



MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
MOFFAT, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

TABLE OF CONTENTS

June 30, 2025

FINANCIAL SECTION

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position..... 4

Statement of Activities 5

Governmental Funds Financial Statements

Balance Sheet 6

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position 8

Statement of Revenues, Expenditures and Changes in Fund Balances 9

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities 11

Notes to the Financial Statements..... 12

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 36

Budgetary Comparison Schedule – Food Service Fund..... 37

Schedule of Proportionate Share of the Net Pension Liability and Contributions 38

Schedule of Proportionate Share of the Net OPEB Liability and Contributions..... 40

Notes to the Required Supplementary Information..... 42

Combined and Individual Nonmajor Fund Statements and Budgetary Comparison Schedules

Combining Balance Sheet – Nonmajor Governmental Funds..... 44

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Governmental Funds..... 45

Budgetary Comparison Schedules

Student Activity Fund..... 46

Bond Redemption Fund..... 47

Capital Projects Fund 48

COMPLIANCE SECTION

State Compliance

Auditor’s Integrity Report 49

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Moffat Consolidated School District No. 2 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Crestone Charter School (the School), the District's discretely presented component unit, which represents 28%, 29%, and 31%, respectively, of the assets, net position, and revenues of the School as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School is based solely on the report of the other auditors.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter

As described in Note 11 to the financial statements, the financial statements as of and for the year ended June 30, 2024, have been restated for corrections of errors. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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 and other auditors have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules 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 the 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly presented, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

February 27, 2026
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025

As management of the Moffat Moffat Consolidated School District #2 School District #2, we offer readers of the Moffat Consolidated School District #2’s financial statements this narrative overview and analysis of the financial activities of the Moffat Consolidated School District #2 for the year ended June 30, 2025. 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 2025

- The Moffat Pk12 financial status decreased over the course of the 2025 fiscal year. Total net position decreased \$478,309 from the previous year as restated. Crestone Charter School decreased \$67,452.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$5,191,771 or 73% of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,889,959 of total revenues or 27% of \$7,081,730.
 - The district transferred \$2,299,303 to Crestone Charter School or 49% of revenues received from property tax and state equalization.
- The Moffat Pk12 had \$5,260,736 in expenses related to governmental activities; total revenues of \$4,782,427 were not adequate to provide for these programs.
- The District decreased its outstanding long-term debt by approximately \$268,410
- The District’s food service expenses exceeded revenues by \$66,559 and a transfer of \$40,000 from the General Fund to Food Service Fund was made, thus spending down the fund balance by \$26,559. It is expected in the coming years that the General Fund will continue to supplement the revenue in the Food Service Fund. The District provides breakfast and lunch service to Crestone Charter School. Efforts at all levels are made to curb spending and create revenue to eliminate the need for this transfer from the General Fund.

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.

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025**

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 includes 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 the Moffat Consolidated School District #2’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 the Moffat Consolidated School District #2 is improving or deteriorating. To assess the District’s overall health, you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

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, revenue 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, and administration. The District doesn’t have any services accounted for as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Moffat Consolidated School District #2, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District’s funds are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds 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 information on the reconciliations explains the relationship (or differences) between them.

Moffat Consolidated School District #2 maintains six individual governmental funds (five reported in the financial statements). 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 (2) Preschool Fund (combined with General Fund) (3) Bond Redemption Fund (4) Pupil Activity Fund (5) Food Service fund, and (6) Capital Projects Fund.

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Condensed Statement of Net Position as of June 30, 2024 and 2025

Table 1

| | 2024 | | 2025 | |
|---|-------------------------|--------------------------------|-------------------------|--------------------------------|
| | Governmental Activities | Crestone Charter School | Governmental Activities | Crestone Charter School |
| Current & Other Assets | \$6,036,082 | \$3,652,743 | \$5,241,701 | \$3,177,934 |
| Capital Assets | <u>15,087,543</u> | <u>4,242,338</u> | <u>15,301,631</u> | <u>4,627,897</u> |
| Total Assets | <u>21,123,625</u> | <u>7,895,081</u> | <u>20,543,332</u> | <u>7,805,831</u> |
| Deferred Outflows | <u>1,352,560</u> | <u>574,378</u> | <u>894,835</u> | <u>440,566</u> |
| Current Liabilities | -457,882 | -596,245 | -669,342 | -460,666 |
| Long-Term Liabilities | <u>-8,239,429</u> | <u>-2,511,394</u> | <u>-7,364,820</u> | <u>-2,508,949</u> |
| Total Liabilities | <u>-8,697,311</u> | <u>-3,107,639</u> | <u>-8,034,162</u> | <u>-2,969,615</u> |
| Deferred Inflows | <u>-196,417</u> | <u>-95,222</u> | <u>-410,902</u> | <u>-77,581</u> |
| Net Position Invested in Capital Assets | 12,231,463 | 4,690,796 | 12,444,382 | 4,627,897 |
| Restricted | 100,000 | 59,000 | 1,029,086 | 81,000 |
| Restricted for BEST Reserve | - | 330,000 | - | 360,000 |
| Unrestricted | <u>1,250,994</u> | <u>186,857</u> | <u>(480,365)</u> | <u>130,304</u> |
| Total Net Position | <u>13,582,457</u> | <u>\$ 5,266,653</u> | <u>\$12,993,103</u> | <u>\$ 5,199,201</u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025

The effect of the PERA pension and OPEB expense on the District’s total net position for FY 2024 and 2025 is summarized below:

| | FY 2024 | FY 2025 |
|---|--------------|--------------|
| Net position (GAAP Basis) | \$13,582,457 | \$12,993,103 |
| GASB 68 - Pension | 3,885,217 | 3,921,994 |
| GASB 75 - OPEB | 153,371 | 101,644 |
| | | |
| Net position excluding Pension and OPEB | \$17,621,045 | \$17,016,741 |

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

| | FY 2024 | FY 2025 |
|--|-------------|-------------|
| Unrestricted - Net Position (GAAP Basis) | \$1,250,994 | (\$480,365) |
| GASB 68 - Pension | 3,885,217 | 3,921,994 |
| GASB 75 - OPEB | 153,371 | 101,644 |
| | | |
| Net position excluding Pension and OPEB | \$5,289,582 | \$3,543,273 |

Management’s estimate of the District’s proportionate share of the State On-Behalf Direct Distribution is \$35,105 which is recognized as a contribution and allocation of expenditures in the General Fund.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes budget-to-actual information for all proprietary and governmental funds that are not major special revenue funds as dictated by state law.

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025

Table 2 provides a summary of the changes in net position. Following Table 2 is a specific discussion related to overall revenues and expenses to Moffat Pk12.

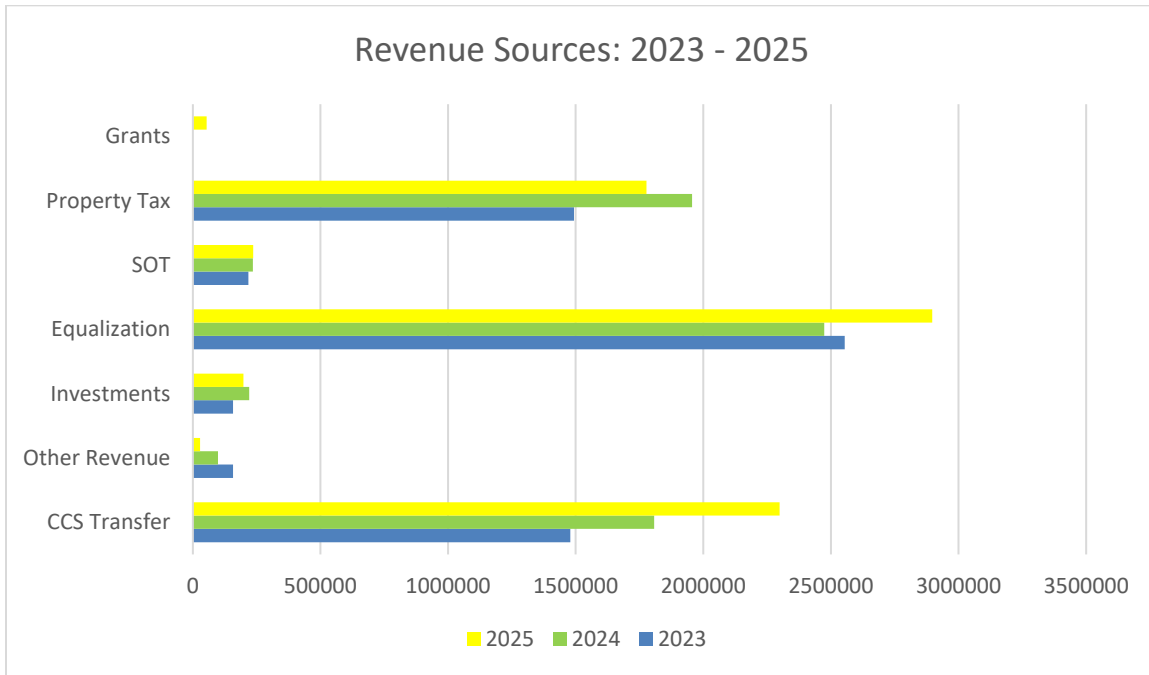
Statement of Activities: Moffat Pk12
For FY 2024 and 2025

| | 2024 | 2025 |
|------------------------------------|--------------------|--------------------|
| | Moffat Pk12 | Moffat Pk12 |
| Revenue | | |
| Charges for Services | 8,633 | \$113,317 |
| Grants | 1,913,227 | 1,740,169 |
| Capital Grants & Contributions | 29,814 | 36,473 |
| Prop tax | 1,720,962 | 1,777,535 |
| SOT | 235,072 | 236,306 |
| Equal | 2,473,873 | 2,897,062 |
| Other | 108,555 | 28,492 |
| Grants | - | 54,303 |
| Investment | 220,834 | 198,073 |
| Transfer PPR | = | <u>-2,299,303</u> |
| Total Revenue | <u>4,759,296</u> | <u>4,782,427</u> |
| Expenses: | | |
| Instructional Program | 3,631,175 | 2,384,315 |
| Supporting Services | 2,654,687 | 2,478,098 |
| Food Services | - | 265,543 |
| Interest and Fiscal Charges | <u>132,487</u> | <u>132,780</u> |
| Total Expenses | <u>6,418,349</u> | <u>5,260,736</u> |
| Transfers | - | -2,299,303 |
| Net Position Beginning | 13,289,836 | 13,582,457 |
| Change in Net Position | 292,621 | -478,309 |
| Restatement - Correction of Errors | = | <u>-111,045</u> |
| Ending Net Position | <u>13,582,457</u> | <u>12,993,103</u> |

**MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025**

The primary source of operating revenue for the School District comes from the School Finance Act of 1994. Each FTE (full-time equivalent) generated \$21,727.18 for the 2024-2025 program. The funded pupil count for the District was 193.5 FTE during FY 2024-2025

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



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

**Financial Analysis of the District’s Funds
Governmental Funds**

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

General Fund (Including the Preschool Fund)

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT #2
MANAGEMENT’S DISCUSSION AND ANALYSIS
For Fiscal Year Ended June 30, 2025

General Fund revenues totaling \$4,109,732 were \$120,340 less than anticipated in the budget. Actual expenditures of \$4,181,283 were \$2,751,241 under the budgeted figure. Moffat Consolidated School District has traditionally budgeted all beginning balances and reserves to allow for expenditure of these funds in case of a catastrophic expense. The \$3,441,503 June 30th fund balance includes reserves for TABOR and accrued salaries. The decrease in fund balance of the General Fund in FY 2025 is \$453,759. A portion of this is due to the \$132,218 decrease in the corrections of errors from the prior year as described in Note 11 of the notes to the financial statements.

Capital Projects Fund

As of June 30, 2025 the Fund Balance showed a total of (\$37,424). This fund received revenues through a transfer of funds from the General Fund of \$210,000.

Food Services Special Revenue Fund

The Food Service Fund is one of the Special Revenue Funds in the District. Although our student participation in the hot lunch program is high, the small student population creates a challenge in funding and program expenditures exceed revenues. A transfer from the General Fund of \$40,000 allowed this fund to meet its expenditures. It is expected that a transfer of funds to support the Food Service Fund will continue in coming years.

Governmental Activities Bond Redemption

The Bond Redemption Fund is considered a part of the governmental funds and provides the means for repayment of the District’s long-term debts. Long-Term Liabilities for general obligation debt is \$2,857,249 and are not due and payable in the 2025 fiscal year. See Note 5 in the notes to the financial statements.

Capital Assets

The Moffat Pk2 began the year with Net Capital Assets of \$15,062,571 as restated. Including the Moffat School facility, vehicles, equipment and routine depreciation of assets, the ending balance for the District’s Capital Assets is \$15,301,631 as of June 30, 2025. A summary of changes in capital assets:

| | Balance (corrected) | | | Balance |
|------------------------------------|--------------------------------|------------------|------------------|----------------------|
| | June 30, 2024 | Additions | Deletions | June 30, 2025 |
| Non-Depreciable Total | \$ 163,470 | \$ 664,723 | \$ - | \$ 828,193 |
| Land, Building & Site Improvements | 18,287,296 | - | - | 18,287,296 |
| Equipment & Vehicles | 1,860,655 | 10,620 | - | 1,871,275 |
| Total Depreciable Assets | 20,147,951 | 10,620 | - | 20,158,571 |
| | | | | |
| Less Accumulated Depreciation For: | | | | |
| Building & site Improvements | 3,765,886 | 490,723 | - | 4,256,609 |
| Equipment & Vehicles | 1,319,494 | 109,030 | - | 1,428,524 |
| Total Accumulated Deprecaiton | 5,085,380 | 599,753 | - | 5,685,133 |
| | | | | |
| Depreciable Assets Net | 15,226,041 | (599,125) | - | 14,473,438 |
| | | | | |
| Total Capital Assets Net | \$ 15,062,571 | 75,590 | \$ - | \$ 15,301,631 |

**Moffat Moffat Consolidated School District #2 School District #2
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Economic Factors and Next Year's Budget:

The District continues to monitor the economic situation of the local area, surrounding areas and the State. The state of affairs in Colorado has and will continue to cause careful planning. The Colorado legislature has put the burden of reporting the employee's retirement (Colorado PERA) unfunded liability on each district. The District's carryover will allow the School District to act instead of react to the financial woes of the State and Country. Moffat Consolidated School District is the smallest district in the State of Colorado with a charter school. The enrollment at the charter school is approximately 51% of the total District student population. This factor creates challenges in budgeting due to economy of size and the splitting of the District's student population. Approximately 90% of the District's student population qualifies for free/reduced lunches through the national program. This statistic speaks loudly of our local economic struggles.

Contact the District's Financial Management Team:

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

BASIC FINANCIAL STATEMENTS

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

STATEMENT OF NET POSITION

June 30, 2025

| | PRIMARY GOVERNMENT | COMPONENT UNIT |
|--|----------------------------|----------------------------|
| | GOVERNMENTAL ACTIVITIES | CRESTONE CHARTER SCHOOL |
| ASSETS | | |
| Cash and Investments | \$ 4,365,378 | \$ 2,439,636 |
| Accounts Receivable | 197,730 | 211,152 |
| Grants Receivable | 205,713 | 296,241 |
| Taxes Receivable | 456,468 | - |
| Inventories | 3,937 | - |
| Prepaid Expenses | 12,475 | 230,905 |
| Capital Assets, <i>Not Being Depreciated</i> | 828,193 | 448,458 |
| Capital Assets, <i>Net of Accumulated Depreciation</i> | <u>14,473,438</u> | <u>4,179,439</u> |
| TOTAL ASSETS | <u>20,543,332</u> | <u>7,805,831</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pensions, <i>Net of Accumulated Amortization</i> | 870,001 | 423,176 |
| OPEB, <i>Net of Accumulated Amortization</i> | <u>24,834</u> | <u>17,390</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>894,835</u> | <u>440,566</u> |
| LIABILITIES | | |
| Accounts Payable | 326,651 | 211,488 |
| Retainage Payable | 30,697 | - |
| Accrued Salaries and Benefits | 122,636 | 61,329 |
| Accrued Interest Payable | 9,519 | - |
| Unearned Revenue | 179,839 | 187,849 |
| Noncurrent Liabilities | | |
| Due Within One Year | 279,501 | - |
| Due in More Than One Year | 2,577,748 | - |
| Net Pension Liability | 4,428,988 | 2,465,209 |
| Net OPEB Liability | <u>78,583</u> | <u>43,740</u> |
| TOTAL LIABILITIES | <u>8,034,162</u> | <u>2,969,615</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pensions, <i>Net of Accumulated Amortization</i> | 363,007 | 47,715 |
| OPEB, <i>Net of Accumulated Amortization</i> | <u>47,895</u> | <u>29,866</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>410,902</u> | <u>77,581</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 12,444,382 | 4,627,897 |
| Restricted for: | | |
| Emergencies | 114,000 | 81,000 |
| BEST Reserve | - | 360,000 |
| Debt Service | 860,604 | - |
| Preschool | 38,906 | - |
| Food Service | 15,576 | - |
| Unrestricted | <u>(480,365)</u> | <u>130,304</u> |
| TOTAL NET POSITION | <u>\$ 12,993,103</u> | <u>\$ 5,199,201</u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

| FUNCTIONS / PROGRAMS | EXPENSES | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION | |
|--------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|--|-------------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | COMPONENT UNIT |
| | | | | | GOVERNMENTAL ACTIVITIES | CRESTONE CHARTER SCHOOL |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental Activities | | | | | | |
| Instruction | \$ 2,384,315 | \$ 31,574 | \$ 923,824 | \$ - | \$ (1,428,917) | \$ - |
| Supporting Services | 2,478,098 | 8,636 | 695,468 | 36,473 | (1,737,521) | - |
| Food Service | 265,543 | 73,107 | 120,877 | - | (71,559) | - |
| Interest on Long-Term Debt | 132,780 | - | - | - | (132,780) | - |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 5,260,736 | \$ 113,317 | \$ 1,740,169 | \$ 36,473 | (3,370,777) | - |
| COMPONENT UNIT | \$ 2,946,460 | \$ - | \$ 478,217 | - | - | (2,468,243) |
| GENERAL REVENUES | | | | | | |
| | | | | | 1,777,535 | - |
| | | | | | 236,306 | - |
| | | | | | 2,897,062 | - |
| | | | | | - | - |
| | | | | | 28,492 | - |
| | | | | | 54,303 | - |
| | | | | | 198,073 | 101,488 |
| | | | | | (2,299,303) | 2,299,303 |
| | | | | | 2,892,468 | 2,400,791 |
| | | | | | (478,309) | (67,452) |
| | | | | | 13,582,457 | 5,266,653 |
| | | | | | (111,045) | - |
| | | | | | 13,471,412 | 5,266,653 |
| | | | | | \$ 12,993,103 | \$ 5,199,201 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

| | GENERAL | FOOD SERVICE | BOND REDEMPTION | CAPITAL PROJECTS |
|---|---------------------|-------------------|--------------------|---------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 3,028,202 | \$ 186,676 | \$ 794,131 | \$ 320,253 |
| Accounts Receivable | 141,588 | 56,142 | - | - |
| Grants Receivable | 194,829 | 10,884 | - | - |
| Taxes Receivable | 327,659 | - | 128,809 | - |
| Interfund Receivable | 523,501 | - | - | - |
| Inventory | - | 3,937 | - | - |
| Prepaid Expenditures | 12,475 | - | - | - |
| | <u>4,228,254</u> | <u>257,639</u> | <u>922,940</u> | <u>320,253</u> |
| TOTAL ASSETS | \$ 4,228,254 | \$ 257,639 | \$ 922,940 | \$ 320,253 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 285,046 | \$ - | \$ - | \$ 41,605 |
| Retainage Payable | - | - | - | 30,697 |
| Accrued Salaries and Benefits | 122,636 | - | - | - |
| Interfund Payable | - | 238,126 | - | 285,375 |
| Unearned Revenue | 179,839 | - | - | - |
| | <u>587,521</u> | <u>238,126</u> | <u>-</u> | <u>357,677</u> |
| TOTAL LIABILITIES | 587,521 | 238,126 | - | 357,677 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Taxes | 199,230 | - | 62,336 | - |
| | <u>199,230</u> | <u>-</u> | <u>62,336</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Inventory | - | 3,937 | - | - |
| Prepaid Expenditures | 12,475 | - | - | - |
| Restricted for: | | | | |
| Emergencies | 114,000 | - | - | - |
| Debt Service | - | - | 860,604 | - |
| Preschool | 38,906 | - | - | - |
| Food Services | - | 15,576 | - | - |
| Assigned to: | | | | |
| Pupil Activities | - | - | - | - |
| Unassigned | 3,276,122 | - | - | (37,424) |
| | <u>3,441,503</u> | <u>19,513</u> | <u>860,604</u> | <u>(37,424)</u> |
| TOTAL FUND BALANCES | 3,441,503 | 19,513 | 860,604 | (37,424) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES \$ | 4,228,254 | \$ 257,639 | \$ 922,940 | \$ 320,253 |

| NONMAJOR GOVERNMENTAL FUNDS | | TOTAL |
|-----------------------------------|--------------|-------|
| <hr/> | | <hr/> |
| \$ 36,116 | \$ 4,365,378 | |
| - | 197,730 | |
| - | 205,713 | |
| - | 456,468 | |
| - | 523,501 | |
| - | 3,937 | |
| - | 12,475 | |
| <hr/> | <hr/> | |
| \$ 36,116 | \$ 5,765,202 | |
| <hr/> <hr/> | <hr/> <hr/> | |
| | | |
| \$ - | \$ 326,651 | |
| - | 30,697 | |
| - | 122,636 | |
| - | 523,501 | |
| - | 179,839 | |
| <hr/> | <hr/> | |
| - | 1,183,324 | |
| <hr/> | <hr/> | |
| - | 261,566 | |
| <hr/> | <hr/> | |
| - | 3,937 | |
| - | 12,475 | |
| - | 114,000 | |
| - | 860,604 | |
| - | 38,906 | |
| - | 15,576 | |
| 36,116 | 36,116 | |
| - | 3,238,698 | |
| <hr/> | <hr/> | |
| 36,116 | 4,320,312 | |
| <hr/> | <hr/> | |
| \$ 36,116 | \$ 5,765,202 | |
| <hr/> <hr/> | <hr/> <hr/> | |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

| | | |
|--|----|-------------|
| Total Fund Balances of Governmental Funds | \$ | 4,320,312 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. | | 15,301,631 |
| Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes earned but not available as current financial resources. | | 261,566 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| Accrued Interest Payable | | (9,519) |
| Debt Payable | | (2,747,623) |
| Accrued Compensated Absences | | (109,626) |
| Net Pension Liability | | (4,428,988) |
| Pension-Related Deferred Outflows of Resources | | 870,001 |
| Pension-Related Deferred Inflows of Resources | | (363,007) |
| Net OPEB Liability | | (78,583) |
| OPEB-Related Deferred Outflows of Resources | | 24,834 |
| OPEB-Related Deferred Inflows of Resources | | (47,895) |
| | | 12,993,103 |
| Total Net Position of Governmental Activities | \$ | 12,993,103 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

| | <u>GENERAL</u> | <u>FOOD SERVICE</u> | <u>BOND REDEMPTION</u> | <u>CAPITAL PROJECTS</u> |
|---|---------------------|---------------------|----------------------------|-----------------------------|
| REVENUES | | | | |
| Local Sources | \$ 2,092,397 | \$ 73,115 | \$ 432,234 | \$ 14,852 |
| County Sources | 28,492 | - | - | - |
| State Sources | 1,462,716 | 1,222 | - | - |
| Federal Sources | 526,127 | 119,655 | - | - |
| TOTAL REVENUES | <u>4,109,732</u> | <u>193,992</u> | <u>432,234</u> | <u>14,852</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 1,764,027 | - | - | - |
| Supporting Services | 2,417,256 | - | - | - |
| Food Service | - | 260,551 | - | - |
| Capital Outlay | - | - | - | 664,724 |
| Debt Service | | | | |
| Principal | - | - | 268,410 | - |
| Interest and Fiscal Charges | - | - | 123,261 | - |
| TOTAL EXPENDITURES | <u>4,181,283</u> | <u>260,551</u> | <u>391,671</u> | <u>664,724</u> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES | <u>(71,551)</u> | <u>(66,559)</u> | <u>40,563</u> | <u>(649,872)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | 40,000 | - | 210,000 |
| Transfers Out | (250,000) | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(250,000)</u> | <u>40,000</u> | <u>-</u> | <u>210,000</u> |
| CHANGES IN FUND BALANCES | <u>(321,551)</u> | <u>(26,559)</u> | <u>40,563</u> | <u>(439,872)</u> |
| FUND BALANCES, Beginning, as Originally Stated | | | | |
| Reclassified - Nonmajor to Major | 3,895,272 | - | 784,205 | - |
| Restatement - Corrections of Errors | - | 10,615 | - | 402,448 |
| | <u>(132,218)</u> | <u>35,457</u> | <u>35,836</u> | <u>-</u> |
| FUND BALANCES, Beginning | <u>3,763,054</u> | <u>46,072</u> | <u>820,041</u> | <u>402,448</u> |
| FUND BALANCES, Ending | <u>\$ 3,441,503</u> | <u>\$ 19,513</u> | <u>\$ 860,604</u> | <u>\$ (37,424)</u> |

| NONMAJOR GOVERNMENTAL FUNDS | | TOTAL |
|-----------------------------------|---------------------|-------|
| \$ 31,574 | \$ 2,644,172 | |
| - | 28,492 | |
| - | 1,463,938 | |
| - | 645,782 | |
| <u>31,574</u> | <u>4,782,384</u> | |
| 30,977 | 1,795,004 | |
| - | 2,417,256 | |
| - | 260,551 | |
| - | 664,724 | |
| - | 268,410 | |
| - | 123,261 | |
| <u>30,977</u> | <u>5,529,206</u> | |
| <u>597</u> | <u>(746,822)</u> | |
| - | 250,000 | |
| - | (250,000) | |
| <u>-</u> | <u>-</u> | |
| 597 | (746,822) | |
| 448,582 | 5,128,059 | |
| (413,063) | - | |
| - | (60,925) | |
| <u>35,519</u> | <u>5,067,134</u> | |
| <u>\$ 36,116</u> | <u>\$ 4,320,312</u> | |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

| | | |
|---|----|-----------|
| Net Change in Fund Balances of Governmental Funds | \$ | (746,822) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as: | | |
| Depreciation and amortization expense | | (599,753) |
| Capital outlay | | 675,343 |
| Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes. | | |
| | | 43 |
| The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. | | |
| | | 268,410 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following: | | |
| Accrued Interest Payable | | (9,519) |
| Accrued Compensated Absences | | (80,961) |
| Net Pension Liability | | 645,489 |
| Pension-Related Deferred Outflows of Resources | | (459,482) |
| Pension-Related Deferred Inflows of Resources | | (222,784) |
| Net OPEB Liability | | 41,671 |
| OPEB-Related Deferred Outflows of Resources | | 1,757 |
| OPEB-Related Deferred Inflows of Resources | | 8,299 |
| | | (478,309) |
| Change in Net Position of Governmental Activities | \$ | (478,309) |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Moffat Consolidated School District No. 2 (the District) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the District. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. Legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

Crestone Charter School (the School) was formed in 1995, pursuant to the Colorado Charter Schools Act to form and operate a charter school. The School is within the District's reporting entity, because the District is financially accountable for the School. The School is authorized by the District, which is legally obligated to provide a significant amount of the School's revenues. The School is reported as a discretely presented component unit on the District's financial statements and audited by other auditors. The School issues separate financial statements, which can be obtained on the School's website (<https://www.crestone-charter-school.org/>) or by contacting the School via phone at (719) 256-4907 or via mail at P.O. Box 400, 330 East Lime Avenue, Crestone, CO, 81131.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds. Major and non-major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the District reports the following major governmental funds:

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

The *Food Service Fund* is used to account for the District's food service function that serves meals to students.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Bond Redemption Fund* is used to account for the proceeds of specific revenue sources that are legally restricted for the payment of general obligation debt.

The *Capital Projects Fund* is used to account for the purchase and construction of District's capital expenditures.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The District considers all other revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The District uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied for the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes.

Interfund Receivables and Payables – Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Inventories – Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

| | |
|---------------------------------|---------------|
| Buildings and Site Improvements | 20 - 50 years |
| Vehicles | 7 - 15 years |
| Equipment | 8 years |

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Unearned Revenue – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Deferred Inflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – The District’s professional staff generally work on a contract basis that provides for an agreed number of discretionary leave days each year. Discretionary leave may be accrued up to a maximum of 44 days and is paid out upon termination. The District maintains a small sick leave liability for employees eligible to retire who earned this leave under a previous policy.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Pensions – The District participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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, and additions to and deductions from the HCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and their designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the District on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

At June 30, 2025, the District had the following cash and investments:

| | | |
|--------------|----|------------------|
| Cash on Hand | \$ | 100 |
| Deposits | | (74,999) |
| Investments | | 4,440,277 |
| Total | \$ | <u>4,365,378</u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the District had bank deposits of \$87,975 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Local Government Investment Pool - At June 30, 2023, the District had \$4,440,277 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. ColoTrust is measured at the net asset value per share, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - At June 30, 2024, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in a single issuer of investment securities, except for corporate securities.

NOTE 3: Interfund Balances and Transfers

At June 30, 2025, the General Fund temporarily subsidized the Food Service Fund and the Capital Projects Fund in the amount of \$238,126 and \$385,375, respectively. These expenditures were reimbursed after year end.

During the fiscal year ended June 30, 2025, the General Fund transferred \$40,000 to the Food Service Fund to subsidize food and labor costs and \$210,000 to the Capital Projects Fund to subsidize capital projects.

NOTE 4: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

| | Balance, as Restated 6/30/2024 | Additions | Deletions | Balance 6/30/2025 |
|---|--------------------------------------|-------------------|-------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 163,470 | \$ - | \$ - | \$ 163,470 |
| Construction in Progress | - | 664,723 | - | 664,723 |
| Total Capital Assets, Not Being Depreciated | \$ 163,470 | \$ 664,723 | \$ - | \$ 828,193 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings | 16,624,737 | - | - | 16,624,737 |
| Site Improvements | 1,662,559 | - | - | 1,662,559 |
| Vehicles | 608,339 | - | - | 608,339 |
| Equipment | 1,252,316 | 10,620 | - | 1,262,936 |
| Total Capital Assets, Being Depreciated | 20,147,951 | 10,620 | - | 20,158,571 |
| Less Accumulated Depreciation: | | | | |
| Buildings | (3,006,287) | (415,294) | - | (3,421,581) |
| Site Improvements | (759,599) | (75,429) | - | (835,028) |
| Vehicles | (527,125) | (21,844) | - | (548,969) |
| Equipment | (792,369) | (87,186) | - | (879,555) |
| Total Accumulated Depreciation | (5,085,380) | (599,753) | - | (5,685,133) |
| Capital Assets, Being Depreciated, Net | 15,062,571 | (589,133) | - | 14,473,438 |
| Capital Assets, Governmental Activities, Net | \$ 15,226,041 | \$ 75,590 | - | \$ 15,301,631 |

Depreciation expense of the governmental activities was charged to programs of the District as follows:

| | |
|---------------------|-------------------|
| Instruction | \$ 559,303 |
| Supporting Services | 38,933 |
| Food Service | 1,517 |
| Total | \$ 599,753 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

| | Balance 6/30/2024 | Additions | Reductions | Balance 6/30/2025 | Due Within One Year |
|--------------------------------|----------------------|------------------|-------------------|----------------------|------------------------|
| Governmental Activities | | | | | |
| G.O. Bond, Series 2010 | \$ 281,645 | \$ - | \$ 42,636 | \$ 239,009 | \$ 44,272 |
| G.O. Bond, Series 2013 | 2,734,388 | - | 225,774 | 2,508,614 | 235,229 |
| Compensated Absences | 28,665 | 80,961 | - | 109,626 | - |
| Total | \$ 3,044,698 | \$ 80,961 | \$ 268,410 | \$ 2,857,249 | \$ 279,501 |

General Obligation Bonds – Series 2010

In April 2010, the District issued General Obligation Bonds, Series 2010, for the construction of the Crestone Charter School building and facilities in the amount of \$726,519. The bonds were used to match \$5,327,806 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. Principal is due annually on December 1, through 2029. Interest is due semiannually on June 1st and December 1st at a rate of 3.84% per annum.

General Obligation Bonds – Series 2013

In December 2013, the District issued General Obligation Bonds, Series 2013, for the construction of the new school building and facilities in the amount of \$4,552,677. The bonds were used to match \$12,124,993 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The bonds were issued at an interest rate of 4.187% per annum. Principal is due annually on December 1, through 2033. Interest is due semiannually on June 1, and December 1 at a rate of 4.187% per annum. Bond payments to maturity are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 279,501 | \$ 108,451 | \$ 387,952 |
| 2027 | 291,049 | 96,663 | 387,712 |
| 2028 | 303,077 | 84,387 | 387,464 |
| 2029 | 315,601 | 71,603 | 387,204 |
| 2030 | 328,645 | 58,291 | 386,936 |
| 2031-2034 | 1,229,750 | 105,640 | 1,335,390 |
| Total | \$ 2,747,623 | \$ 525,035 | \$ 3,272,658 |

NOTE 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers' compensation, for which it utilizes a commercial insurance carrier.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: Risk Management (Continued)

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 7: Defined Benefit Pension Plan

General Information

Plan Description - The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the District participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided as of December 31, 2024 – The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of employment was terminated, whether five 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 CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 - The District, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The District's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 8). The District's contributions to the SDTF for the year ended June 30, 2025, were \$412,523 equal to the required contributions at a contribution rate of 20.38%.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF.

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

The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the District's proportion was 0.0256680038%, which was a decrease of 0.0030319962% from its proportion measured at December 31, 2023.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, 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 | \$ 4,428,988 |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | <u>397,595</u> |
| Total | <u>\$ 4,826,583</u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$448,232 and a revenue of (\$35,105) for support from the State as a nonemployer contributing entity. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ 250,806 | \$ - |
| Changes of assumptions and other inputs | 33,205 | - |
| Net difference between projected and actual earnings on plan investments | 83,564 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 280,516 | 363,007 |
| Contributions subsequent to the measurement date | <u>221,910</u> | <u>-</u> |
| Total | <u>\$ 870,001</u> | <u>\$ 363,007</u> |

District contributions subsequent to the measurement date of \$221,910 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|-------------------|
| 2026 | \$ 282,401 |
| 2027 | 244,041 |
| 2028 | (181,760) |
| 2029 | <u>(59,598)</u> |
| Total | <u>\$ 285,084</u> |

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

| | |
|---|---------------------|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.40% - 11.00% |
| Long-term investment rate of return, net of plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| Hired prior to 1/1/07 | |
| thereafter, compounded annually | 1.00% |
| Hired after 12/31/06 | Financed by the AIR |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories in the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of 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 of Directors at their November 20, 2020, meeting.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 weighing 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, PERA’s Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director's November 15, 2019, meeting, and again at the Board’s September 22, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|----------------|-------------------|--|
| Global Equity | 51.00% | 5.00% |
| Fixed Income | 23.00% | 2.60% |
| Private Equity | 10.00% | 7.60% |
| Real Estate | 10.00% | 4.10% |
| Alternatives | 6.00% | 5.20% |
| Total | <u>100.00%</u> | |

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%.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- District contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. District 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 District contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, District 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, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- District contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Defined Benefit Pension Plan (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability | <u>\$ 6,004,681</u> | <u>\$ 4,428,988</u> | <u>\$ 3,109,125</u> |

Pension Plan Fiduciary Net Position - Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 8: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the District are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Enrollment in the PERACare health benefits program is voluntary and 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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the District's contributions to the School Division Trust Fund (SDTF) (Note 7) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The District's apportionment to the HCTF for the year ended June 30, 2025, was \$20,646, equal to the required amount.

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

At June 30, 2025, the District reported a net OPEB liability of \$78,583, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the District's proportion was 0.0164341634%, which was a decrease of 0.0003658366% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$27,898). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ - | \$ 17,334 |
| Changes of assumptions and other inputs | 901 | 25,116 |
| Net difference between projected and actual earnings on plan investments | 269 | - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 13,087 | 5,445 |
| Contributions subsequent to the measurement date | <u>10,577</u> | <u>-</u> |
| Total | <u>\$ 24,834</u> | <u>\$ 47,895</u> |

District contributions subsequent to the measurement date of \$10,577 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,

| | |
|-------|--------------------|
| 2026 | \$ (8,757) |
| 2027 | (4,306) |
| 2028 | (6,945) |
| 2029 | (6,163) |
| 2030 | (4,934) |
| 2031 | <u>(2,533)</u> |
| Total | <u>\$ (33,638)</u> |

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

| | |
|--|----------------|
| Actuarial Cost Method | Entry Age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.40% - 11.00% |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Health care cost trend rates: | |
| Service-based premium subsidy | 0.0% |
| PERACare Medicare plans | |
| 16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034 | |
| MAPD PPO #2 | |
| 105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034 | |
| Medicare Part A premiums: | |
| 3.5% in 2024, gradually increasing to 4.5% in 2033 | |

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and costs are based on 2024 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 to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

| Participant Age | Annual Increase (Male) | Annual Increase (Female) |
|-----------------|---------------------------|-----------------------------|
| 65-68 | 2.2% | 2.3% |
| 69 | 2.8% | 2.2% |
| 70 | 2.7% | 1.6% |
| 71 | 3.1% | 0.5% |
| 72 | 2.3% | 0.7% |
| 73 | 1.2% | 0.8% |
| 74 | 0.9% | 1.5% |
| 75-85 | 0.9% | 1.3% |
| 86 and Older | 0.0% | 0.0% |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

| Sample Age | MAPD PPO #1 with Medicare | | MAPD PPO #2 with Medicare | | MAPD HMO (Kaiser) with Medicare | |
|------------|-----------------------------|----------|-----------------------------|--------|---------------------------------|----------|
| | Part A for Retiree / Spouse | | Part A for Retiree / Spouse | | Part A for Retiree / Spouse | |
| | Male | Female | Male | Female | Male | Female |
| 65 | \$ 1,710 | \$ 1,420 | \$ 585 | \$ 486 | \$ 1,897 | \$ 1,575 |
| 70 | \$ 1,921 | \$ 1,589 | \$ 657 | \$ 544 | \$ 2,130 | \$ 1,763 |
| 75 | \$ 2,122 | \$ 1,670 | \$ 726 | \$ 571 | \$ 2,353 | \$ 1,853 |

| Sample Age | MAPD PPO #1 without Medicare | | MAPD PPO #2 without Medicare | | MAPD HMO (Kaiser) without Medicare | |
|------------|------------------------------|----------|------------------------------|----------|------------------------------------|----------|
| | Part A for Retiree / Spouse | | Part A for Retiree / Spouse | | Part A for Retiree / Spouse | |
| | Male | Female | Male | Female | Male | Female |
| 65 | \$ 6,536 | \$ 5,429 | \$ 4,241 | \$ 3,523 | \$ 7,063 | \$ 5,866 |
| 70 | \$ 7,341 | \$ 6,073 | \$ 4,764 | \$ 3,941 | \$ 7,933 | \$ 6,563 |
| 75 | \$ 8,110 | \$ 6,385 | \$ 5,262 | \$ 4,143 | \$ 8,763 | \$ 6,900 |

The 2024 Medicare Part A premium is \$505 per month. All costs are subject to the health care cost trend rates.

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. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

| Measurement Year | PERACare Medicare Plans * | PERACare Medicare Plans * | Medicare Part A Premiums |
|---------------------|------------------------------|------------------------------|-----------------------------|
| 2024 | 16.00% | 105.00% | 3.50% |
| 2025 | 6.75% | 8.55% | 3.75% |
| 2026 | 6.50% | 8.10% | 3.75% |
| 2027 | 6.25% | 7.65% | 4.00% |
| 2028 | 6.00% | 7.20% | 4.00% |
| 2029 | 5.75% | 6.75% | 4.25% |
| 2030 | 5.50% | 6.30% | 4.25% |
| 2031 | 5.25% | 5.85% | 4.25% |
| 2032 | 5.00% | 5.40% | 4.25% |
| 2033 | 4.75% | 4.95% | 4.50% |
| 2034+ | 4.50% | 4.50% | 4.50% |

*Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree table using 99% of the rates for all ages.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option. The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation rate based on an experience analysis of recent data.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA’s Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

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

- Salary increases, including wage inflation for the SDTF were 4% - 13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

| Plan | With Medicare Part A | Without Medicare Part A |
|-------------------|-------------------------|----------------------------|
| MAPD PPO#1 | \$ 1,824 | \$ 6,972 |
| MAPD PPO #2 | \$ 624 | \$ 4,524 |
| MAPD HMO (Kaiser) | \$ 2,040 | \$ 7,596 |

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the SDTF participate in the HCTF (Note 7).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board of Director’s actuary.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three-to-five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 weighing 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 PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|----------------|-------------------|--|
| Global Equity | 51.00% | 5.00% |
| Fixed Income | 23.00% | 2.60% |
| Private Equity | 10.00% | 7.60% |
| Real Estate | 10.00% | 4.10% |
| Alternatives | 6.00% | 5.20% |
| Total | 100.00% | |

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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, 2024, 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%.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: Postemployment Healthcare Benefits (Continued)

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

- 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.
- As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, 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 additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the HCTF’s fiduciary net position 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 total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

| | <u>1% Decrease</u> | <u>Current Trend</u> | <u>1% Increase</u> |
|--|-----------------------|----------------------|-----------------------|
| | <u>in Trend Rates</u> | <u>Rates (7.25%)</u> | <u>in Trend Rates</u> |
| Initial PERACare Medicare trend rate** | 5.75% | 6.75% | 7.75% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial MAPD PPO#2 trend rate** | 7.55% | 8.55% | 9.55% |
| Ultimate MAPD PPO#2 trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate** | 2.75% | 3.75% | 4.75% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | <u>\$ 76,466</u> | <u>\$ 78,583</u> | <u>\$ 80,979</u> |

** For the January 1, 2025, plan year.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|------------------------|----------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$ 96,304 | \$ 78,583 | \$ 63,305 |

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 9: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The District is subject to the Amendment.

In November 1997, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the District’s emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$114,000.

Litigation

The District from time to time is involved in various legal matters. In the opinion of the District’s counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the District.

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 10: Joint Venture

The District, in conjunction with other surrounding districts, participates in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the year ended June 30, 2025, the District contributed \$41,340 to the BOCES. Separate financial statements for the BOCES are available at 2261 Enterprise Dr, Alamosa, CO 81101, or online at <https://www.slvboces.org/>.

NOTE 11: Restatement - Corrections of Errors

The District identified corrections of an error to the net position and fund balance for the General Fund Food Service Fund and Bond Redemption Fund for the prior fiscal year ended June 30, 2024. This was required in order to restate beginning net position and fund balances related to correction of cash and investments and capital assets. In addition, the District had restatements to revenues and expenditures to verify that the revenues and expenditures are recognized and incurred in the correct fiscal year. The restatements / corrections of errors at June 30, 2024, were summarized as follows:

| | General Fund | Food Service Fund | Bond Redemption | Total Governmental Funds | Governmental Activities |
|--|---------------------|----------------------|--------------------|--------------------------------|----------------------------|
| Net Position/Fund Balance, Beginning, as Originally Stated | \$ 3,895,272 | \$ 10,615 | \$ 784,205 | \$ 5,128,059 | \$ 13,582,457 |
| Cash | - | (12,781) | - | (12,781) | (12,781) |
| Food Service Revenues | - | 48,238 | \$ - | 48,238 | 48,238 |
| Property Taxes | (13,446) | - | 35,836 | 22,390 | 22,390 |
| Capital Assets | - | - | - | - | (50,120) |
| Expenditures / Expenses | (118,772) | - | - | (118,772) | (118,772) |
| Net Position/Fund Balance, Beginning, as Restated | <u>\$ 3,763,054</u> | <u>\$ 46,072</u> | <u>\$ 820,041</u> | <u>\$ 5,067,134</u> | <u>\$ 13,471,412</u> |

REQUIRED SUPPLEMENTARY INFORMATION

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

| | BUDGET | | ACTUAL | VARIANCE |
|---|--------------------|--------------------|------------------|------------------------|
| | ORIGINAL | FINAL | | Positive (Negative) |
| REVENUES | | | | |
| Local Sources | \$ 2,363,798 | \$ 2,039,090 | \$ 2,092,397 | \$ 53,307 |
| County Sources | 55 | 55 | 28,492 | 28,437 |
| State Grants | 1,227,702 | 1,095,893 | 1,462,716 | 366,823 |
| Federal Grants | 808,939 | 854,354 | 526,127 | (328,227) |
| TOTAL REVENUES | 4,400,494 | 3,989,392 | 4,109,732 | 120,340 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 1,718,262 | 1,574,508 | 1,764,027 | (189,519) |
| Supporting Services | | | | |
| Student Support | 687,677 | 837,357 | 497,530 | 339,827 |
| General Administration | 859,120 | 854,340 | 914,851 | (60,511) |
| Operations and Maintenance | 387,216 | 409,582 | 485,209 | (75,627) |
| Student Transportation | 232,889 | 243,773 | 245,329 | (1,556) |
| Central Support | 244,334 | 244,334 | 267,338 | (23,004) |
| Other Support | 9,229 | 8,243 | 6,999 | 1,244 |
| Total Supporting Services | 2,420,465 | 2,597,629 | 2,417,256 | 180,373 |
| Contingency | 2,828,560 | 2,760,387 | - | 2,760,387 |
| TOTAL EXPENDITURES | 6,967,287 | 6,932,524 | 4,181,283 | 2,751,241 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (2,566,793) | (2,943,132) | (71,551) | 2,871,581 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (258,309) | (258,309) | (250,000) | 8,309 |
| CHANGE IN FUND BALANCE | (2,825,102) | (3,201,441) | (321,551) | 2,879,890 |
| FUND BALANCE, Beginning, as Originally Stated | 2,825,102 | 2,760,386 | 3,895,272 | 1,134,886 |
| Restatement - Corrections of Errors | - | - | (132,218) | (132,218) |
| FUND BALANCE, Beginning, as Restated | 2,825,102 | 2,760,386 | 3,763,054 | 1,002,668 |
| FUND BALANCE, Ending | \$ - | \$ (441,055) | \$ 3,441,503 | \$ 3,882,558 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
Year Ended June 30, 2025

| | BUDGET | | ACTUAL | VARIANCE |
|--|------------------|------------------|------------------|------------------------|
| | ORIGINAL | FINAL | | Positive (Negative) |
| REVENUES | | | | |
| Local Sources | \$ 59,231 | \$ 59,231 | \$ 73,115 | \$ 13,884 |
| State Grants | 8,358 | 8,358 | 1,222 | (7,136) |
| Federal Grants | 115,920 | 115,920 | 119,655 | 3,735 |
| TOTAL REVENUES | 183,509 | 183,509 | 193,992 | 10,483 |
| EXPENDITURES | | | | |
| Food Service | | | | |
| Salaries | 83,000 | 83,000 | 110,386 | (27,386) |
| Benefits | 28,620 | 28,620 | 35,508 | (6,888) |
| Purchased Services | 7,850 | 7,850 | 2,854 | 4,996 |
| Supplies and Materials | 101,900 | 101,900 | 111,803 | (9,903) |
| Capital Outlay | 5,000 | 5,000 | - | 5,000 |
| Contingency | 639 | 639 | - | 639 |
| TOTAL EXPENDITURES | 227,009 | 227,009 | 260,551 | (33,542) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (43,500) | (43,500) | (66,559) | (23,059) |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | 31,328 | 31,328 | 40,000 | 8,672 |
| CHANGE IN FUND BALANCE | (12,172) | (12,172) | (26,559) | (14,387) |
| FUND BALANCE, Beginning, as Originally Stated | 31,557 | 31,557 | 10,615 | (20,942) |
| Restatement - Correction of Errors | - | - | 35,457 | 35,457 |
| FUND BALANCE, Beginning, as Restated | 31,557 | 31,557 | 46,072 | 14,515 |
| FUND BALANCE, Ending | \$ 19,385 | \$ 19,385 | \$ 19,513 | \$ 128 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

| MEASUREMENT YEAR | <u>12/31/24</u> | <u>12/31/23</u> | <u>12/31/22</u> | <u>12/31/21</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| PROPORTIONATE SHARE OF THE NET PENSION LIABILITY | | | | |
| District's Proportion of the Net Pension Liability | 0.0256680038% | 0.0287000000% | 0.0241000000% | 0.0259000000% |
| District's Proportionate Share of the Net Pension Liability | \$ 4,428,988 | \$ 5,074,477 | \$ 4,378,549 | \$ 3,024,709 |
| State's Proportionate Share of the Net Pension Liability Associated with the District | <u>397,595</u> | <u>108,881</u> | <u>988,031</u> | <u>346,744</u> |
| Total Proportionate Share of the Net Pension Liability | <u>\$ 4,826,583</u> | <u>\$ 5,183,358</u> | <u>\$ 5,366,580</u> | <u>\$ 3,371,453</u> |
| District's Covered Payroll | \$ 1,982,493 | \$ 1,941,332 | \$ 2,006,493 | \$ 1,634,210 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 223% | 261% | 218% | 185% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 67% | 65% | 62% | 75% |
| FISCAL YEAR | <u>6/30/25</u> | <u>6/30/24</u> | <u>6/30/23</u> | <u>6/30/22</u> |
| DISTRICT CONTRIBUTIONS | | | | |
| Statutorily Required Contribution | \$ 412,523 | \$ 428,862 | \$ 405,155 | \$ 348,629 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(412,523)</u> | <u>(428,862)</u> | <u>(405,155)</u> | <u>(348,629)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 2,024,150 | \$ 2,104,328 | \$ 1,988,003 | \$ 1,753,667 |
| Contributions as a Percentage of Covered Payroll | 20.38% | 20.38% | 20.38% | 19.88% |

| <u>12/31/20</u> | <u>12/31/19</u> | <u>12/31/18</u> | <u>12/31/17</u> | <u>12/31/16</u> | <u>12/31/15</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 0.0292000000% | 0.0256000000% | 0.0243000000% | 0.0268000000% | 0.0248000000% | 0.0297000000% |
| \$ 4,393,184 | \$ 3,954,323 | \$ 4,459,497 | \$ 8,317,594 | \$ 7,373,564 | \$ 3,542,767 |
| <u>-</u> | <u>501,556</u> | <u>596,812</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 4,393,184</u> | <u>\$ 4,455,879</u> | <u>\$ 5,056,309</u> | <u>\$ 8,317,594</u> | <u>\$ 7,373,564</u> | <u>\$ 3,542,767</u> |
| \$ 1,582,753 | \$ 1,608,572 | \$ 1,471,900 | \$ 1,205,004 | \$ 1,159,942 | \$ 1,008,697 |
| 278% | 246% | 303% | 690% | 636% | 351% |
| 67% | 65% | 57% | 44% | 43% | 59% |
| <u>6/30/21</u> | <u>06/30/20</u> | <u>06/30/19</u> | <u>06/30/18</u> | <u>06/30/17</u> | <u>06/30/16</u> |
| \$ 314,652 | \$ 326,509 | \$ 281,580 | \$ 227,614 | \$ 216,291 | \$ 179,229 |
| <u>(314,652)</u> | <u>(326,509)</u> | <u>(281,580)</u> | <u>(227,614)</u> | <u>(216,291)</u> | <u>(179,229)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,623,591 | \$ 1,684,772 | \$ 1,471,928 | \$ 1,205,004 | \$ 1,176,773 | \$ 1,010,311 |
| 19.38% | 19.38% | 19.13% | 18.89% | 18.38% | 17.74% |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

| MEASUREMENT YEAR | <u>12/31/24</u> | <u>12/31/23</u> | <u>12/31/22</u> | <u>12/31/21</u> |
|---|-----------------|-----------------|-----------------|-----------------|
| PROPORTIONATE SHARE OF THE NET OPEB LIABILITY | | | | |
| District's Proportion of the Net OPEB Liability | 0.0164341634% | 0.0168000000% | 0.0190000000% | 0.0169000000% |
| District's Proportionate Share of the Net OPEB Liability | \$ 78,583 | \$ 120,254 | \$ 155,253 | \$ 146,336 |
| District's Covered Payroll | \$ 1,982,493 | \$ 1,941,332 | \$ 2,006,493 | \$ 1,634,210 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 4% | 6% | 8% | 9% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 60% | 46% | 39% | 39% |
| FISCAL YEAR | <u>6/30/25</u> | <u>6/30/24</u> | <u>6/30/23</u> | <u>6/30/22</u> |
| DISTRICT CONTRIBUTIONS | | | | |
| Statutorily Required Contribution | \$ 20,646 | \$ 21,464 | \$ 20,277 | \$ 17,872 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(20,646)</u> | <u>(21,464)</u> | <u>(20,277)</u> | <u>(17,872)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 2,024,150 | \$ 2,104,328 | \$ 1,988,003 | \$ 1,753,667 |
| Contributions as a Percentage of Covered Payroll | 1.02% | 1.02% | 1.02% | 1.02% |

This schedule is presented to show information for 10 years.
Information will be presented for the years it is available.

| <u>12/31/20</u> | <u>12/31/19</u> | <u>12/31/18</u> | <u>12/31/17</u> | <u>12/31/16</u> |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 0.0169000000% | 0.0167000000% | 0.0159000000% | 0.0152000000% | 0.0149000000% |
| \$ 159,793 | \$ 194,463 | \$ 217,990 | \$ 189,918 | \$ 182,079 |
| \$ 1,582,753 | \$ 1,608,572 | \$ 1,471,900 | \$ 1,205,004 | \$ 1,159,942 |
| 10% | 12% | 15% | 16% | 16% |
| 33% | 24% | 17% | 18% | 17% |
| <u>6/30/21</u> | <u>6/30/20</u> | <u>6/30/19</u> | <u>6/30/18</u> | <u>6/30/17</u> |
| \$ 16,560 | \$ 17,184 | \$ 15,013 | \$ 12,291 | \$ 12,003 |
| <u>(16,560)</u> | <u>(17,184)</u> | <u>(15,013)</u> | <u>(12,291)</u> | <u>(12,003)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,623,591 | \$ 1,684,772 | \$ 1,471,928 | \$ 1,205,004 | \$ 1,176,773 |
| 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The District adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

Compliance and Accountability

During the fiscal year ended June 30, 2025, the District's Food Service Fund and Capital Projects Fund actual expenditures exceeded budgeted expenditures in the amount of \$33,542 and \$47,066, respectively. In addition, the Capital Projects Fund had a negative budgeted and actual fund balance in the amount of \$90,358 and \$37,424, respectively. These may be violations of state statutes.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

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

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

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

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
(Continued)

As of the December 31, 2024, measurement date, the fiduciary net position, and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

SB 25-310 was enacted on June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars will be proportioned over time to replace reductions to the future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

HCTF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups. Participation rates were reduced. MAPD premium costs are no longer age graded.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://copera.org/forms-resources/financial-reports-and-studies>.

**COMBINED AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND
BUDGETARY COMPARISON SCHEDULES**

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2025

| | FOOD SERVICE | PUPIL ACTIVITY | CAPITAL PROJECTS | TOTAL |
|----------------------|-----------------|-------------------|---------------------|-----------|
| ASSETS | | | | |
| Cash and Investments | \$ - | \$ 36,116 | \$ - | \$ 36,116 |
| | - | 36,116 | - | 36,116 |
| FUND BALANCES | | | | |
| Assigned to: | | | | |
| Pupil Activities | - | 36,116 | - | 36,116 |
| | - | 36,116 | - | 36,116 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

| | <u>FOOD SERVICE</u> | <u>PUPIL ACTIVITY</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL</u> |
|--|-------------------------|---------------------------|-----------------------------|------------------|
| REVENUES | | | | |
| Local Sources | \$ - | \$ 31,574 | \$ - | \$ 31,574 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | - | 30,977 | - | 30,977 |
| CHANGES IN FUND BALANCES | - | 597 | - | 597 |
| FUND BALANCES, Beginning, as Originally Stat | 10,615 | 35,519 | 402,448 | 448,582 |
| Fund Reclassification from Major to Nonmajor | <u>(10,615)</u> | <u>-</u> | <u>(402,448)</u> | <u>(413,063)</u> |
| FUND BALANCES, Beginning | <u>-</u> | <u>35,519</u> | <u>-</u> | <u>35,519</u> |
| FUND BALANCES, Ending | <u>\$ -</u> | <u>\$ 36,116</u> | <u>\$ -</u> | <u>\$ 36,116</u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
Year Ended June 30, 2025

| | BUDGET | | ACTUAL | VARIANCE |
|-------------------------|------------|------------|-----------|------------------------|
| | ORIGINAL | FINAL | | Positive (Negative) |
| REVENUES | | | | |
| Local Sources | | | | |
| Contributions | \$ 105,535 | \$ 105,535 | \$ 31,574 | \$ (73,961) |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 105,535 | 105,535 | 30,977 | 74,558 |
| CHANGE IN FUND BALANCE | - | - | 597 | 597 |
| FUND BALANCE, Beginning | - | - | 35,519 | 35,519 |
| FUND BALANCE, Ending | \$ - | \$ - | \$ 36,116 | \$ 36,116 |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND
Year Ended June 30, 2025

| | BUDGET | | ACTUAL | VARIANCE |
|--|--------------------|--------------------|--------------------------|--------------------------|
| | ORIGINAL | FINAL | | Positive (Negative) |
| REVENUES | | | | |
| Local Sources | | | | |
| Property Taxes | \$ 398,000 | \$ 398,000 | \$ 390,931 | \$ (7,069) |
| Other Tax | 3,400 | 3,400 | 5,456 | 2,056 |
| Investment Income | 26,000 | 26,000 | 35,847 | 9,847 |
| TOTAL REVENUES | <u>427,400</u> | <u>427,400</u> | <u>432,234</u> | <u>4,834</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 257,760 | 257,760 | 268,410 | (10,650) |
| Interest | 130,642 | 130,642 | 119,772 | 10,870 |
| Fees and Charges | 2,100 | 2,100 | 3,489 | (1,389) |
| Contingency | 850,055 | 850,055 | - | 850,055 |
| TOTAL EXPENDITURES | <u>1,240,557</u> | <u>1,240,557</u> | <u>391,671</u> | <u>848,886</u> |
| CHANGE IN FUND BALANCE | (813,157) | (813,157) | 40,563 | 853,720 |
| FUND BALANCE, Beginning, as Originally Stated | 813,157 | 813,157 | 784,205 | (28,952) |
| Restatement - Correction of an Error | - | - | 35,836 | 35,836 |
| FUND BALANCE, Beginning | <u>813,157</u> | <u>813,157</u> | <u>820,041</u> | <u>6,884</u> |
| FUND BALANCE, Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 860,604</u></u> | <u><u>\$ 860,604</u></u> |

MOFFAT CONSOLIDATED SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
Year Ended June 30, 2025

| | BUDGET | | ACTUAL | VARIANCE |
|---|-----------|-------------|-------------|------------------------|
| | ORIGINAL | FINAL | | Positive (Negative) |
| REVENUES | | | | |
| Local Sources | \$ 5,006 | \$ 5,006 | \$ 14,852 | \$ 9,846 |
| EXPENDITURES | | | | |
| Capital Outlay | 504,736 | 607,812 | 664,724 | (56,912) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (499,730) | (602,806) | (649,872) | (47,066) |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | 200,000 | 210,000 | 210,000 | - |
| CHANGE IN FUND BALANCE | (299,730) | (392,806) | (439,872) | (47,066) |
| FUND BALANCE, Beginning | 304,736 | 302,448 | 402,448 | 100,000 |
| FUND BALANCE, Ending | \$ 5,006 | \$ (90,358) | \$ (37,424) | \$ 52,934 |

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2800 - Moffat 2
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|--|---|---|
| Governmental | + | | - | = |
| 10 General Fund | 3,389,817 | 3,745,883 | 4,106,457 | 3,029,242 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 373,236 | 113,851 | 74,826 | 412,261 |
| Sub- Total | 3,763,053 | 3,859,734 | 4,181,283 | 3,441,503 |
| 11 Charter School Fund | 2,122,512 | 2,841,458 | 2,739,671 | 2,224,298 |
| 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 | 46,072 | 233,992 | 260,551 | 19,513 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 0 | 0 | 0 |
| 23 Pupil Activity Special Revenue Fund | 100,744 | 18,537 | 41,108 | 78,174 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 820,040 | 432,234 | 391,670 | 860,604 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 Building Fund | 0 | 0 | 0 | 0 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 822,806 | 275,440 | 684,759 | 413,487 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 7,675,227 | 7,661,394 | 8,299,042 | 7,037,579 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 (63) Risk-Related Activity Fund | 0 | 0 | 0 | 0 |
| 60,65-69 Other Internal Service Funds | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 Agency Fund | 0 | 0 | 0 | 0 |
| 74 Pupil Activity Agency Fund | 0 | 0 | 0 | 0 |
| 79 GASB 34:Permanent Fund | 0 | 0 | 0 | 0 |
| 85 Foundations | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |

FINAL