

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mountain Valley School District RE-1, of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Valley School District RE-1'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 Mountain Valley School District RE-1 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Mountain Valley School District RE-1 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 opinion

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Mountain Valley School District RE-1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 of 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 Mountain Valley School District RE-1'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 Mountain Valley School District RE-1's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mountain Valley School District RE-1's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and the Colorado School District's Auditor's Integrity Report, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the Colorado School District's Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*P. Andrew Hall, LLC*

P. Andrew Hall, LLC  
Corpus Christi, Texas  
January 21, 2025

## **Management's Discussion and Analysis**

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

As management of Mountain Valley School District, we offer readers of the Mountain Valley School District's financial statements this narrative overview and analysis of the financial activities of the Mountain Valley School District for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights 2024**

- Total net position as of June 30, 2023 was \$25,976,219. Total Net Position as of June 30, 2024 was \$26,219,292, an increase of \$243,073.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3,611,838 or 73% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,382,770 of total revenues.
- The District had \$4,751,535 in expenses related to governmental activities; \$1,382,770 these expenses were offset by program specific charges for services, grants and contributions. General revenues of 3,611,838 provided for the remaining portion of these programs.
- Revenue in the Food Service Fund from charges for services and operating grants and contributions was not sufficient to cover expenses in the 2024 fiscal year and was subsidized by the General Fund.

**Overview of the Financial Statements**

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

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

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

**District-wide Financial Statements**

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

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

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

### **Fund Financial Statements**

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

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

Mountain Valley School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the (1) General Fund which includes PreSchool Fund, (2) Food Service Fund, (3) Governmental Designated Purpose Grants Fund, (4) Building Fund, (5) Debt Service Fund, and (6) Student Activity Fund.

### **Other Information**

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

### **District-wide Financial Analysis**

Government-wide Analysis:

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories, and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

of the District. The majority of the current assets are the result of the property tax collection process; the District receives about 75% of the annual property tax assessment in the first half of the calendar year.

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets, or new resources that become available during fiscal year 2025. Long-term liabilities such as long-term debt obligations and compensated absences payable, will be liquidated from resources that will become available after fiscal year 2026. A comparative analysis is provided.

**Table I**  
**Statement of Net Position**  
**June 30, 2023 and 2024**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2024</b>
<b>Assets</b>		
Current Assets	\$ 3,908,104	\$ 4,581,529
Capital Assets	29,082,698	28,519,211
<b>Total Assets</b>	<b>32,990,802</b>	<b>33,100,740</b>
<b>Deferred Outflows of Resources</b>		
Pensions	989,098	1,403,458
OPEB	29,343	24,207
<b>Total Deferred Outflows of Resources</b>	<b>1,018,441</b>	<b>1,427,665</b>
<b>Liabilities</b>		
Current Liabilities	629,693	462,155
Noncurrent liabilities	6,867,270	7,657,735
<b>Total Liabilities</b>	<b>7,496,963</b>	<b>8,119,890</b>
<b>Deferred Inflows of Resources</b>		
Pensions	489,633	152,802
OPEB	46,428	36,421
<b>Total Deferred Inflows of Resources</b>	<b>536,061</b>	<b>189,223</b>
<b>Net Position</b>		
Net Investment in Capital Assets	26,072,384	25,666,178
Restricted for TABOR	100,000	100,000
Restricted for Preschool	69,529	69,529
Other	193,187	193,187
Restricted for Debt Service	367,578	423,749
Unrestricted	(826,459)	(233,351)
<b>Total Net Position</b>	<b>\$ 25,976,219</b>	<b>\$ 26,219,292</b>

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

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

**Table II**  
**Condensed Statement of Changes in Net Position**  
**Fiscal Year 2023 & 2024**

<b>Revenues</b>	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2024</b>
<b>Program Revenues:</b>		
Charges for Services	\$ 39,780	\$ 45,853
Oper. Grants & Contributions	866,733	1,336,917
General Revenues:		
Property and Other Taxes	1,434,181	1,272,192
State Equalization	1,997,159	2,173,352
Investment	102,126	166,294
<b>Total Revenues</b>	<b>4,439,979</b>	<b>4,994,608</b>
<b>Expenses</b>		
Instructional Program	2,128,471	2,422,392
Student Support Services	406,594	287,175
Instr. Staff Support Services	323,279	446,743
Gen. Admin. Support Services	325,862	298,234
Sch. Admin. Support Services	147,714	67,449
Business Support Services	87,316	186,807
O&M of Plant Services	400,557	364,333
Student Trans. Services	216,529	247,804
Central Support Services	131,942	85,815
Food Services	235,587	247,861
Interest on Long-term Debt	105,378	96,922
<b>Total Expenses</b>	<b>4,509,229</b>	<b>4,751,535</b>
<b>Change in Position</b>	<b>(69,250)</b>	<b>243,073</b>
<b>Net Position - Beginning of Year</b>	<b>26,045,469</b>	<b>25,976,219</b>
<b>Net Position - End of Year</b>	<b>\$ 25,976,219</b>	<b>\$ 26,219,292</b>

Historically, property taxes and per pupil state formula revenue (state equalization) accounted for most of the District's revenue, contributing about 80%. Normally State and Federal grants and private partnership grants contribute about 19% of revenue. Normally interest on investments, other sources, and miscellaneous contribute the remaining 1%.

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

In fiscal year 2024, the revenue percentage of property taxes and state equalization is 69%, grants 27%, and all other 4%.

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

The effect of the PERA pension and OPEB on the District's total net position for the Fiscal Year 2023 and 2024 is summarized below:

	<b>Fiscal Year 2023</b>	<b>Fiscal Year 2024</b>
Net Position (GAAP Basis)	\$ 25,976,219	\$ 26,219,292
GASB 68-Pension	3,382,950	4,850,201
GASB 75- OPEB	148,907	117,113
<b>Net Position Excluding Pension and OPEB</b>	<b>\$ 29,508,076</b>	<b>\$ 31,186,606</b>

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

	<b>Fiscal Year 2023</b>	<b>Fiscal Year 2024</b>
Unrestricted Net Position (GAAP Basis)	\$ (826,459)	\$ (220,983)
GASB 68-Pension	3,382,950	4,850,201
GASB 75- OPEB	148,907	117,113
<b>Net Position Excluding Pension and OPEB</b>	<b>\$ 2,705,398</b>	<b>\$ 4,746,331</b>

**Governmental Activities**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial requirements. In particular, unrestricted fund balance may serve as a useful measure of the net resources available for spending at the end of the fiscal year.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$17,799.67 per funded student. In fiscal year 2024, the funded pupil count was 175.4. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization. The District received approximately 45% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table III reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

**Table III**  
**Cost of Services - Governmental Activities**  
**Fiscal Year 2023 & 2024**

	<b>Total Cost 2023</b>	<b>Net Cost 2023</b>	<b>Total Cost 2024</b>	<b>Net Cost 2024</b>
Instructional Program	\$ 2,128,471	\$ (1,264,123)	\$ 2,422,392	\$ (1,551,272)
Student Support Services	406,594	(406,594)	287,175	132,323
Instructional Staff Support Services	323,279	(323,279)	446,743	(446,743)
General Admin. Support Services	325,862	(325,862)	298,234	(298,234)
School Admin. Support Services	147,714	(147,714)	67,449	(67,449)
Business Support Services	87,316	(87,316)	186,807	(186,807)
Operations & Maintenance of Plant Services	400,557	(400,557)	364,333	(364,333)
Student Transportation Services	216,529	(216,529)	247,804	(247,804)
Central Supporting Services	131,942	(131,942)	85,815	(85,815)
Food Service	235,587	(193,422)	247,861	(145,709)
Community Services	-	-	10,000	(10,000)
Interest on Long-term Debt	105,378	(105,378)	96,922	(96,922)
<b>Total</b>	<b>\$ 4,509,229</b>	<b>\$ (3,602,716)</b>	<b>\$ 4,761,535</b>	<b>\$ (3,368,765)</b>

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

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

**General Fund Budgetary Highlights**

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

**Capital Assets and Debt Administration**

By the end of the fiscal year 2024, the District had invested \$28,519,211 in a broad range of capital assets, including buildings and improvements, machinery and equipment, and vehicles. (See Table IV)

**Mountain Valley School District RE-1**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024 (Continued)**

**Table IV**  
**Capital Assets at June 30, 2023 & 2024**

	<b>Governmental Activities 2023</b>	<b>Governmental Activities 2024</b>
Buildings and Improvements	\$ 30,292,102	\$ 30,292,102
Equipment	584,358	594,358
Vehicles	613,402	613,402
Accumulated Depreciation	(2,407,164)	(2,980,651)
<b>Totals</b>	<b>29,082,698</b>	<b>28,519,211</b>
 Governmental Activities Capital Assets	 29,082,698	 28,519,211

**Long-Term Liabilities**

At June 30, 2024, the District had \$2,853,033 in long-term liabilities. Table V details the long-term liabilities for the District.

**Table V**  
**Long Term Liabilities**  
**June 30, 2023 & 2024**

	<b>Governmental Activites 2023</b>	<b>Governmental Activites 2024</b>
Bonds Payable - Series 2017	\$ 3,010,314	\$ 2,853,033
	\$ 3,010,314	\$ 2,853,033

**Factors Bearing on the District's Future**

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

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

**Mountain Valley School District RE-1  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024 (Continued)**

- The Mountain Valley School District continues its efforts in educational reform with cooperation from administration, certified staff, classified staff, parents, community members, and the local board of education. The District has established partnerships with valley educational institutions and state organizations to assist in the curriculum reform effort.
- Mountain Valley School District has been successful in the past with obtaining grants from CDE. With these organizations, we continue to develop and evaluate student-focused strategies for increasing student attendance and achievement, as is evidenced by the quality teaching strategies found in our classrooms. These efforts have resulted in improvements in our educational programs that are evidenced by the educational awards the District continues to receive.
- Additional funding to the district came through the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was enacted on March 27, 2020 – a \$2 trillion package of assistance measures that include direct payment to families, loans for small businesses, and support for business and funding for education. Four education funding streams from the CARES Act were the Coronavirus Relief Fund, the Elementary and Secondary School Emergency Relief (ESSER) Fund. Governor's Emergency Education Relief (GEER) Fund and nutrition. The ESSER funding ended September 2024.

**Contacting the District's Financial Management**

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

## **Basic Financial Statements**

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 4,224,966
Cash at county treasurer	60,647
Due from other governments	95,650
Property tax receivable	185,592
Inventory	14,674
Total Current Assets	4,581,529

**Noncurrent Assets**

Capital assets - depreciable	31,499,862
Less: Accumulated depreciation	(2,980,651)
Net Capital Assets	28,519,211
Total Noncurrent Assets	28,519,211
Total Assets	33,100,740

**Deferred Outflows of Resources**

Pension	1,403,458
OPEB	24,207
Total Deferred Outflows of Resources	1,427,665

**LIABILITIES**

**Current Liabilities**

Accounts payable	11,086
Accrued wages and benefits	127,581
Due to other governments	29,414
Unearned income - grants	53,087
Accrued vacation	70,315
Accrued Interest on bonds	8,060
General obligation bonds - current portion	162,612
Total Current Liabilities	462,155

**Long Term Liabilities**

Net pension liability	4,850,201
Net OPEB liability	117,113
General obligation bonds	2,690,421
Total Long Term Liabilities	7,657,735
Total Liabilities	8,119,890

**Deferred Inflows of Resources**

Pension	152,802
OPEB	36,421
Total Deferred Inflows of Resources	189,223

**NET POSITION**

Net investments in capital assets	25,666,178
Restricted:	
TABOR	100,000
Debt Service	423,749
Other	193,187
Preschool	69,529
Unrestricted	(233,351)
Total Net Position	\$ 26,219,292

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Instruction	\$ 2,422,392	\$ 45,853	\$ 815,267	\$ -	\$ (1,561,272)
Student supporting services	287,175	-	419,498	-	132,323
Instructional staff supporting services	446,743	-	-	-	(446,743)
General and administration supporting services	298,234	-	-	-	(298,234)
School administration supporting services	67,449	-	-	-	(67,449)
Business supporting services	186,807	-	-	-	(186,807)
Operations and maintenance of plant services	364,333	-	-	-	(364,333)
Student transportation services	247,804	-	-	-	(247,804)
Central supporting services	85,815	-	-	-	(85,815)
Food services	247,861	-	102,152	-	(145,709)
Interest	96,922	-	-	-	(96,922)
<b>Total Governmental Activities</b>	<b>\$ 4,751,535</b>	<b>\$ 45,853</b>	<b>\$ 1,336,917</b>	<b>\$ -</b>	<b>(3,368,765)</b>
<b>General Revenues</b>					
Property taxes					1,112,032
Other taxes					160,160
State equalization					2,173,352
Interest					166,294
<b>Total General Revenues</b>					<b>3,611,838</b>
Change in Net Position					243,073
Net Position - Beginning of Year					25,976,219
Net Position - End of Year					<b>\$ 26,219,292</b>

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

## **Fund Financial Statements**

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**BALANCE SHEET**  
**June 30, 2024**

	<b>General Fund</b>	<b>Grants Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 3,626,735	\$ (30,119)	\$ 628,350	\$ 4,224,966
Cash at county treasurer	32,323	-	28,324	60,647
Due from other governments	-	95,650	-	95,650
Property tax receivable	138,305	-	47,287	185,592
Inventory	-	-	14,674	14,674
Due from other funds	25,642	-	-	25,642
<b>Total Assets</b>	<b>\$ 3,823,005</b>	<b>\$ 65,531</b>	<b>\$ 718,635</b>	<b>\$ 4,607,171</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 6,824	\$ 4,261	\$ -	\$ 11,085
Accrued wages and benefits	102,069	16,311	9,201	127,581
Due to other governments	29,414	-	-	29,414
Due to other funds	-	-	25,642	25,642
Unearned income - grants	10,791	42,296	-	53,087
<b>Total Liabilities</b>	<b>149,098</b>	<b>62,868</b>	<b>34,843</b>	<b>246,809</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenues	98,923	-	7,893	106,816
<b>Total Deferred Inflows of Resources</b>	<b>98,923</b>	<b>-</b>	<b>7,893</b>	<b>106,816</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	14,674	14,674
Restricted	141,320	2,663	573,223	717,206
Committed	1,210,446	-	88,002	1,298,448
Unassigned	2,223,218	-	-	2,223,218
<b>Total Fund Balance</b>	<b>3,574,984</b>	<b>2,663</b>	<b>675,899</b>	<b>4,253,546</b>
<b>Total Liabilities, Fund Balance and Deferred Inflows of Resources</b>	<b>\$ 3,823,005</b>	<b>\$ 65,531</b>	<b>\$ 718,635</b>	<b>\$ 4,607,171</b>

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**June 30, 2024**

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Amounts reported for governmental funds in the Statement of Net Position are different because:  
are different because:

<b>Total Fund Balance</b>	\$	4,253,546
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		28,519,211
Intergovernmental revenues that do not provide current financial resources are included in deferred inflows of resources in the fund financial statements and are considered revenues in the statement of activities. Certain liabilities are not due and payable in the current period and , therefore, are not reported in the funds.		106,816
Accrued vacation	\$ (70,315)	
General obligation bonds payable	(2,853,033)	
Accrued interest	<u>(8,060)</u>	
		(2,931,408)
Net pension and OPEB liability, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.		<u>(3,728,873)</u>
<b>Total Net Position</b>	<b>\$</b>	<b><u><u>26,219,292</u></u></b>

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2024**

<b>REVENUES</b>	<b>General Fund</b>	<b>Grants Fund</b>	<b>Total Non Major Funds</b>	<b>Total Governmental Funds</b>
Local sources	\$ 1,418,071	\$ -	\$ 344,691	\$ 1,762,762
State sources	2,568,827	256,069	18,628	2,843,524
Federal sources	117,414	163,429	96,163	377,006
Total Revenue	<u>4,104,312</u>	<u>419,498</u>	<u>459,482</u>	<u>4,983,292</u>
<b>EXPENDITURES</b>				
Instruction	1,575,043	364,449	62,032	2,001,524
Student supporting services	36,378	-	-	36,378
Instructional staff supporting services	440,629	6,114	-	446,743
General and administration supporting services	280,194	-	-	280,194
School administration supporting services	55,306	-	-	55,306
Business supporting services	186,807	-	-	186,807
Operations and maintenance of plant services	295,228	48,935	-	344,163
Student transportation services	209,022	-	-	209,022
Central supporting services	84,087	-	-	84,087
Food services	-	-	226,216	226,216
Capital Outlay	10,000	-	-	10,000
Debt service				
Principal	-	-	157,281	157,281
Interest and fees	-	-	99,384	99,384
Total Expenditures	<u>3,172,694</u>	<u>419,498</u>	<u>544,913</u>	<u>4,137,105</u>
Revenue Over (Under) Expenditures	<u>931,618</u>	<u>-</u>	<u>(85,431)</u>	<u>846,187</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	(123,481)	-	123,481	-
Total Other Financing Sources	<u>(123,481)</u>	<u>-</u>	<u>123,481</u>	<u>-</u>
Net Change in Fund Balances	808,137	-	38,050	846,187
Fund Balance, beginning of year	2,766,847	2,663	637,849	3,407,359
Fund Balance, end of year	<u>\$ 3,574,984</u>	<u>\$ 2,663</u>	<u>\$ 675,899</u>	<u>\$ 4,253,546</u>

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMEN OF ACTIVITIES**  
**For the Year Ended September 30, 2023**

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

**Net Change in Fund Balance Governmental Fund** \$ 846,187

Governmental funds report capital outlays as expenditures and sales as revenues; however, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The activity relating to capital assets for the current period are as follows:

Capital Outlay	\$ 10,000	
Depreciation	<u>(573,487)</u>	(563,487)

The payment of long-term debt utilizes current financial resources to governmental funds however it has no effect on Net Position. 157,281

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported in the fund statements.

Accrued interest	\$ 2,462	
Accrued vacation	<u>(13,671)</u>	(11,209)

Intergovernmental revenues that do not provide current financial resources are included in deferred inflows of resources in the fund financial statements and are considered revenues in the statement of activities 11,317

Changes arising from the change in net pension liability, net OPEB liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements. (197,016)

**Change in Net Position of Governmental Activities** \$ 243,073

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Financial Reporting Entity***

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

The District follows GASB Statement No. 14 which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, no entities will be included in the District's reporting entity. The District is not a component unit of any other entities.

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The District follows all pronouncements of the Governmental Accounting Standards Board (GASB), which is the standard setting body. In conformance with Governmental Accounting and Financial Reporting Standards. The District is a tax-exempt entity for Federal income tax purposes.

***Basis of Presentation***

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

***Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Financial Statements***

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Funds used by the District are described below.

General Fund – is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Grants Fund – is the fund used to track the revenues, expenses and remaining balances of all grants.

**Measurement Focus and Basis of Accounting**

***Government-wide Financial Statement***

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

***Fund Financial Statements***

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Revenue***

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Assets and Liabilities***

*Cash and cash equivalents*- The District’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of 90 days or less at the date of their acquisition.

*Investments* - Investments are recorded at fair value, which approximates cost.

*Prepaid expenses* – payments to vendors for services in which the benefit will be received in a future period are reported as prepaid expenses.

*Receivables* – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management has evaluated the collectability of the accounts and determined that no allowance for doubtful accounts is necessary.

*Inventory* – Purchased Inventory is stated at cost. The Food Service Fund receives donated commodities to use in meal preparation from the U.S. Department of Agriculture during the year. The value of these items is recorded at U.S. Department of Agriculture established values.

*Capital assets* - These consist of all property, plant and equipment. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or estimated historical cost if donated.

Depreciation of all exhaustible capital assets is charged as expense against operations. Accumulated depreciation is reported on the balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	50 years
Admin equipment	5 -15 years
Operational equipment	6 -10 years

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

*Accrued salaries and benefits* – Salaries and retirement benefits of certain contractually employed personnel are paid over a 12-month period from September to August but are earned during the school year of approximately nine months. The accrued salaries and benefits earned, but unpaid, are reported as a liability of the funds. Upon separation of employment the District pays employees for their accrued leave at the full day substitute teacher rate, therefore a liability has been recorded on the government-wide statements for this balance.

*Unavailable revenues* – when assets are not available as current financial resources in the governmental funds they are recorded as unavailable revenues in deferred inflows of resources. These consist of payments from the District that will not be paid for 60 days or more and are typically revenues that are used to offset future expenses such as transportation or special education.

*Long-Term debt* is recorded as a liability in the government-wide financial statements. In the fund financial statements net proceeds are reported as other financing sources and debt payments are reported as debt service expenditures.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result, in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflows) or the acquisition of net position that applies to future periods (deferred inflows).

***Net Position***

Equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position amounts are available for future operations or distributions.

The Governmental Activities has an unrestricted net position deficit as of June 30, 2023 related primarily to the net pension liability and the net OPEB liability. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

***Fund Balance***

*Nonspendable*- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District had a nonspendable fund balance was \$14,674 as of June 30, 2024 relating to inventory.

*Restricted* - consists of amounts constrained to a specific purpose either contractually, through constitutional provisions, or through enabling legislation. The District had \$100,000 restricted for TABOR, \$41,320 restricted for upkeep of the school related to the BEST program, and \$367,578 restricted for debt service at June 30, 2024.

*Committed- General Fund* - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education formally removes or changes the specified uses. The District had a committed fund balance of \$100,000 for athletics, \$50,000 for facilities, \$13,900 for technology, \$26,220 for transportation, \$104,747 for the health plan, \$100,000 for curriculum \$100,000 for staff retention, \$215,579 V2V, \$500,000 to be available for use in subsequent years, \$843,081 for food service and \$2,664 for grants at June 30, 2024.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assigned* – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. The District had an assigned fund balance of \$0 as of June 30, 2024.

Unassigned- consists of the residual classification for the General Fund. This represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

When resources are available for use from multiple components, it is the District’s policy to use the most restrictive resources first, then unrestricted resources as they are needed.

**Property taxes**

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 15th and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced, and income is recognized.

**Budgets and Budgetary Accounting**

Colorado State Statutes require the preparation of an annual budget which provides documentation that all sources and uses of District resources are properly planned, budgeted and approved. The budget, which upon adoption, is the legal document which places restrictions and limitation on the purposes and amounts for which District monies may be expended. Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

Prior to May 31 management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1, for their approval. Prior to June 30 the budget is adopted by formal resolution. The budget includes proposed expenditures and the means for financing them. Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund may be approved by the Board of Directors. Actual expenditures exceeded budgeted expenditures for the general fund for the year ended, which may be a violation of state budget law.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2      CASH AND INVESTMENTS**

**Cash Deposits**

As of June 30, 2024, the District’s cash deposits had a carrying balance of \$628,988 with corresponding bank balance of \$471,745 of which \$500,000 is federally insured. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 2      CASH AND INVESTMENTS (Continued)**

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2024, none of the District’s bank deposits were exposed to custodial credit risk.

**Investments**

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers’ acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

At June 30, 2024, the District had \$3,248,516 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities.

COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under section 24-75-601, C.R.S., as amended.

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to \$10.00. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor’s and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2024, the District had \$505,505 invested in money markets which were not rated.

As of June 30, 2024, the Board had not adopted a formal investment policy.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 3 INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred. Management has determined that all of the receivables are collectible, therefore no allowance for uncollectible receivables has been recorded at June 30, 2024.

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

The outstanding balances between programs result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between programs are made. The effect of inter program transactions has been eliminated in the Statements of Net Position. During the year ended the District made permanent transfers from the General Fund to the Food Service Fund and the Activity Fund for the purpose of funding operations. The composition of inter program balances as of June 30, 2024 is as follows:

<b>Program</b>	<b>Due From Other Program</b>	<b>Due To Other Program</b>	<b>Total</b>
Student Activity Fund	\$ -	\$ (25,642)	\$ (25,642)
General Fund	25,642	-	25,642
<b>Total</b>	<b>\$ 25,642</b>	<b>\$ (25,642)</b>	<b>\$ -</b>

**NOTE 5 CAPITAL ASSETS**

As of June 30, 2024, capital assets consisted of the following:

	<b>Balance at June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2024</b>
<b>Depreciable</b>				
Buildings and improvements	\$ 30,292,102	\$ -	\$ -	\$ 30,292,102
Transportation equipment	613,402	-	-	613,402
Other equipment	584,358	10,000	-	594,358
Total Depreciable	31,489,862	10,000	-	31,499,862
<b>Total Capital Assets</b>	<b>\$ 31,489,862</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 31,499,862</b>
<b>Accumulated Depreciation</b>				
Buildings and improvements	(1,769,998)	(505,361)	-	(2,275,359)
Transportation equipment	(460,568)	(24,784)	-	(485,352)
Other equipment	(176,598)	(43,342)	-	(219,940)
Total Accumulated Depreciation	(2,407,164)	(573,487)	-	(2,980,651)
<b>Net Capital Assets</b>	<b>\$ 29,082,698</b>	<b>\$ (563,487)</b>	<b>\$ -</b>	<b>\$ 28,519,211</b>

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 5 CAPITAL ASSETS (Continued)**

Depreciation expense was charged as follows:

Instruction	\$ 286,687
Support	244,214
Transportation	24,784
Operations and maintenance	9,338
Food Service	8,464
Total Depreciation Expense	\$ 573,487

**NOTE 6 LONG-TERM DEBT**

Changes in Long-term Debt during 2024 were as follows:

	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>Due Within</b>
	<b>6/30/2023</b>			<b>6/30/2024</b>	<b>One Year</b>
G.O. Bonds - 2017	\$ 3,010,314	\$ -	\$ 157,281	\$ 2,853,033	\$ 162,612
<b>Total Long-term Debt</b>	<b>\$ 3,010,314</b>	<b>\$ -</b>	<b>\$ 157,281</b>	<b>\$ 2,853,033</b>	<b>\$ 162,612</b>

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

<b>FY</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	162,612	93,962	256,574
2026	168,125	88,356	256,481
2027	173,824	82,560	256,384
2028	179,717	76,567	256,284
2029	185,810	70,371	256,181
Thereafter	1,982,945	317,416	2,300,361
Total	<b>\$ 2,853,033</b>	<b>\$ 729,232</b>	<b>\$ 3,582,265</b>

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 7      DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* Mountain Valley School District RE-1 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

*Benefits provided as of December 31, 2022.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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 cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (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 AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

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

	<b>July 1, 2023 Through June 30, 2024</b>
Employer Contribution Rate	11.40%
Amount of Employer contribution apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>20.38%</b>

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

\*\*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 \$329,691 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024 the District reported a liability of \$4,422,098 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$	4,422,098
State's Proportionate Share of the Net Pension Liability as a Non-Employer Contributing Entity Associated with the District		(428,103)
<b>Total</b>	<b>\$</b>	<b><u>3,993,995</u></b>

At December 31, 2023, the District's proportion was .0274279521%, which was an increase of .0061070921% from its proportion measured as of December 31, 2022.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

For the year ended June 30, 2024 the District recognized pension expense of \$216,595 and revenue of \$7,229 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:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference Between Expected and Actual Experience	\$ 229,991.00	\$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	347,684	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	652,438	152,802
Contributions Subsequent to the Measurement Date	173,345	N/A
Total	\$ 1,403,458	\$ 152,802

\$265,672 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	<b>Deferred Outflows</b>
2025	\$ 265,672
2026	491,445
2027	417,137
2028	(96,944)

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**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Actuarial assumptions.* The TPL 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:	
Members other than Safety Officers	3.20%- 11.30%
Safety Officers	3.20%- 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

The 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.

Post-retirement non-disabled mortality assumptions were based upon the PubT-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 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.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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, 2023, valuations 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.0%	5.6%
Fixed Income	23.0%	1.3%
Private Equity	8.5%	7.1%
Real Estate	8.5%	4.4%
Alternatives	6.0%	4.7%
Total	<u>100.0%</u>	

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

*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:

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- 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.
- 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.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 7      DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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.

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

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Proportionate Share of the Net Pension	\$ 6,485,525	\$ 4,850,201	\$ 3,486,538

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

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

*Funding Policy* – The PERAPlus 401(k) Plan 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. In addition, the District has agreed to match employee contributions up to 0% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$0 and the District recognized pension expense and a liability of \$0 and \$0, respectively, for the PERAPlus 401(k) Plan.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 8      OTHER POST EMPLOYMENT BENEFITS**

***Summary of Significant Accounting Policies***

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

***General Information about the OPEB Plan***

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

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

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

***PERA Benefit Structure***

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

***General Information about the OPEB Plan (continued)***

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

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.

*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 June 30, 2024 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$18,495 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$117,113 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 (TOL) 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 TOL to December 31, 2023. The District's proportion of the net OPEB liability was based on the District's 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's proportion was .0001614086622%, which was an decrease of .000002635% from its proportion measured as of December 31, 2022.

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**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

For the year ended June 30, 2024, the District recognized OPEB revenue of \$19,580. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference Between Expected and Actual Experience	\$       -	\$ 24,003
Changes of Assumptions or Other Inputs	1,378	12,418
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	3,622	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	9,968	-
Contributions Subsequent to the Measurement Date	9,239	N/A
Total	\$ 24,207	\$ 36,421

\$9,239 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30</b>	<b>Deferred Outflows</b>
2025	\$ (11,915)
2026	(5,203)
2027	(256)
2028	(3,248)
2029	(697)
Thereafter	(136)

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial assumptions.* The TOL 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 Safety Officers	3.30%-10.90%	3.40%- 11.00%	3.20%- 11.30%	2.80%- 5.30%
Safety Officers	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		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		

<sup>1</sup> UnitedHealthcare MAPD PPO plans are 0% for 2023.

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.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**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

The 2023 Medicare Part A premium is \$506 per month.

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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.

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
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 on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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.

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.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

- Per capita health care costs in effect as of the December 31, 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.

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

The actuarial assumptions used in the December 31, 2023, 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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	54.0%	5.6%
Fixed Income	23.0%	1.3%
Private Equity	8.5%	7.1%
Real Estate	8.5%	4.4%
Alternatives	6.0%	4.7%
Total	<u>100.0%</u>	

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$152,821	\$117,113	\$113,861

<sup>1</sup>For the January 1, 2023, plan year.

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

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

- 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.

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

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

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Proportionate Share of the Net OPEB	\$ 113,752	\$ 117,113	\$ 120,769

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

**NOTE 9 CONTINGENCIES AND COMMITMENTS**

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

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenses have not been audited, but the District believes that disallowed expenses, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the District.

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 9 CONTINGENCIES AND COMMITMENTS (Continued)**

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded, unless the local electorate votes to retain the revenue. The Tabor Amendment is subject to many interpretations; however, the District believes it is exempt because it receives no taxes and is funded primarily by federal grants and contributions.

## **Required Supplementary Information**

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
<b>REVENUES</b>				
Local sources	\$ 931,908	\$ 1,047,803	\$ 1,418,071	\$ 370,268
State sources	2,185,353	2,209,133	2,568,827	359,694
Federal sources	129,407	119,407	117,414	(1,993)
Total Revenues	<u>3,246,668</u>	<u>3,376,343</u>	<u>4,104,312</u>	<u>727,969</u>
Instruction	1,708,179	1,909,011	1,585,043	323,968
Student supporting services	82,934	99,742	36,378	63,364
Instructional staff supporting services	-	-	440,629	(440,629)
General and administration supporting services	310,079	327,891	280,194	47,697
School administration supporting services	171,872	178,353	55,306	123,047
Business supporting services	83,333	90,000	186,807	(96,807)
Operations and maintenance of plant services	434,945	455,030	295,228	159,802
Student transportation services	181,333	192,533	209,022	(16,489)
Central supporting services	165,449	-	84,087	(84,087)
Total Expenditures	<u>3,138,124</u>	<u>3,252,560</u>	<u>3,172,694</u>	<u>79,866</u>
Revenue Over (Under) Expenditures	108,544	123,783	931,618	807,835
Transfers	(116,981)	(123,481)	(123,481)	-
Total Other Financing Sources	<u>(116,981)</u>	<u>(123,481)</u>	<u>(123,481)</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ (8,437)</u>	<u>\$ 302</u>	808,137	
Fund Balance, beginning of year			<u>2,766,847</u>	
Fund Balance, end of year			<u>\$ 3,574,984</u>	

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURE AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GRANTS FUND**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
<b>REVENUES</b>				
State sources	\$ 249,017	\$ 530,158	\$ 256,069	\$ (274,089)
Federal sources	722,933	294,612	163,429	(131,183)
Miscellaneous	-	-	-	-
Total Revenue	<u>971,950</u>	<u>824,770</u>	<u>419,498</u>	<u>(405,272)</u>
<b>EXPENDITURES</b>				
Instruction	971,950	824,770	364,449	460,321
Student supporting services	-	-	-	-
Instructional staff supporting services	-	-	6,114	(6,114)
General and administration supporting services	-	-	-	-
Operation and maintenance of plant services	-	-	48,935	(48,935)
Capital Outlay	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	<u>971,950</u>	<u>824,770</u>	<u>419,498</u>	<u>405,272</u>
Revenue Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance, beginning of year			2,663	
Fund Balance, end of year			<u>\$ 2,663</u>	

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

**Mountain Valley School District RE-1  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years**

Plan measurement date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
District's proportion of the net pension liability	0.02743%	0.02132%	0.02346%	0.27383%	0.23778%	0.02322%	0.02582%	0.02580%	0.02651%	0.02869%
The District's proportionate share of the net pension liability	\$ 4,850,201	\$ 3,882,415	\$ 2,729,981	\$ 4,139,711	\$ 3,552,389	\$ 4,112,140	\$ 8,349,356	\$ 7,680,452	\$ 4,055,175	\$ 3,888,495
State's Proportionate Share of the Net Pension Liability	-	96,075	312,957	-	450,575	562,278	-	-	-	-
District's covered payroll	1,835,235	1,638,355	1,466,097	1,465,872	1,396,829	1,276,702	1,191,058	1,156,620	1,155,487	1,201,917
Plan fiduciary net position as a percentage of the total pension liability	64.74%	61.80%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%
Net pension liability as a percentage of covered payroll	264.28%	236.97%	186.21%	282.41%	254.32%	322.09%	701.00%	664.04%	350.95%	323.52%

**Mountain Valley School District RE-1  
Required Supplementary Information  
Schedule of Pension Contributions  
Last 10 Fiscal Years**

Plan measurement date	2024 12/31/2022	2023 12/31/2022	2022 12/31/2021	2021 12/31/2020	2020 12/31/2019	2019 12/31/2018	2018 12/31/2017	2017 12/31/2016	2016 12/31/2015	2015 12/31/2014
Statutorily Required Contribution	369,537	329,691	320,865	272,530	245,205	248,239	233,445	216,400	201,057	199,548
Required Contribution	369,537	329,691	320,865	272,530	245,205	248,239	233,445	216,400	201,057	199,548
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	1,813,235	1,638,355	1,466,097	1,465,872	1,396,829	1,276,702	1,191,058	1,156,620	1,155,487	1,201,917
Contributions as a % of Covered Payroll	20.38%	20.12%	21.89%	18.59%	17.55%	19.44%	19.60%	18.71%	17.40%	16.60%

The accompanying notes are an integral part of these financial statements

**Mountain Valley School District RE-1**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Last 10 Fiscal Years \***

Plan measurement date	2024	2023	2022	2021	2020	2019	2018	2017
12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2016
District's proportion of the net OPEB liability	0.016409%	0.016145%	0.015317%	0.015852%	0.015535%	0.015095%	0.014671%	0.014662%
The District's proportionate share of the net OPEB liability	\$ 117,113	\$ 131,822	\$ 132,077	\$ 150,626	\$ 174,611	\$ 205,376	\$ 190,664	\$ 190,094
District's covered payroll	1,813,235	1,638,355	1,466,097	1,465,872	1,396,829	1,276,702	1,191,058	1,156,620
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	10.28%	12.48%	16.09%	16.01%	16.42%	43.10%
Net OPEB liability as a percentage of covered payroll	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%	16.44%

\* This schedule is designed to show 10 years comparison. Information for the prior years was not available to report and will be shown when it is available.

\* This schedule is designed to show 10 years comparison. Information for the prior years was not available to report and will be shown when it is available.

**Mountain Valley School District RE-1  
Required Supplementary Information  
Schedule of OPEB Contributions  
Last 10 Fiscal Years**

Plan measurement date	2024 12/31/2023	2023 12/31/2022	2022 12/31/2021	2021 12/31/2020	2020 12/31/2019	2019 12/31/2018	2018 12/31/2017	2017 12/31/2016	2016 12/31/2015	2015 12/31/2014
Statutorily Required Contribution	18,495	16,711	18,159	15,654	16,519	16,872	17,015	16,655	16,013	15,100
Required Contribution	18,495	16,711	18,159	15,654	16,519	16,872	17,015	16,655	16,013	15,100
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	1,813,235	1,638,355	1,466,097	1,465,872	1,396,829	1,276,702	1,191,058	1,156,620	1,155,487	1,201,917
Contributions as a % of Covered Payroll	1.02%	1.02%	1.24%	1.07%	1.18%	1.32%	1.43%	1.44%	1.39%	1.26%

The accompanying notes are an integral part of these financial statements

## **Other Supplementary Information**

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**BALANCE SHEETS**  
**June 30, 2024**

	<b>Special Revenue Funds</b>				<b>Total Non Major Funds</b>
	<b>Food Service Fund</b>	<b>Student Activity Fund</b>	<b>Debt Service Fund</b>	<b>Building Fund</b>	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 27,283	\$ 95,562	\$ 356,301	\$ 149,204	\$ 628,350
Cash at county treasurer	-	-	28,324	-	28,324
Due from other governments	-	-	-	-	-
Property tax receivable	-	-	47,287	-	47,287
Inventory	14,674	-	-	-	14,674
<b>Total Assets</b>	<b>\$ 41,957</b>	<b>\$ 95,562</b>	<b>\$ 431,912</b>	<b>\$ 149,204</b>	<b>\$ 718,635</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	9,201	-	-	-	9,201
Due to other governments	-	-	-	-	-
Due to other funds	-	25,642	-	-	25,642
<b>Total Liabilities</b>	<b>9,201</b>	<b>25,642</b>	<b>-</b>	<b>-</b>	<b>34,843</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenues	-	-	7,893	-	7,893
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>7,893</b>	<b>-</b>	<b>7,893</b>
<b>FUND BALANCE</b>					
Nonspendable	14,674	-	-	-	14,674
Restricted	-	-	424,019	149,204	573,223
Committed	18,082	69,920	-	-	88,002
<b>Total Fund Balance</b>	<b>32,756</b>	<b>69,920</b>	<b>424,019</b>	<b>149,204</b>	<b>675,899</b>
<b>Total Liabilities, Fund Balance and Deferred Inflows of Resources</b>	<b>\$ 41,957</b>	<b>\$ 95,562</b>	<b>\$ 431,912</b>	<b>\$ 149,204</b>	<b>\$ 718,635</b>

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>				<b>Total Non Major Funds</b>
	<b>Food Service Fund</b>	<b>Student Activity Fund</b>	<b>Debt Service Fund</b>	<b>Building Fund</b>	
<b>REVENUES</b>					
Local sources	\$ -	\$ 44,223	\$ 300,468	\$ -	\$ 344,691
State sources	5,990	-	12,638	-	18,628
Federal sources	96,163	-	-	-	96,163
Total Revenue	<u>102,153</u>	<u>44,223</u>	<u>313,106</u>	<u>-</u>	<u>459,482</u>
<b>EXPENDITURES</b>					
Instruction	-	62,032	-	-	62,032
Food services	226,216	-	-	-	226,216
Debt service:					
Principal	-	-	157,281	-	157,281
Interest and fees	-	-	99,384	-	99,384
Total Expenditures	<u>226,216</u>	<u>62,032</u>	<u>256,665</u>	<u>-</u>	<u>544,913</u>
Revenue Over (Under) Expenditures	<u>(124,063)</u>	<u>(17,809)</u>	<u>56,441</u>	<u>-</u>	<u>(85,431)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in (out)	100,981	22,500	-	-	123,481
Total Other Financing Sources	<u>100,981</u>	<u>22,500</u>	<u>-</u>	<u>-</u>	<u>123,481</u>
Net Change in Fund Balances	(23,082)	4,691	56,441	-	38,050
Fund Balance, beginning of year	55,838	65,229	367,578	149,204	637,849
Fund Balance, end of year	<u>\$ 32,756</u>	<u>\$ 69,920</u>	<u>\$ 424,019</u>	<u>\$ 149,204</u>	<u>\$ 675,899</u>

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**For the Year Ended June 30, 2024**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
<b>REVENUES</b>			
Local sources	\$ 308,527	\$ 313,106	\$ 4,579
Total Revenue	<u>308,527</u>	<u>313,106</u>	<u>4,579</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	157,281	157,281	-
Interest and fees	99,384	99,384	-
Total Expenditures	<u>256,665</u>	<u>256,665</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 51,862</u>	56,441	<u>\$ 4,579</u>
Fund Balance, beginning of year		<u>367,578</u>	
Fund Balance, end of year		<u>\$ 424,019</u>	

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOOD SERVICE FUND**  
**For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
<b>REVENUES</b>				
State sources	\$ 1,000	\$ 1,000	\$ 5,990	\$ 4,990
Federal sources	127,000	246,019	96,163	(149,856)
Total Revenue	<u>128,000</u>	<u>247,019</u>	<u>102,153</u>	<u>(144,866)</u>
<b>EXPENDITURES</b>				
Food services	283,000	283,000	226,216	56,784
Total Expenditures	<u>283,000</u>	<u>283,000</u>	<u>226,216</u>	<u>56,784</u>
Revenue Over (Under) Expenditures	(155,000)	(35,981)	(124,063)	(88,082)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	100,981	100,981	100,981	-
Net Change in Fund Balance	<u>\$ (54,019)</u>	<u>\$ 65,000</u>	(23,082)	<u>\$ (88,082)</u>
Fund Balance, beginning of year			55,838	
Fund Balance, end of year			<u>\$ 32,756</u>	

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

**MOUNTAIN VALLEY SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STUDENT ACTIVITY FUND**  
**For the Year Ended June 30, 2024**

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with final budget Positive (negative)</b>
<b>REVENUES</b>			
Local sources	\$ 79,500	\$ 44,223	\$ (35,277)
Total Revenue	<u>79,500</u>	<u>44,223</u>	<u>(35,277)</u>
<b>EXPENDITURES</b>			
Instruction	<u>102,000</u>	<u>62,032</u>	<u>39,968</u>
Total Expenditures	<u>102,000</u>	<u>62,032</u>	<u>39,968</u>
Revenue Over (Under) Expenditures	(22,500)	(17,809)	4,691
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	<u>22,500</u>	<u>22,500</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>4,691</u>	<u>\$ 4,691</u>
<b>Fund Balance, beginning of year</b>		<u>65,229</u>	
<b>Fund Balance, end of year</b>		<u>\$ 69,920</u>	

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

## **CDE COMPLIANCE SECTION**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2790 - Mountain Valley RE 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
<b>Governmental</b>						
10 General Fund	2,697,320		3,733,702	3,069,245		3,361,777
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	69,529		247,128	103,450		213,207
<b>Sub-Total</b>	<b>2,766,849</b>		<b>3,980,830</b>	<b>3,172,695</b>		<b>3,574,984</b>
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	55,838		203,134	226,216		32,756
22 Govt Designated-Purpose Grants Fund	2,664		419,498	419,498		2,664
23 Pupil Activity Special Revenue Fund	65,229		66,723	62,031		69,921
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	367,578		313,106	256,665		424,019
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	149,204		0	0		149,204
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>3,407,361</b>		<b>4,983,291</b>	<b>4,137,105</b>		<b>4,253,347</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>

FINAL