,825	535,864	73,961	598,885
Total expenditures	609,825	609,825	535,864	73,961	598,885
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(198,175)	(255,305)	(175,083)	80,222	(121,233)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	200,000	200,000	100,000	(100,000)	(3,879)
Total other financing sources (uses)	200,000	200,000	100,000	(100,000)	(3,879)
NET CHANGE IN FUND BALANCE	1,825	(55,305)	(75,083)	(19,778)	(125,112)
FUND BALANCE, BEGINNING	374,237	284,821	284,821	-	409,933
FUND BALANCE, ENDING	376,062	229,516	209,738	(19,778)	284,821

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

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

For the measurement date of December 31,	2023	2022	2021	2020	2019
District's portion of the net pension liability	0.2293%	0.1806%	0.2139%	0.2408%	0.2104%
District's proportionate share of the net pension liability	40,549,319	32,886,616	24,895,821	36,408,161	31,426,295
State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	870,049	7,420,951	2,560,463	-	3,537,357
Total proportionate share of the net pension liability associated with the District	41,419,368	40,307,567	27,456,284	36,408,161	34,963,652
District's covered payroll	15,159,258	13,931,962	12,605,531	12,705,625	12,359,302
District's proportionate share of the net pension liability as a percentage of its covered payroll	267%	236%	197%	287%	254%
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.79%	74.86%	66.99%	64.52%

For the measurement date of December 31,	2018	2017	2016	2015	2014
District's portion of the net pension liability	0.2101%	0.2423%	0.2540%	0.2656%	0.2824%
District's proportionate share of the net pension liability	37,202,686	78,335,658	75,628,160	40,623,395	38,269,580
State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	4,475,050	-	-	-	-
Total proportionate share of the net pension liability associated with the District	41,677,736	78,335,658	75,628,160	40,623,395	38,269,580
District's covered payroll	11,565,065	11,729,660	11,696,271	11,649,930	11,815,170
District's proportionate share of the net pension liability as a percentage of its covered payroll	322%	668%	647%	349%	324%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	59.20%	62.84%	62.84%

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

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

Fiscal year-ended June 30,	2024	2023	2022	2021	2020
Contractually required contribution	3,033,405	2,856,569	2,759,137	2,523,575	2,554,722
Contributions in relation to the contractually required contribution	(3,033,405)	(2,856,569)	(2,759,137)	(2,523,575)	(2,554,722)
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	14,884,070	14,016,530	13,878,956	12,694,039	13,354,510
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.13%
Fiscal year-ended June 30,	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	2,283,348	2,043,195	2,066,885	2,005,997	1,943,497
Contributions in relation to the contractually required contribution	(2,283,348)	(2,043,195)	(2,066,885)	(2,005,997)	(1,943,497)
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	11,935,980	11,729,660	11,696,271	12,964,039	13,354,532
Contributions as a percentage of covered payroll	19.13%	17.42%	17.67%	15.47%	14.55%

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

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

For the measurement date of December 31,	2023	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.1372%	0.1373%	0.1397%	0.1393%	0.1375%
District's proportionate share of the net OPEB liability	979,098	1,120,964	1,204,468	1,323,968	1,544,982
District's covered payroll	15,159,258	13,931,962	12,605,531	12,705,625	12,359,302
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	6%	8%	10%	10%	13%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%

For the measurement date of December 31,	2018	2017	2016
District's proportion of the net OPEB liability	0.1365%	0.1376%	0.1444%
District's proportionate share of the net OPEB liability	1,857,754	1,787,770	1,871,954
District's covered payroll	11,565,065	11,729,660	11,696,271
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16%	15%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

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

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

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

Fiscal year-ended June 30,	2024	2023	2022	2021	2020
Contractually required contribution	151,818	142,969	141,566	129,479	136,216
Contributions in relation to the contractually required contribution	(151,818)	(142,969)	(141,566)	(129,479)	(136,216)
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	14,884,070	14,016,530	13,878,956	12,694,039	13,354,510
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

Fiscal year-ended June 30,	2019	2018	2017
Contractually required contribution	121,747	170,908	116,284
Contributions in relation to the contractually required contribution	(121,747)	(170,908)	(116,284)
Contribution deficiency (excess)	-	-	-
District's covered payroll	11,935,980	11,729,660	11,696,271
Contributions as a percentage of covered payroll	1.02%	1.46%	0.99%

* Information is only available beginning in fiscal year 2017.

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

Moffat County School District RE-1
Notes to the Required Supplementary Information
June 30, 2024

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

A. Changes in Plan Provisions

1. Changes since the December 31, 2022 actuarial valuation:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

B. Changes to Assumptions or Other Inputs

1. Changes since the December 31, 2022 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

2. Changes since the December 31, 2021 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

3. Changes since the December 31, 2020 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

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

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and Denver Public School ("DPS") Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

B. Changes to Assumptions or Other Inputs (continued)

4. Changes since the December 31, 2019 actuarial valuation (continued):

- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was 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.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables descried above are generational mortality tables on a head-count weighted basis.

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

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

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

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

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

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

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

B. Changes to Assumptions or Other Inputs (continued)

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

- The investment return assumption was lowered from 7.5 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIRFDN for the SCHDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate

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

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

C. Changes of benefit terms.

No changes during the years presented above.

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

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

No changes during the years presented above.

II. Notes to the Schedule of District Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

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

No changes during the years presented.

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

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

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

No changes during the years presented.

IV. Notes to the Schedule of District OPEB Contributions

A. Changes in Plan Provisions

1. Changes since the December 31, 2022 actuarial valuation:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

IV. Notes to the Schedule of District OPEB Contributions (continued)

B. Changes to Assumptions or Other Inputs

2. Changes since the December 31, 2022 actuarial valuation:

- There were no change made to the actuarial methods or assumptions.

2. Changes since the December 31, 2021 actuarial valuation:

- The timing of the retirement decrement was adjusted to middle-of-year.

3. Changes since the December 31, 2020 actuarial valuation:

- There were no change made to the actuarial methods or assumptions.

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

- Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.B.4 above.

C. Changes of benefit terms.

No changes during the years presented.

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

No changes during the years presented.

Supplementary Information

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Debt Service Fund
Bond Redemption Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
REVENUES					
Property taxes	2,675,000	2,675,000	2,632,157	(42,843)	2,653,582
Interest income	15,000	15,000	127,469	112,469	62,431
Total revenues	2,690,000	2,690,000	2,759,626	69,626	2,716,013
EXPENDITURES					
Debt service:					
Principal	1,850,000	1,850,000	1,910,000	(60,000)	1,850,000
Interest	418,575	418,575	362,350	56,225	418,575
Fiscal charges	1,500	1,500	800	700	1,100
Total expenditures	2,270,075	2,270,075	2,273,150	(3,075)	2,269,675
NET CHANGE IN FUND BALANCE	419,925	419,925	486,476	66,551	446,338
FUND BALANCE, BEGINNING	3,749,709	3,776,122	3,776,122	-	3,329,784
FUND BALANCE, ENDING	4,169,634	4,196,047	4,262,598	66,551	3,776,122

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
Capital Reserve Fund
Capital Projects Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
REVENUES					
State income	250,000	250,000	-	(250,000)	452,660
Other local income	70,000	50,000	90,983	40,983	63,760
Total revenues	320,000	300,000	90,983	(209,017)	516,420
EXPENDITURES					
Facilities improvements and repairs	1,670,000	1,735,000	1,792,536	(57,536)	1,233,650
Other vehicles	-	-	5,399	(5,399)	463,077
Principal	750,000	640,000	634,656	5,344	490,202
Interest	40,000	40,000	29,085	10,915	29,508
Total expenditures	2,460,000	2,415,000	2,461,676	(46,676)	2,216,437
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,140,000)	(2,115,000)	(2,370,693)	(255,693)	(1,700,017)
OTHER FINANCING SOURCES (USES)					
Lease proceeds	500,000	85,000	382,781	297,781	436,710
Transfers in (out)	1,588,317	1,565,000	1,565,000	-	1,183,000
Total other financing sources (uses)	2,088,317	1,650,000	1,947,781	297,781	1,619,710
NET CHANGE IN FUND BALANCE	(51,683)	(465,000)	(422,912)	42,088	(80,307)
FUND BALANCE, BEGINNING	2,519,219	2,403,912	2,403,912	-	2,484,219
FUND BALANCE, ENDING	2,467,536	1,938,912	1,981,000	42,088	2,403,912

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

Moffat County School District RE-1
Schedule of Revenues, Expenditures and Changes in Net Position
Budget and Actual (GAAP Basis)
Internal Service Funds
Medical Benefits Fund
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual Amounts	Final Budget Variance Positive (Negative)	Actual Amounts
REVENUES					
Insurance premiums	3,016,707	2,649,098	2,584,067	(65,031)	2,091,839
Investment income	4,800	4,800	35,860	31,060	43,577
Other revenue	200,000	200,000	216,075	16,075	292,956
Total revenues	3,221,507	2,853,898	2,836,002	(17,896)	2,428,372
EXPENDITURES					
Claims	1,900,791	2,002,301	3,182,766	(1,180,465)	2,711,067
Insurance premiums	-	-	667,972	(667,972)	-
Administrative costs	1,115,916	1,115,916	108,729	1,007,187	478,937
Total expenditures	3,016,707	3,118,217	3,959,467	(841,250)	3,190,004
CHANGE IN NET POSITION	204,800	(264,319)	(1,123,465)	(859,146)	(761,632)
NET POSITION - BEGINNING OF THE YEAR	1,585,424	1,816,105	1,054,473	(761,632)	1,816,105
NET POSITION - END OF THE YEAR	1,790,224	1,551,786	(68,992)	(1,620,778)	1,054,473

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

Moffat County School District RE-1
Schedule of Capital Assets
Used in the Operation of Governmental Funds
Comparative Schedule
June 30, 2024 and 2023

	2024	2023
Governmental funds capital assets:		
Land	297,333	297,333
Land improvements	98,527	77,576
Buildings and improvements	24,799,817	25,130,277
Equipment	2,629,539	2,817,521
Vehicles	1,288,371	1,270,067
Construction in progress	135,085	204,356
Total governmental funds capital assets	29,248,672	29,797,130

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

State Compliance

MOFFAT COUNTY
SCHOOL DISTRICT RE-1

Colorado Department of Education

Auditors Integrity Report

District: 2020 - Moffat County RE: No 1
Fiscal Year 2023-24
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	10,551,756	25,872,985	27,487,929	8,936,813
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	**10,551,756**	**25,872,985**	**27,487,929**	**8,936,813**
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	630,062	1,074,569	1,070,532	634,098
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	284,821	460,780	535,864	209,737
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	3,776,122	2,759,627	2,273,150	4,262,599
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,403,914	2,038,763	2,461,676	1,981,001
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**17,646,675**	**32,206,724**	**33,829,151**	**16,024,248**
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	1,054,473	251,936	1,375,400	-68,991
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	**1,054,473**	**251,936**	**1,375,400**	**-68,991**
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	**0**	**0**	**0**	**0**

FINAL

Single Audit Section

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Moffat County School District RE-1 (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated .

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, we identified certain deficiencies in internal control that we consider to be a material weakness, as described in finding 2024-001 in the accompanying Schedule of Findings and Questioned Costs.

Compliance and Other Matters

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Moffat County School District RE-1
Craig, CO

Purpose of this Report

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

McMahan and Associates, L.L.C.
Avon, Colorado

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com
Main Office: (970) 845-8800

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

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

Report on Compliance for Each Major Program

We have audited the compliance of the Moffat County School District RE-1 (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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, 2024.

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 (U.S. GAAS); 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* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's 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 U.S. GAAS, *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 U.S. GAAS, *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 or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003, to be a significant deficiency.

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

Report on Internal Control Over Compliance (continued)

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

Purpose of this Report

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 in the requirements of Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado

Moffat County School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Part I: Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	Yes
Major programs –	
Child Nutrition Cluster	ALN 10.553/10.555/10.559
Title I	ALN 84.010
Dollar threshold used to identify Type A from Type B programs	$750,000
Identified as low-risk auditee	No

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	Yes
Auditor-assigned reference number	2024-001

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	2024-002 and 2024-003
Questioned costs	None noted

Moffat County School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section II – Findings Related to Financial Statements

2024-001 – Grant Revenue Recognition and Recording

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The initial amount of federal grant revenues presented by the District did not agree to actual federal funding received.

Criteria: Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and subsequent amendments to this guidance provides guidance as to when state and local governments should report the results of various nonexchange transactions involving cash and other financial and capital resources.

Context: Material errors were noted between the reconciliation from various federal and state agency reports and the entries in the District's general ledger accounting system. These errors were identified during testing performed over grants with review of supporting documentation.

Effect: As a result of this issue, the following adjustments were required to be posted by the District:

- General Fund – Federal grant revenues were increased by $85,663.
- Food Services Fund – Federal grant revenues were increased by $381,750. Most of these revenues were initially recorded by the District to miscellaneous revenue on the General Fund.

Cause: The District experienced significant turnover in its Finance Department, resulting in a loss of timely reconciliation of the District's accounts.

Repeat Finding: This is a repeat finding.

Recommendation: We recommend that the District improve the process for identifying errors during the federal grant reconciliation process on a periodic basis to ensure the completeness and accuracy of recorded federal grant revenues.

View of Responsible Officials The District agrees with the finding and has adjusted federal grant revenues, and related receivables, accordingly.

Responsible Official: Sarah Siegrist, External Consultant

Moffat County School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section III – Findings Related to Federal Awards

2024-002 – U.S Department of Education, passed through the Colorado Department of Education

Program:	Title I Grants to Local Educational Agencies ("Title I")
ALN:	84.010
Compliance Requirement:	Special Tests and Provisions – Annual Report Card, High School Graduation Rate
Criteria:	Policies and procedures should exist to verify accurate student graduation records are maintained and proper classification of student withdrawals is reported. To remove a student from the cohort, a school or Local Educational Agency ("LEA") must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.
Condition:	During our June 30, 2024 testing of the Title I program, we were unable to test a sample of student withdrawals, to verify the withdrawal code and purpose of withdrawals for the cohort requirements.
Effect:	The District does not have the proper records as it relates to student withdrawals, and thus cannot confirm proper removal from the graduation rate cohort at the State level and under the correct withdrawal code.
Cause:	The District experienced significant turnover in its Finance Department, and therefore could not provide any documentation or support evidencing student withdrawals.
Repeat Finding:	No.
Questioned Costs:	None.
Recommendation:	We recommend the District establish procedures to ensure appropriate documentation is obtained related to removal of students from a cohort in accordance with Uniform Guidance.
View of Responsible Officials	The District agrees with the finding. Please see separately prepared corrective action plan.

Moffat County School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section III – Findings Related to Federal Awards

2024-003 – U.S Department of Education, passed through the Colorado Department of Education

Program:	Title I Grants to Local Educational Agencies ("Title I")
ALN:	84.010
Compliance Requirement:	Level of Effort – Maintenance of Effort
Criteria:	Management is responsible for internal controls over compliance with Level of Effort – Maintenance of Effort in accordance with the Uniform Guidance.
Condition:	During our June 30, 2024 testing of the Title I program, we were unable to recalculate the District's calculated Maintenance of Effort, as there was no documentation available for review.
Effect:	The District does not have the proper records as it relates to Maintenance of Effort and therefore could be providing inaccurate data to the Colorado Department of Education.
Cause:	The District experienced significant turnover in its Finance Department, and therefore could not locate the necessary records to provide documentation or support evidencing the Maintenance of Effort calculation.
Repeat Finding:	No.
Questioned Costs:	None.
Recommendation:	We recommend the District establish procedures to ensure appropriate documentation is retained related to the Maintenance of Effort calculation to allow for consistent and accurate reporting in accordance with the Uniform Guidance.
View of Responsible Officials	The District agrees with the finding. Please see separately prepared corrective action plan.

Moffat County School District RE-1
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Note: There were no findings for the fiscal year ended June 30, 2023.

MOFFAT COUNTY
SCHOOL DISTRICT RE-1

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

Reference Number	Finding and Corrective Action Plan

Moffat County School District RE-1 respectfully submits the following corrective action plan for the year ended June 30, 2024.

2024-002 Title I Grants to Local Educational Agencies – Federal Assistance Listing 84.010

Compliance Requirement: Matching, Level of Effort, Earmarking

Questioned Costs: None.

Corrective Action: In February 2025 the District was notified that inadequate supporting documentation could not be located relating to the Maintenance of Effort calculations, due to significant turnover of District staff turnover during the fiscal year 2024. Moving forward, the District will seek additional guidance to ensure compliance requirements and level of effort guidelines are followed and supporting documentation is retained.

Personnel Responsible for Corrective Action: Sarah Siegrist, External Consultant

Anticipated Completion Date: February 2025.

Moffat County School District RE-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Program Title	Federal ALN	Grant Project Code	Expenditures	
United States Department of Education				
Passed through Colorado Department of Education:				
Title I - ESEA	84.010	4010	$ 373,378	
IDEA Part B: Special Education-Grants to States	84.027	4027	536,617	***A***
IDEA Part B: Special Education-Preschool	84.173	4173	25,008	***A***
Title III Part A - English Language Enhancement	84.365A	4365	16,901	
Title II Part A: Teacher and Principal Training and Recruiting	84.367	4367	71,120	
Student Support and Academic Enrichment	84.424A	4424	32,205	
COVID-19 - ESSER III ARP 9.5% State Set-Aside, Early-Service Educator Mentoring Program	84.425U	4436	74,372	
COVID-19 - ESSER III 90% - LEA Allocation	84.425U	4414	291,873	
Subtotal - COVID-19 - ESSER			*486,471*	
Total United States Department of Education			1,421,474	
United States Department of Agriculture:				
Passed through Moffat County Treasurer:				
Schools and Roads - Grants to States	10.665	7665	21,547	***B***
Passed through Colorado Department of Human Services:				
Food Distribution Commodities	10.555	4555	62,127	***C***
Passed through Colorado Department of Education:				
COVID-19 - SNAP: P-EBT mini Grants	10.649	4649	653	
School Breakfast Program	10.553	4553	124,287	***C***
National School Lunch Program	10.555	4555	407,116	***C***
Supply Chain Assistance	10.555	6555	46,633	***C***
Subtotal National School Lunch Program			*453,749*	
Summer Food Service Program for Children	10.559	4559	145,540	***C***
Total United States Department of Agriculture			807,903	
Total Federal Expenditures			$ 2,229,377	

Additional Information for Clusters:	
A - IDEA Cluster	$ 561,625
B - Forest Service Schools and Roads Cluster	$ 21,547
C - Child Nutrition Cluster	$ 785,703

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2024

Note 1. Basis of Presentation:
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Moffat County School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

Note 2. Determining the Value of Non-Cash Awards Expended:
Food Commodities: Valued at the assessed value provided by the federal agency.

Note 3. Sub recipients:
Moffat County School District did not provide any federal awards received to sub recipients.

Note 4. Indirect Facilities and Administration costs:
The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs.