

2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023



Mesa County Valley School District 51
2115 Grand Ave., Grand Junction, Colorado 81501
<https://www.d51schools.org>

Mesa County Valley School District No. 51

2115 Grand Ave.
Grand Junction, Colorado 81501

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



Brian Hill, Ph.D – Superintendent

Melanie Trujillo - Chief Financial Officer

Prepared by:

District 51 Financial Services Department

Mesa County Valley School District No. 51

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Summit Vaca, Kindergarten – Wingate Elementary School

INTRODUCTORY SECTION

December 19, 2023

To the President and Members of the Board of Education and the Citizens of Mesa County Valley School District No. 51:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the **Annual Comprehensive Financial Report** of Mesa County Valley School District No. 51 (the District) for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by **Hinkle & Company, P.C.**, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the specific rules and regulations of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District. The District was formed in 1951 from a number of small, independent school districts in Mesa County, Colorado. The primary purpose of the District is to provide K–12 public education for those who reside within the boundaries of the District, which cover about one-half of the County's land area, approximately 2,200 square miles, and about 95% of the County's population. To accomplish this purpose, during the fiscal year 2023, the District operated twenty-five (25) elementary schools, eight (8) middle

schools, one (1) 8/9 school, five (5) high schools, four (4) alternative schools, and one (1) remote K-12 mountain school.

The District is the largest employer in Mesa County, employing 2,605 full-time, 149 part-time, and 594 substitute employees during fiscal year 2023. The District served approximately 20,294.64 student FTEs during the 2022-23 school year.

The District is an independent district governed by a five-member Board of Education (the Board) whose members are elected by the qualified electors within the District's boundaries. Board members serve four-year staggered terms, with two or three members elected every two years. General duties that the Board is empowered to perform include the power to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation; to fix attendance boundaries; to establish annual budgets; to determine the educational programs to be carried on in the schools of the District; and to prescribe the curriculum of any course of instruction or study in such educational programs. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

The annual budget is the foundation for the District's financial planning and control. Budgetary controls ensure compliance with legal requirements, Board of Education policies, and District administration guidelines. All activities of the District are budgeted, as required by state statute. Expenditures may not legally exceed appropriations at the fund level. Detailed line item records provide management the capability to monitor budgets for all funds. Budgetary control is also maintained through the use of an encumbrance/purchase order system for materials and capital purchases. Encumbrances outstanding at year end lapse, but are generally re-appropriated as a part of the following year's budget. A proposed budget must be presented to the Board of Education by May 31. The Board of Education makes final adjustments to the budget, and two budget hearings must be held prior to adoption of the budget and formal close of the District's fiscal year, June 30. The law allows a re-adoption to occur before January 31 of the fiscal year for which it was adopted, based on finalized student count. The Board may authorize supplemental appropriations during the fiscal year in the event unforeseen revenue becomes available to the District.

The District and its Services. This report includes all of the activities of Mesa County Valley School District No. 51 (the Primary Government) as well as its component units. The District has entered into an agreement with three charter schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, as allowed under the Colorado Charter Schools Act. The charter schools are publicly funded schools through the District under the School Finance Act and under the general supervision of the local Board of Education. The schools meet the requirements under Governmental Accounting Standards to be presented as discrete component units.

The District 51 Foundation (Foundation) was organized in the fall of 2010, and is a nonprofit, tax-exempt corporation established for the purpose of attracting funding from business, industry and individuals to enhance educational programs and activities for students. The foundation is not presented as part of the reporting entity for financial reporting purposes because the foundation's financial operations are not considered to be significant in comparison to the District as a whole.

Local Factors Affecting Financial Condition

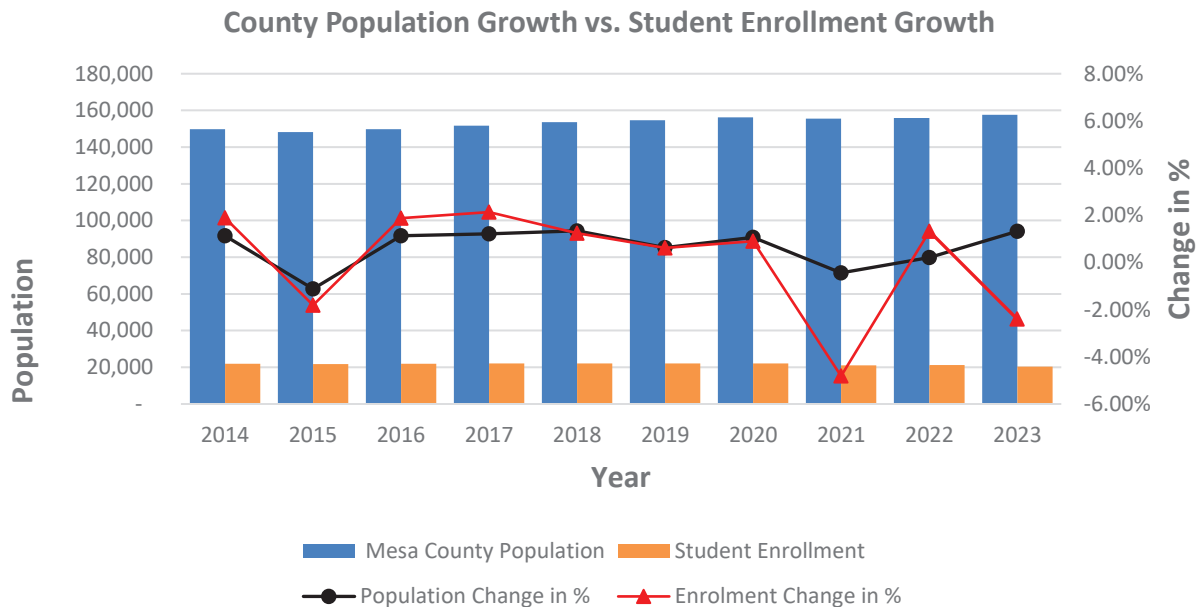
District Leadership. Dr. Brian Hill was hired as Mesa County Valley School District 51's Assistant Superintendent in 2019. In February 2022, Dr. Hill was unanimously selected by the D51 Board of Education as the Superintendent Designee and moved into the D51 Superintendent role beginning July 1, 2022. Prior to joining the District, Dr. Hill worked for the Austin Independent School District for 11 years in the following roles: Special Assistant to the Superintendent, Administrative Supervisor, Principal, Assistant Principal, and Teacher. Dr. Hill holds a B.A. in Theology from East Texas Baptist University, an M.A. in Educational Leadership Administration from The University of Texas at Austin, and an Ed.D. in Educational

Leadership and Policy from The University of Texas at Austin. Dr. Hill received the Texas Elementary Principals and Supervisors Association's TEP SAN of the year award, was nominated for Austin Independent School District's Assistant Principal of the year, and was recognized as a Teacher of the Year in AISD.

Local Economy. The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

As of the end of the fiscal year of 2023, Mesa County has an estimated population of 157,636, a slight increase compared to the prior year. Unemployment in Mesa County is below 3%, which matches the fall 2019 lows of unemployment. The most significant job gains compared to last year were in construction, mining, oil and gas, and healthcare.

A growth in the County's population is not always mirrored by the growth in the student count of the District. The graph below illustrates the County population and District enrollment trends since 2014. More population and enrollment data can be found in the Statistical section. Student enrollment in Mesa County has historically more closely reflected employment growth in the County. Historically, the growth in student enrollment was attributable to the influx of working families in response to an increase in oil and gas production and construction employment opportunities. As the area's economy has shifted since COVID 19, the areas demographics are also changing. Student enrollment has been declining since 2019, a result of lower birth rates and fewer families with school-aged children moving into the area. The October pupil counts have fluctuated year to year, with an overall decrease for the last ten years of 1,599 students (7.3%).



Long-term financial planning.

School Finance Act Funding. School Districts in the state of Colorado are funded based on a complex formula, "Total Program Funding Formula", which is set forth by the School Finance Act of 1994. For each pupil funded in the October 1 pupil count, the formula provides a base per-pupil amount of money plus additional money to recognize district-by-district variances in: (a) cost of living, (b) personnel costs, and (c) size. The Total Program amount also includes additional funding for at-risk pupils. As these components vary among school districts, so does the Total Program funding provided. In November 2000, Amendment 23 was passed by Colorado voters. Amendment 23 required the state to increase its funding of school districts each year by the rate of inflation plus 1% for the next ten years and thereafter at the rate of inflation. The amendment created a State Education Fund to support this level of funding. A state referendum on the

November 2005 ballot passed, which allowed the state to increase its tax revenues without increasing tax rates through 2010 in order to regain fiscal stability. For fiscal years 2011 through 2023, the state could not fund the increases mandated by Amendment 23, and applied a negative statewide "Budget Stabilization Factor" pursuant to Senate Bill 17-296 ("SB 17-296"). The Budget Stabilization Factor reduces the amount of funding districts would have received prior to this factor's application in an equitable manner. In 2023, the state reduced the negative factor withholding to \$321.3 million statewide, a \$182 million decrease that retreated the factor to pre-pandemic levels. In return, the District had an increase of \$572.77 in Per Pupil Funding, for a total of \$9,074.05 PPR. Historically, the District has been one of the lowest funded of the 178 school districts in the state of Colorado, ranking 174th. Even with the PPR increasing, the District was \$522 below the state average in PPR funding for 2023.

Mill Levy Correction. In the spring of 2007, the Colorado state legislature passed Senate Bill 199, which froze local school district property tax mill levies. This legislation applies to the Total Program mill levy only. It does not affect override, bond, special building and technology, full-day kindergarten excess cost, or transportation mill levies. The freeze was intended to maintain a level effort of tax support for school district funding from local taxpayers, whose mill levies had declined over the years due to rising property valuations coupled with the application of the state's legal limitations on increasing tax revenues. However, the Colorado Department of Education's interpretation of this legislation has since been deemed incorrect in that districts that had permission from the voters to keep their property tax collection at a higher level should have done so.

With the passage of HB-21-1164, beginning in 2020 the state Legislature began to implement action to correct the misinterpretation by requiring the Colorado Department of Education to introduce plans for local districts to "as quickly as possible but by no more than one mill each property tax year," increase property tax mill levy, over time. The level of property tax to be levied is the lowest of: the mill levy level approved by their voters at the time of the de-TABOR vote; the mill levy level required to fully fund the District; or 27 mills, beginning in the 2021 tax year. For the District, the total program mills will be increased to 27 mills over the course of three years.

TABOR and Other Reserves. In 1992, Colorado voters approved TABOR (as Article X, Section 20 of the Colorado constitution). In general, TABOR restricts the ability of the State and local governments to increase revenues. The District's annual revenue and spending growth is limited by its percentage of growth in pupil enrollment plus the rate (percentage) of inflation, in accordance with the Taxpayer's Bill of Rights (TABOR) state constitutional amendment. This limit may initially restrict a district's ability to accept the full amount of funding as determined by the Total Program formula calculation. In such a case, to subsequently receive the full formula amount of funding, a district must certify to the Colorado Department of Education that receiving the full amount of Total Program funding would not violate its TABOR limit. TABOR also requires the state and all local governments to maintain an emergency reserve equal to at least three percent of fiscal year spending, excluding bonded debt service.

In addition to the TABOR reserve, effective June 30, 2021, the District Board designated an operating fund balance reserve of at least 10% of annual expenditures and transfers in the General Fund. The reserves shall be used for designated emergencies and requires Board spending approval.

Recent Mill Levy Override/Bond. A mill levy override allows a school district to request more property tax revenue for day-to-day operational expenses than is provided by the Colorado Public School Finance Act. In November 2017, MCVSD51 voters approved a mill levy override to raise property taxes within District 51 boundaries by \$6.5 million annually for ten years. The mill levy serves several purposes, including: adding additional student contact days in the school calendar, updating instructional materials and educator training, building maintenance and adding positions to support technology in schools.

In November 2021, Mesa County voters approved the Bond Measure to rebuild a 128-year-old high school-Grand Junction High School. The new school's groundbreaking was June 1, 2022, and the anticipated completion date will be the end of 2024. The financial data is provided in the Capital Project Capital Building

Fund.

Federal COVID Funding. In response to the COVID-19 pandemic, Congress has passed significant stimulus bills that included funding for education. The District received \$16.2 million in the current year, a total of \$63.9 million as of 2023. The District anticipates receiving approximately an additional \$18.6 million by 2024. More details can be found in the footnote.

Budget. The District's budget is developed to support the District's strategic plan as well as the priorities that are established annually by the Board of Education. In particular, the budget is focused on allocating limited resources to support student achievement. The budget is the primary tool to communicate the District's financial plan to citizens and staff. An initial budget is adopted by June 30 every year based on Per Pupil Funding and estimated student enrollment. Actual student enrollment is counted on October 1 every year, and the budget is adjusted through re-adoption prior to January 31.

Fiscal Oversight Committee. The District's independent auditor communicates certain matters to upper management and the Board of Education in conjunction with the Fiscal Oversight committee. The Fiscal Oversight Committee includes six community members with finance and/or school district expertise, and members of management involved in financial reporting, budget, and investments. Management through the Fiscal Oversight Committee and the independent auditor report audit findings and other financial considerations to the Board of Education. The Board is responsible for the oversight of the financial reporting process.

Awards and Acknowledgements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mesa County Valley School District No. 51 for its **Annual Comprehensive Financial Report (ACFR)** for the fiscal year ending June 30, 2022. It was the twenty-ninth consecutive year the government received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the dedicated staff of the Financial Services Department. The preparation of this report would not have been possible without their professionalism and expertise, not only during the reporting process but throughout the year.

In closing, we wish to thank the members of the Board of Education for their interest, leadership, and support in maintaining the highest standards of professionalism in managing the District's finances.

Respectfully submitted,



Superintendent of Schools
Dr. Brian Hill, Ph.D.



Chief Financial Officer
Melanie Trujillo



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Mesa County Valley School District No. 51
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

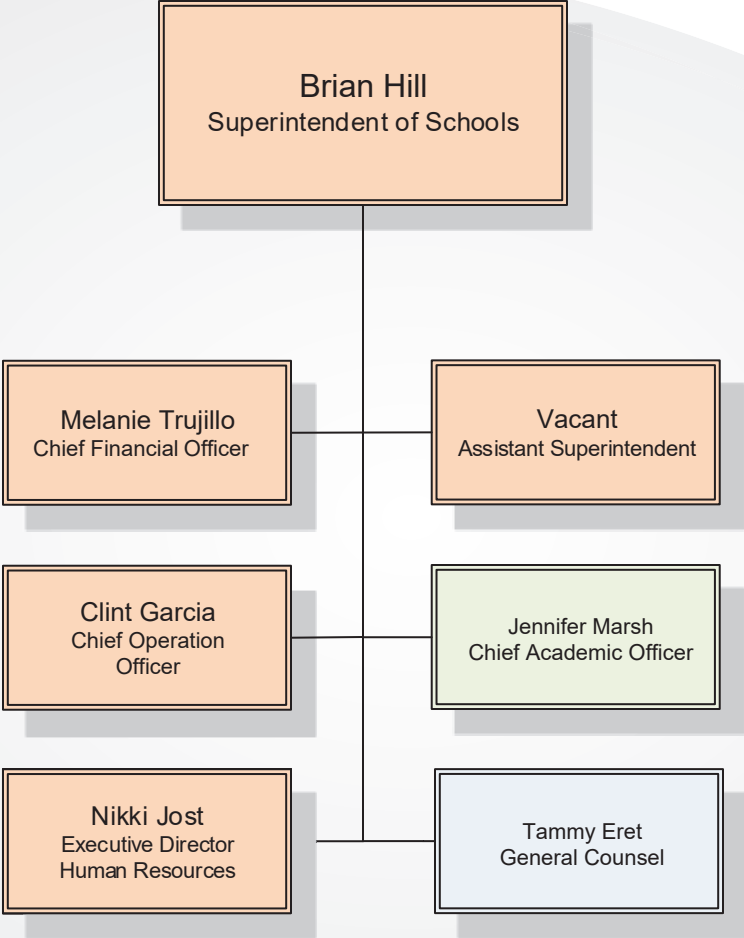
Christopher P. Morrill

Executive Director/CEO

Mesa County Valley School District 51 Organizational Chart (Executive)

Board of Education

2022-23



See Org Charts for
Student Services & Support, Technology Services, Human Resources, Curriculum & Learning Design, Financial Services, Superintendent's Office,
& Assistant Superintendent's Office

Elected Officials

General Descriptions of 2023 Mesa 51 School Board Director Districts

The Mesa County Valley School District 51 Board of Education serves as representatives of the community, providing effective governance to support continuous success for all students. Voters within School District 51's boundaries elect five members to staggered four-year terms. Click link(s) to download the [District Boundary Map](#) or [General Description of Director Districts](#).



Doug Levinson

Director District 'A' – District 'A' generally includes the northwest quadrant of the District including the communities of Fruita, Mack and Loma. District 'A' also includes the western half of the Redlands neighborhood – predominantly the portion of the Redlands west of Redlands Parkway. This district also includes the Appleton neighborhood west of 25 Rd.



Dr. Kari Sholtes

Director District 'B' - District 'B' includes the western and southwestern portion of the District west of the Gunnison River. This district includes the eastern half of the Redlands neighborhood – predominantly the Portion of the Redlands east of Redlands Parkway. District 'B' also includes the western portion of Grand Junction south of G Rd. and west of N. 7th St. including most of the downtown area. This district also includes the western portion of the Dos Rios area, the Gateway community and Unaweep Canyon.

(Continue)

Elected Officials



Andrea Haitz, President

Director District 'C' – District 'C' includes central Grand Junction generally between N. 7th St. and 29 Rd. south of G Rd. The district also includes the area north of G Rd. between 25 Road and the airport.



Will Jones, Vice President

Director District 'D' – District 'D' covers the portion of Grand Junction east of 29 Rd. and west of 31 Rd. including Pear Park and Orchard Mesa. The district also includes the portion of Whitewater west of U.S. Highway 50 and the river corridor between the Gunnison River and Highway 50.



Angela Lema, Secretary

Director District 'E' – District 'E' includes the area generally east of 31 Rd. including the Clifton and Palisade communities and the portion of Whitewater east of U.S. Highway 50. The district includes the portion of Orchard Mesa east of 32 Rd. and the northeastern rural quadrant of the district and southeastern quadrant east of Highway 50.

Mesa County Valley School District No. 51
APPOINTED OFFICIALS
June 30, 2023

APPOINTED OFFICIAL

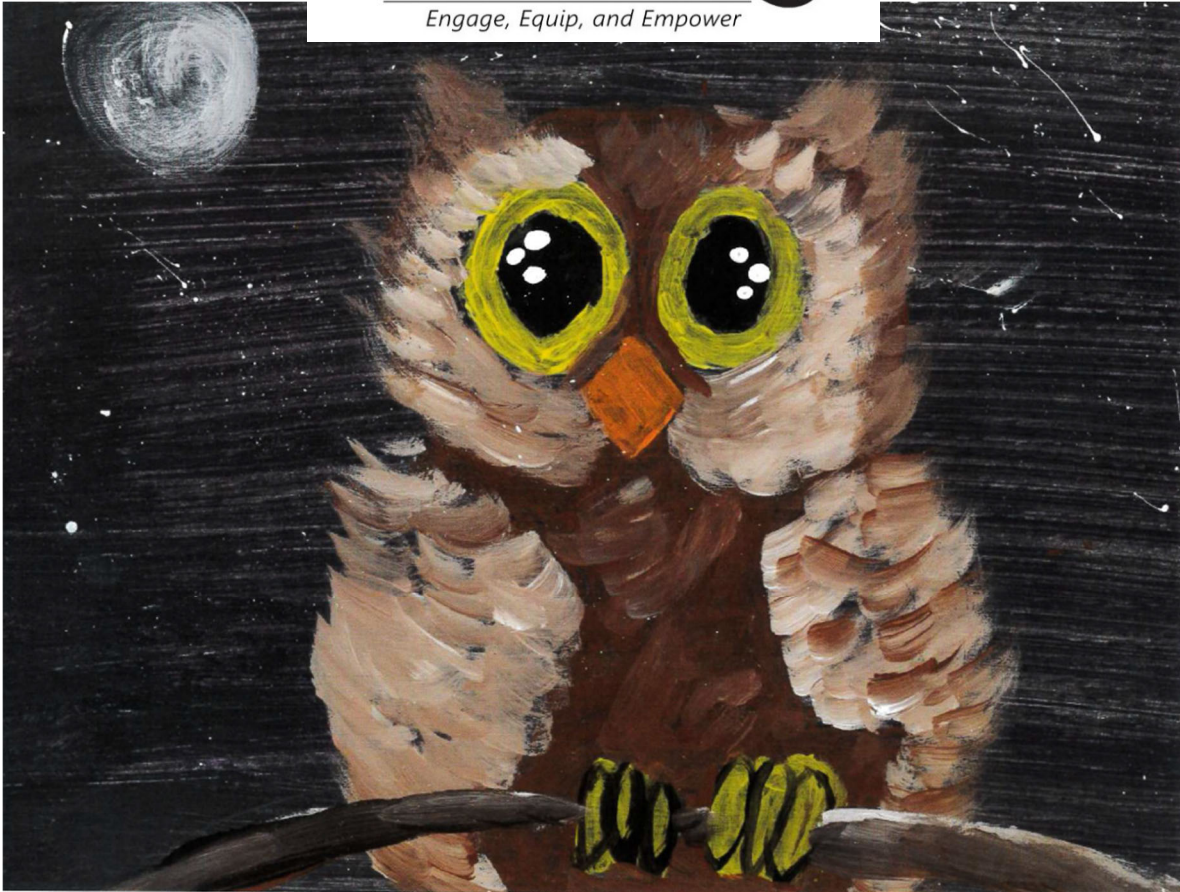
Brian Hill, Ph.D.

Superintendent



Superintendent Cabinet

Chief Operating Officer Clint Garcia
Chief Human Resources Officer Nikki Jost
Chief Academic Officer Jennifer Marsh
Chief Financial Officer Melanie Trujillo
General Counsel..... Tammy Eret



David Rios Villegas 1st Grade – Pomona Elementary School

FINANCIAL SECTION



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Education
Mesa County Valley School District No. 51
Grand Junction, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Mesa County Valley School District No. 51 (the District) as of and for the year ended June 30, 2023, 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, 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 discretely presented component unit and remaining fund information of the District as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and the auditor's integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
December 19, 2023



Mesa County Valley School District No. 51

Management's Discussion and Analysis

June 30, 2023

As management of the Mesa County Valley School District No. 51 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in our letter of transmittal found on pages i-v of this report.

Financial Highlights

- The District reports an increase in "Net Position" of \$4,585,228 over the fiscal year 2023, bringing the negative fund balance from \$87,427,324 to \$82,842,096. The primary reason was that the Deferred Inflows of pensions was half of last year's. Deferred Inflows of pension is directly related to the change in the pension liability. With the raise in interest rates over the past year and the change in the stock market, the net assets in PERA decreased substantially. In order to minimize the fluctuations from year to year, a large portion of that increase in liability (due to the reduction in investments) is reflected in the Deferred Inflows and amortized over the next 5 years.
- In response to the COVID-19 pandemic, Congress has passed significant stimulus bills that include funding for education and has distributed the funds for a few years, starting in 2019 and ending in 2024. The District received \$16.2 million in 2023, a total of \$63.9 million in COVID funding as of 2023. The District anticipates receiving approximately an additional \$18.6 million by 2024.
- At the end of the current fiscal year, the District's governmental funds reported a total fund balance of \$174,855,183, a decrease of \$32,105,651 (15.5 percent decrease) in total fund balance over the prior year. The decrease was primarily due to the Grand Junction High School bond project which spent down the bond proceeds in the Capital Project Building Fund.
- At the end of the current fiscal year, the District's combined General Fund balance was \$45,369,538, an increase of \$9,334,395. The increase is primarily attributed to increased state funding and specific ownership tax. Additionally, COVID grant funding continued to provide support by funding eligible expenses typically paid from the General Fund.
- The District continues to look for efficiencies in providing health-related insurances while offering our employees a valued benefit. Last year, the District's self-insured Medical Fund added \$4.3 million, increasing the ending fund balance to \$6,980,706. At the end of FY21, the District held only \$752,563 in the fund balance and established a goal of increasing the balance to \$6-7 million. Some factors that have contributed to increasing reserves are the change of health insurance plans, lower medical claims, additional enrollment, and General Fund transfers. The District will continue to evaluate the appropriate net position balance for both the Medical and insurance plans to ensure the District can continue to cover all claims while maintaining reasonable premium charges for both the District and its employees.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They include the *Statement of Net Position and the Statement of Activities*.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remainder reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. There was a significant revision in reporting requirements beginning in 2014-15 when Governmental Accounting Standards Board statement 68 (GASB 68) was required to be implemented by the District. Since the 2014-15 year, the District has shown a large negative fund balance because of implementing GASB 68. In 2017-18 the District adopted the provisions of GASB 75 to account for other post-employment benefits (OPEB). To follow Generally Accepted Accounting Principles (GAAP), the District must report balances related to participation in the cost-sharing defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (COPERA) and the Health Care Trust Fund (HCTF).

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

The *governmental activities* of the District include instructional services, pupil services, instructional staff services, general administration services, school administration services, business services, maintenance and capital asset services, transportation services, central administrative services, and community services.

The government-wide financial statements include not only the District but also three legally separate charter schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, for which the District is financially accountable. Financial information for these component units is reported on pages 90 and 91, separately from the financial information presented for the District itself combined in the government-wide *Statement of Net Position and Statement of Activities* on pages 18 and 19.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

❖ **Governmental funds**

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances have a reconciliation to aid this comparison between *governmental funds* and *governmental activities*.

As of fiscal year-end 2023, the District maintains twelve governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Governmental Designated Purpose Grants Special Revenue Fund, the Nutrition Services Special Revenue Fund, the Building Fund Capital Projects Fund, the Capital Projects Capital Projects Fund and the Bond Redemption Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation in the aforementioned statements. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* on pages 80-82.

The District adopts an annual appropriated budget for all funds. Budgetary comparison statements or schedules have been provided for all funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 18-28 of this report.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

❖ ***Proprietary funds***

The District maintains one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for risk management services provided to other departments or employees of the District on a cost reimbursement basis. Because these services benefit governmental activities of the District, they have been included within the *governmental activities* column in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide combined information for the three internal service funds of the District. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 86-89. The basic proprietary fund financial statements can be found on pages 26-28 of this report.

❖ ***Fiduciary funds***

Effective July 1, 2020, the District implemented GASB Statement No. 84, Fiduciary Activities, which improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Previously, the District uses an *Agency Fund* to account for *Student Body Activity Fund* (SBA fund). Starting the fiscal year 2021, the SBA fund is reclassified as a *Special Revenue Fund*. More details can be found in the notes to the financial statements and SBA fund statement.

❖ ***Notes to the financial statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-66 of this report.

❖ ***Other Information.***

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 67-70.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 80-98 of this report.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Government-wide Financial Analysis

Net Position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The District's net position increased by \$4,585,228 million from the prior year, a 5% increase, which reflects steady growth.

MESA COUNTY VALLEY SCHOOL DISTRICT NO 51'S NET POSITION

| | Governmental Activities | |
|----------------------------------|-------------------------|------------------------|
| | <u>2023</u> | <u>2022</u> |
| Current and other assets | \$241,161,468 | \$267,880,349 |
| Capital assets | <u>354,291,498</u> | <u>316,821,216</u> |
| Total assets | 595,452,966 | 584,701,565 |
| Deferred outflow of resources | 57,284,717 | 53,605,725 |
| Long-term liabilities | 636,923,534 | 560,031,073 |
| Other liabilities | <u>41,557,292</u> | <u>42,259,796</u> |
| Total liabilities | 678,480,826 | 602,290,869 |
| Deferred inflow of resources | 57,098,953 | 123,443,745 |
| Net position: | | |
| Net investment in capital assets | 63,731,243 | 139,176,460 |
| Restricted | 33,044,211 | 31,243,731 |
| Unrestricted | <u>(179,617,550)</u> | <u>(257,847,515)</u> |
| Total net position | <u>\$ (82,842,096)</u> | <u>\$ (87,427,324)</u> |

Note from the table above that the largest portion of the District assets, about 59.5%, reflects investment in capital assets less accumulated depreciation. The largest portion of current assets, predominately cash on hand and restricted cash and investments, is reported in the Combined General Fund and Capital Project Capital Project (Capital Reserve). The Combined General Fund is used for the main operations, including cash balances held for TABOR and Board of Education required reserves as well as carryover balances for schools, whereas the Capital Reserve Fund cash balances are held for capital projects. Smaller cash balances are reported in the non-major governmental funds. Note that the cash balance in the Bond Redemption Fund is available to make the two debt service payments in the coming year. Property tax revenues for each fiscal year are largely received in the second semester of the school year between March and June though tax receipts continue through December 31 of the following fiscal year.

Mesa County Valley School District No. 51

Management's Discussion and Analysis

June 30, 2023

Long-term liabilities, which consist of bonds, notes, leases, compensated absences, pension and OPEB benefit obligations. The increases in the District's pension and OPEB liability due to the increase in the District's share of the state's other post-employment benefits healthcare plan liability. More information of pension and OPEB can be found in Notes to the Financial Statements.

At the end of the current fiscal year, the District's net position was a deficit of \$82.8 million. The deficiency is caused primarily by the OPEB and pension liabilities and related Deferred inflows and outflows. A more detailed explanation of GASB 68 and 75 are included in Notes to the Financial Statements.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Statement of Activities

MESA COUNTY VALLEY SCHOOL DISTRICT NO 51'S Change in Net Position

Governmental Activities

| | 2023 | 2022 |
|---|------------------------|------------------------|
| Revenue: | | |
| Charges for services | \$ 4,902,850 | \$ 4,037,139 |
| Operating grants and contributions | 54,189,713 | 66,778,985 |
| Capital grants and contributions | 3,751,371 | 1,250,524 |
| General revenues: | | |
| Property taxes levied for general purposes | 70,832,528 | 63,382,213 |
| Property taxes levied for debt service | 22,487,180 | 23,183,485 |
| State equalization not restricted for specific programs | 115,928,678 | 107,161,370 |
| Specific ownership taxes | 11,293,648 | 11,854,176 |
| Investment earnings | 7,628,680 | 486,444 |
| Loss on disposal of assets | (1,860,371) | 625,096 |
| Miscellaneous unrestricted Revenue | <u>25,813,757</u> | <u>638,727</u> |
| Total Revenue | 314,968,034 | 279,398,159 |
| Expenses: | | |
| Instructional services | 165,846,932 | 58,299,199 |
| Pupil services | 21,230,325 | 11,058,769 |
| Instructional staff services | 18,479,227 | 11,124,293 |
| General administration services | 11,576,309 | 1,622,067 |
| School administration services | 22,869,814 | 9,774,843 |
| Business services | 534,673 | 20,856 |
| Operations and maintenance | 26,475,105 | 12,557,563 |
| Transportation services | 8,087,082 | 7,860,625 |
| Central services | 11,866,506 | 3,407,541 |
| Nutrition services | 10,378,445 | - |
| Community services | 829,119 | 9,918,872 |
| Capital Outlay | 3,914,289 | - |
| Interest on long-term debt | <u>8,294,980</u> | <u>7,337,376</u> |
| Total expenses | 310,382,806 | 132,982,004 |
| Increase (decrease) in net position | 4,585,228 | 146,416,155 |
| Net position – beginning | <u>(87,427,324)</u> | (233,150,149) |
| Prior year restatements | | (693,330) |
| Net position – beginning, restated | | <u>(233,843,479)</u> |
| Net position – ending | <u>\$ (82,842,096)</u> | <u>\$ (87,427,324)</u> |

Mesa County Valley School District No. 51

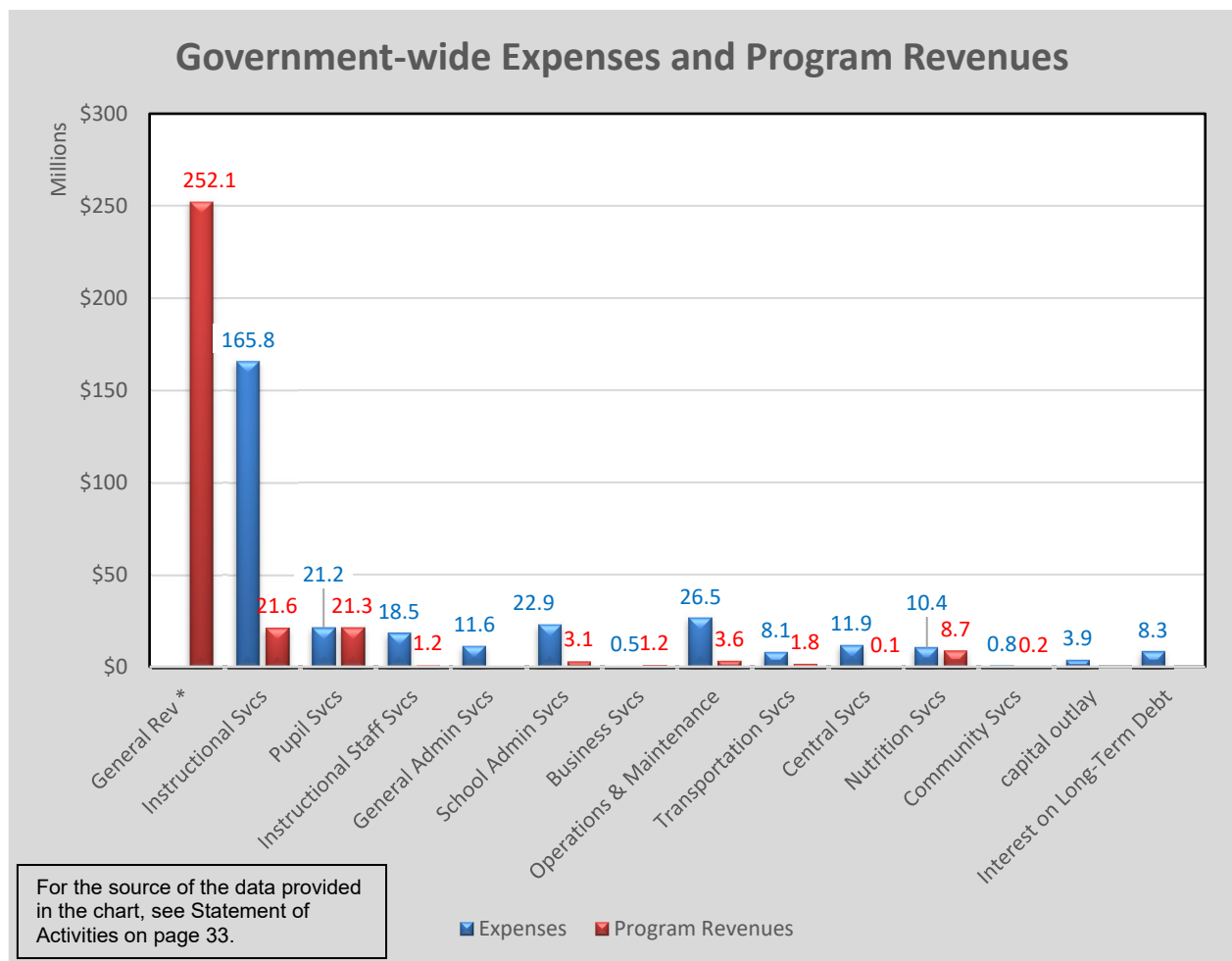
Management's Discussion and Analysis

June 30, 2023

Note in the Condensed Statement of Activities that governmental activity total revenues increased by \$35.5 million over fiscal year 2022. The Per Pupil Revenue (PPR) increased by \$572.77 associated with the School Finance Act, and a slight decrease in averaged funded pupil count by 152.5, resulting in a \$8.7 million increase in state funding. Note that the District is funded on the average pupil FTE, where we took advantage of the higher student counts from prior years. The actual student count was 20,294,64 FTE in 2023, 559.56 FTE lower than the funded student of 20,854.2 FTE in 2022. Declining enrollment continues to be a nationwide issue to be resolved for many schools in the coming years.

The District realized a \$7.2 million increase in investment revenue compared to 2022, due to the combination of the interest rate increase and the bond proceeds.

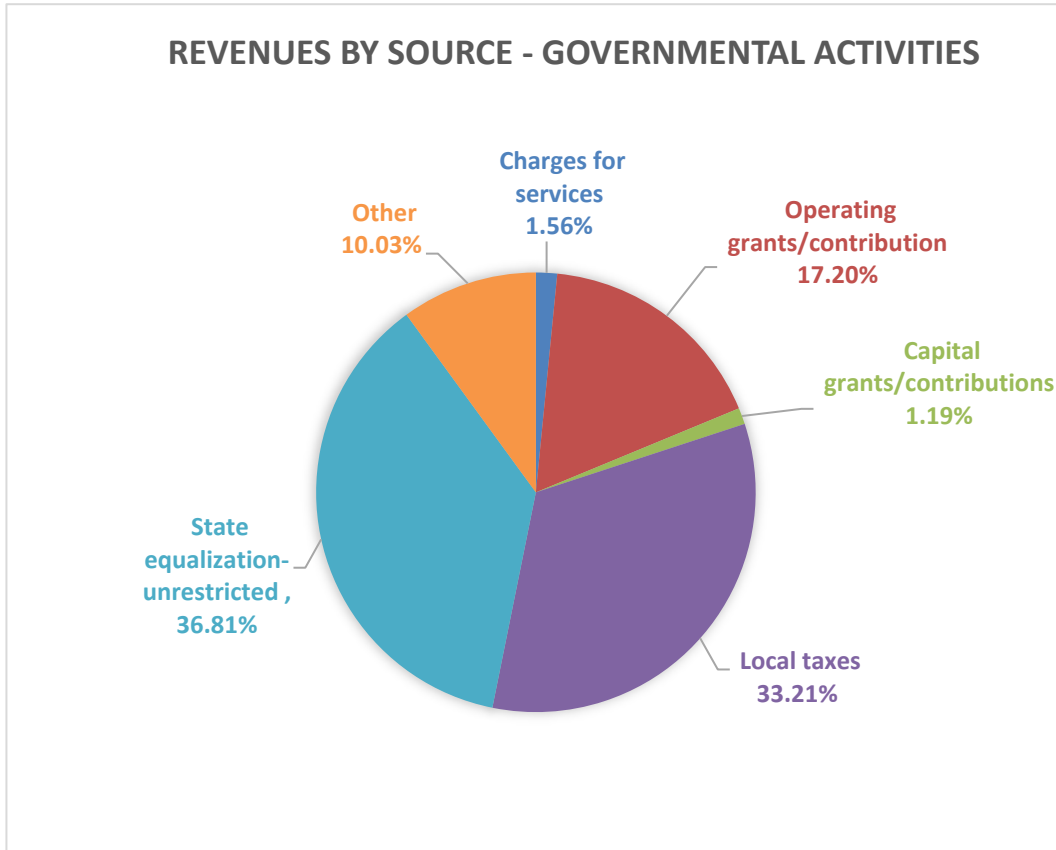
The following chart depicts the expenses and program revenues of the governmental activities by category of the District. Governmental activities and programs of the District are supported primarily by state funds and local taxes.



*Note: General Revenue is used to support all programs.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Following chart depicts revenues by source for governmental activities:



Financial Analysis of the Government's Funds

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

Governmental funds

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

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects fund, and the debt service fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 20-28 of this report.

As of the end of the current fiscal year, the District's governmental funds reported total fund balance of \$174,855,183, a decrease of \$32,105,651 in comparison with the prior year. Of the fund balance, \$39,994,951, or 22.8%, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is (1) not in spendable inventories, \$1,010,754; (2) restricted for TABOR reserve because it is legally required to be maintained intact, \$7,065,000; (3) restricted for particular purposes (except TABOR), \$108,263,420; or (4) assigned for particular purposes, \$18,521,058.

❖ **Analysis of Individual Funds**

The General Fund is the chief operating fund of the District, with most of the funding coming from state and local tax revenues. Unlike the budget, the combined General Fund in this report refers to the combination of the District General Fund (10), the 2017 Mill Levy Fund (17), and the Colorado Preschool Program Fund (19). As indicated in the Revenue by Resources graph, the District's primary revenue resources were the unrestricted State Equalization (36.81%) and the local property tax (33.21%).

General Fund increases were primarily driven by increases in state funding and specific ownership tax. The District's per pupil revenue increased by \$572.77, from \$8,501.28 to \$9,074.05. The District is funded on the five-year average count, which means the funded FTE was the average of the prior five years of student counts, so the District will not take the entire funding hit of enrollment declining in one year. However, in 2023 the District's average contained just two years of enrollment before the student count declined. The actual student count was 20,294.64 FTE, 559.56 FTE lower than the funded students 20,854.2 FTE.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

The Nutrition Service Fund, a major fund, had a \$1,189,628 decrease in fund balance during the current fiscal year. In 2022, the District received higher revenue reimbursement than in 2023 from the federally assisted meal programs that provided free meals district-wide to all students.

In January 2022, the District issued a bond to rebuild the Grand Junction High School building. It is scheduled to be 90% complete by June 2024. The District was on track with the building project with \$62.4 million spent in Capital Projects Building Fund as of June 30, 2023. The Grand Junction High School project is the primary reason for the Capital Project fund balance decreasing.

Proprietary funds

The District's proprietary funds provide the same type of information found in the business-type activities of the governmental-wide financial statements, but in more detail.

The District's self-insured Medical Fund increased \$4.3 million in fund balance this year, to \$6,980,706 at the end of FY23. At the end of FY21, the District held only \$752,563 in fund balance and established a goal of increasing the fund balance to \$6-7 million. Some factors that have contributed to the increase were the change of health insurance plans, lower medical claims, additional enrollment, and General Fund transfers.

The District's self-insured Dental Fund continues to hold steady at the end of FY23. In each of the last several years, the District has been able to add to the fund balance. In FY23, an additional \$67,624 was added, bringing the end-of-year balance to \$463,701.

Unrestricted net position of the insurance reserve fund at the end of the year was \$4,261,542, a decrease of \$1,349,744 compared to the prior year. The work's compensation payment, insurance premium, and claims contributed to the lower fund balance.

General Fund Budgetary Highlights

An increased appropriation of \$5,166,261 from the original budget to the final amended budget is attributed to adjustments for the following increases and decreases in anticipated revenue and expenditures:

- The District appropriates for all anticipated revenues and beginning fund balance. The original budget, developed in June 2022, was based on a \$5,179,356 anticipated increase to 2022 ending fund balance. The budget was prepared prior to fiscal-year-end accruals and final issuance of the 2022 ACFR. The actual ending fund balance for 2022 increased by \$7,745,586 due primarily to the leveraging of COVID grant dollars to cover expenses typically paid by the General Fund, as well as state legislation passed in the spring of 2022 that provided additional buy-down of the budget stabilization factor and one-time at-risk mitigation funding, which was unanticipated. The increase in fund balance was reflected in the 2023 final amended budget.
- Adjustments to anticipated General Fund expenses due to increased utility costs.
- Averaged funded October student count was 9.94 FTE greater than anticipated in the original budget.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

- Adjustments to other General Fund anticipated revenues, primarily an increase to anticipated interest earnings.

-

Capital Asset and Debt Administration

Capital assets

The District's capital assets for its governmental activities as of June 30, 2023, was \$354,291,498 (net of accumulated depreciation). These capital assets include land and improvements such as parking lots and sidewalks, buildings and building improvements, construction in progress, and equipment. The total increase of the District's capital assets for the current year was \$39.3 million, primarily attributable to the 2022 Grand Junction High School bond project, and \$4.2 million in Right-to-Use Lease and Subscription-Based Information Technology Arrangements. Additional information on the District's capital assets can be found in Note 4 – Capital Assets.

Long-term debt

At the end of the current fiscal year, the District had total outstanding long-term debt of \$296,215,518, a net pension liability of \$329,482,198, and a net OPEB liability of \$11,225,818. Of the long-term debt amount of \$296,215,518, \$234,235,000 represents general obligation bonds that are backed by the full faith and credit of the District, \$36,365,361 represents unamortized premiums on general obligation bonds and Certificates of Participation, \$14,910,000 represents Certificates of Participation collateralized by capital assets, and \$5,049,894 represents the leases, including finance-purchased lease, Right-to-use lease obligations collateralized by computers, photocopiers, and phone systems under the lease and the Subscription-Based Information Technology Arrangements. The remainder was \$5,655,263, consists of compensated absences of \$2,450,412 and claims payable of \$3,204,851. More details can be found in Note 5: Long-Term Debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limit for the District is \$420,286,014, which is in excess of the District's outstanding general obligation debt. Additional information on the District's long-term debt can be found in Note 5 – Long-Term Debt of this report.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), establishes accounting and financial reporting standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for pensions that are provided to the employees of state and local governmental employers through pension plans. More information on the District's pension-related items can be found in Note 8.

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. (GASB 75), was adopted for the ended June 30, 2018. The District participated in the Health Care Trust Fund (HCTF) and implemented the provisions of GASB 75 in the financial statements, including recognition of net OPEB liability, deferred outflows and inflows of resources, and OPEB expense. For more information on the District's OPEB plan, see Note 9 in the financial statements.

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Economic Factors and Next Year's Budgets

Mesa County Economy - The County has an estimated 2022 population of 158,636, a slight increase compared to the prior year. Unemployment in Mesa County is below 3%, which matches the fall 2019 lows of unemployment. The most significant job gains compared to last year were in construction, mining, oil and gas, and healthcare.

District Enrollment - In the recent years, the District has experienced declining enrollment. Middle school enrollment had declined to a level where it was not financially feasible to staff buildings adequately to support programmatic goals. East Middle School was closed at the end of the 2022-23 school year, with students redistributed to other existing middle schools. In addition to the East Middle School's closure, meetings and town halls have already been happening to discuss converting the Fruita area schools into a traditional configuration. The Elementary Declining Enrollment Committee (EDEC) was established to identify several pathways to address declining enrollment specifically at the elementary level: school closure/consolidation, mill levy, promote and increase robust and aligned options, subsidize and provide flexible support through possible increases in state per pupil funding, and ongoing evaluation of central office staffing and programs.

The fiscal year 2024 School Finance Act (SB23-287) was approved to buy down the budget stabilization factor by \$180 million and fund inflation at 8.0%. In June 2023, the District adopted a budget that includes an increase in per pupil revenue of \$990.28 per student from \$9,043.23 to \$10,033.51. This is very beneficial for the District as it contends with declining enrollment issues and rising costs. The increase results in an overall year-over-year of increase in School Finance Act funding of \$14.8 million. The District is also fortunate to be a recipient of federal stimulus dollars from the Elementary and Secondary School Emergency Relief (ESSER) Fund for COVID-19 relief. ESSER was allocated to the District based on Title I funding methodologies in three different phases of ESSER I, II and III. Portions of these funds will be allocated to charter schools. ESSER I and II have been fully expended. The fiscal year 2024 budget for the district-managed portions of ESSER III is \$18.7 million and will be used for eLearning, summer school, unfinished learning programs as well as support staff, goods and services.

Component Units

The District has three component units, which are charter schools. Their financial information is presented in a separate column in the Government-wide Statement of Net Position and in the Statement of Activities. Only summary information regarding component units appears in the District's financial statements. Complete financial statements for each charter school are available at each school's administrative office.

Independence Academy
Charter School
675 29 Road
Grand Junction, CO 81504
Phone: 970-254-6850

Juniper Ridge
Community School
615 Community Lane
Grand Junction, CO 81506
Phone: 970-986-8219

Mesa Valley
Community School
609 25 Rd
Grand Junction, CO 81505
Phone: 970-254-7202

Mesa County Valley School District No. 51
Management's Discussion and Analysis
June 30, 2023

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Chief Finance Officer, 2115 Grand Avenue, Grand Junction, Colorado 81501.

BASIC FINANCIAL STATEMENTS

Mesa County Valley School District No. 51
Statement of Net Position
June 30, 2023

| | Primary Government Governmental Activities | Discretely Presented Component Units |
|--|---|---|
| Assets | | |
| Cash and Investments | \$ 100,471,656 | \$ 7,090,872 |
| Restricted Cash and Investments | 112,408,870 | 1,468,646 |
| Receivables: | | |
| Accounts Receivable | 1,352,252 | 113,423 |
| Grants Receivable | 9,995,416 | 51,527 |
| Taxes Receivable | 6,772,921 | - |
| Inventories | 1,010,754 | - |
| Prepaid Insurance | 10,500 | 38,309 |
| Other Assets | 9,139,099 | 348,906 |
| Capital Assets, <i>Not Being Depreciated</i> | 71,421,163 | 2,323,889 |
| Capital Assets, <i>Net of Accumulated Depreciation</i> | <u>282,870,335</u> | <u>21,186,617</u> |
| Total Assets | <u>595,452,966</u> | <u>32,622,189</u> |
| Deferred Outflows of Resources | | |
| Loss on Debt Refunding, <i>Net of Accumulated Amortization</i> | 1,593,934 | - |
| Pensions, <i>Net of Accumulated Amortization</i> | 54,060,702 | 3,264,231 |
| OPEB, <i>Net of Accumulated Amortization</i> | 1,630,081 | 158,627 |
| Total Deferred Outflows of Resources | <u>57,284,717</u> | <u>3,422,858</u> |
| Liabilities | | |
| Accounts Payable | 16,721,830 | 676,004 |
| Accrued Salaries and Benefits | 14,159,597 | 541,138 |
| Accrued Interest Payable | 1,038,135 | 40,124 |
| Unearned Revenues | 9,637,730 | 45,818 |
| Noncurrent Liabilities | | |
| Due Within One Year | 13,601,602 | 625,000 |
| Due in More Than One Year | 282,613,916 | 20,281,678 |
| Net Pension Liability | 329,482,198 | 13,338,738 |
| Net OPEB Liability | <u>11,225,818</u> | <u>451,972</u> |
| Total Liabilities | <u>678,480,826</u> | <u>36,000,472</u> |
| Deferred Inflows of Resources | | |
| Pensions, <i>Net of Accumulated Amortization</i> | 53,145,166 | 1,448,640 |
| OPEB, <i>Net of Accumulated Amortization</i> | <u>3,953,787</u> | <u>174,080</u> |
| Total Deferred Inflows of Resources | <u>57,098,953</u> | <u>1,622,720</u> |
| Net Position | | |
| Net Investment in Capital Assets | 63,731,243 | 3,965,350 |
| Restricted for: | | |
| Emergencies | 7,064,860 | 408,388 |
| Nutrition Services | 2,356,196 | - |
| Debt Service | 23,623,015 | 1,287,195 |
| Unrestricted | <u>(179,617,410)</u> | <u>(7,239,078)</u> |
| Total Net Position | <u>\$ (82,842,096)</u> | <u>\$ (1,578,145)</u> |

See Notes to the Financial Statements.

Mesa County Valley School District No. 51
Statement of Activities
For the Year Ended June 30, 2023

| 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 Governmental Activities | Discretely Presented Component Unit |
| Primary Government | | | | | | |
| <i>Governmental Activities</i> | | | | | | |
| Instructional Services | \$ 165,846,932 | \$ 10,050 | \$ 21,637,058 | \$ - | \$ (144,199,824) | \$ (3,833,494) |
| Supporting Services | - | - | - | - | - | (5,654,658) |
| Pupil Services | 21,230,325 | 2,721,894 | 18,597,674 | - | 89,243 | - |
| Instructional Staff Services | 18,479,227 | - | 1,210,807 | - | (17,268,420) | - |
| General Administration Services | 11,576,309 | - | 28,489 | - | (11,547,820) | - |
| School Administration Services | 22,869,814 | - | 3,130,355 | - | (19,739,459) | - |
| Business Services | 534,673 | - | 1,150,030 | - | 615,357 | - |
| Operations and Maintenance | 26,475,105 | - | 34,406 | 3,585,429 | (22,855,270) | - |
| Transportation Services | 8,087,082 | - | 1,794,923 | - | (6,292,159) | - |
| Central Services | 11,866,506 | - | 110,089 | - | (11,756,417) | - |
| Nutrition Services | 10,378,445 | 2,170,906 | 6,495,882 | - | (1,711,657) | - |
| Community Services | 829,119 | - | - | 165,942 | (663,177) | - |
| Capital Outlay | 3,914,289 | - | - | - | (3,914,289) | - |
| Interest on Long-Term Debt | 8,294,980 | - | - | - | (8,294,980) | (859,180) |
| Total Primary Government | \$ 310,382,806 | \$ 4,902,850 | \$ 54,189,713 | \$ 3,751,371 | (247,538,872) | - |
| Component Units | \$ 4,004,048 | \$ 153,402 | \$ 345,797 | \$ - | - | (10,347,332) |
| General Revenues | | | | | | |
| Property Taxes Levied for: | | | | | | |
| Local Property Taxes | | | | | 63,286,350 | - |
| Mill Levy Override | | | | | 7,546,178 | 780,985 |
| Debt Service | | | | | 22,487,180 | - |
| Specific Ownership Taxes | | | | | 11,293,648 | - |
| State Equalization | | | | | 115,928,678 | 10,207,094 |
| Grants and Contributions not Restricted | | | | | | |
| to Specific Programs | | | | | 22,195,297 | - |
| Investment Income | | | | | 7,628,680 | 137,574 |
| (Loss) on disposal of capital assets | | | | | (1,860,371) | - |
| Other | | | | | 3,618,460 | 261,712 |
| Total General Revenues | | | | | 252,124,100 | 11,387,365 |
| Change in Net Position | | | | | 4,585,228 | 1,040,033 |
| Net Position, Beginning of year | | | | | (87,427,324) | (2,618,178) |
| Net Position, End of year | | | | | \$ (82,842,096) | \$ (1,578,145) |

Mesa County Valley School District No. 51

Balance Sheet Governmental Funds June 30, 2023

| | Special Revenue | | | |
|--|----------------------|---|-----------------------|------------------------------------|
| | General | Governmental Designated Purpose Grant | Nutrition Services | Bond Redemption Debt Service |
| Assets | | | | |
| Cash and Investments | \$ 60,471,774 | \$ 2,731,607 | \$ 837,644 | \$ - |
| Restricted Cash and Investments | - | - | - | 23,081,136 |
| Receivables: | | | | |
| Accounts Receivable | - | - | 1,140,657 | - |
| Intergovernmental | 187,964 | 9,817,990 | - | - |
| Taxes Receivable | 5,115,950 | - | - | 1,656,971 |
| Inventories | 317,620 | - | 693,128 | - |
| Total Assets | 66,093,308 | 12,549,597 | 2,671,429 | 24,738,107 |
| Liabilities | | | | |
| Accounts Payable | 5,780,597 | 679,349 | 10,677 | - |
| Due to Other Funds | | | | |
| Accrued Salaries and Benefits | 11,800,813 | 2,233,894 | 303,178 | - |
| Unearned Revenue | - | 9,636,354 | 1,378 | - |
| Total Liabilities | 17,581,410 | 12,549,597 | 315,233 | - |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 3,142,366 | - | - | 1,115,092 |
| Total Deferred Inflows of Resources | 3,142,366 | - | - | 1,115,092 |
| Fund Balances | | | | |
| Nonspendable: | | | | |
| Inventories | 317,620 | - | 693,128 | - |
| Restricted for: | | | | |
| Emergencies | - | - | - | - |
| Preschool | 808,744 | - | - | - |
| Debt Service | - | - | - | 23,623,015 |
| Nutrition Services | - | - | 1,663,068 | - |
| Capital Projects | - | - | - | - |
| Committed for: | | | | |
| Operating Reserve | 21,640,727 | - | - | - |
| Assigned to: | | | | |
| Capital Projects | - | - | - | - |
| Physical Activities | - | - | - | - |
| Beverage | - | - | - | - |
| Student Body Activities | - | - | - | - |
| Unassigned | 22,602,441 | - | - | - |
| Total Fund Balances | 45,369,532 | - | 2,356,196 | 23,623,015 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 66,093,308 | \$ 12,549,597 | \$ 2,671,429 | \$ 24,738,107 |

See Notes to the Financial Statements.

(Continued)

Mesa County Valley School District No. 51

Balance Sheet Governmental Funds June 30, 2023 (Continued)

| | Capital Projects | | Nonmajor Governmental | Total |
|--|----------------------|----------------------|--------------------------|-----------------------|
| | Building | Capital Projects | Funds | |
| Assets | | | | |
| Cash and Investments | \$ - | \$ 11,013,278 | \$ 3,405,913 | \$ 78,460,216 |
| Restricted Cash and Investments | 89,327,734 | 7,064,860 | - | 119,473,730 |
| Receivables: | | | | |
| Accounts Receivable | - | - | 3,019 | 1,143,676 |
| Grants Receivable | - | - | - | 10,005,954 |
| Taxes Receivable | - | - | - | 6,772,921 |
| Inventories | - | - | - | 1,010,748 |
| Total Assets | 89,327,734 | 18,078,138 | 3,408,932 | 216,867,245 |
| Liabilities | | | | |
| Accounts Payable | 7,159,141 | 138,699 | 10,530 | 13,778,993 |
| Accrued Salaries and Benefits | - | - | - | 14,337,885 |
| Unearned Revenue | - | - | - | 9,637,732 |
| Total Liabilities | 7,159,141 | 138,699 | 10,530 | 37,754,610 |
| Deferred Inflows of Resources | | | | |
| Property Taxes | - | - | - | 4,257,458 |
| Total Deferred Inflows of Resources | - | - | - | 4,257,458 |
| Fund Balances | | | | |
| Nonspendable: | | | | |
| Inventories | - | - | - | 1,010,748 |
| Restricted for: | | | | |
| Emergencies | - | 7,064,860 | - | 7,064,860 |
| Preschool | - | - | - | 808,744 |
| Debt Service | - | - | - | 23,623,015 |
| Nutrition Services | - | - | - | 1,663,068 |
| Capital Projects | 82,168,593 | - | - | 82,168,593 |
| Committed for: | | | | |
| Operating Reserve | - | - | - | 21,640,727 |
| Assigned to: | | | | |
| Capital Projects | - | 10,874,579 | - | 10,874,579 |
| Physical Activities | - | - | - | - |
| Beverage | - | - | 244,397 | 244,397 |
| Student Body Activities | - | - | 337,222 | 337,222 |
| Unassigned | - | - | 2,816,783 | 25,419,224 |
| Total Fund Balances | 82,168,593 | 17,939,439 | 3,398,402 | 174,855,177 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 89,327,734 | \$ 18,078,138 | \$ 3,408,932 | \$ 216,867,245 |

Mesa County Valley School District No. 51
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

| | |
|--|------------------------|
| Total Fund Balances of Governmental Funds | \$ 174,855,177 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. | |
| Cost of Capital Assets | 495,495,898 |
| Accumulated Depreciation | (141,204,400) |
| Long-term assets are not available to pay current year expenditures and, therefore, are not reported in governmental funds. | |
| Leases Receivable | 9,139,108 |
| Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes and grant revenue earned but not available as current financial resources. | |
| | 4,257,458 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | |
| Retainage Payable | (2,783,740) |
| Accrued Interest Payable | (1,038,135) |
| Accrued compensated absences | (2,186,904) |
| Bonds Payable | (234,235,000) |
| Premiums on Bonds Payable | (36,162,478) |
| Certificates of Participation | (14,910,000) |
| Premiums on Certificates of Participation | (202,883) |
| Leases Payable | (5,049,894) |
| Deferred Loss on Refunding of Bonds | 1,593,934 |
| Net pension liability | (329,482,198) |
| Pension-related deferred outflows of resources | 54,060,702 |
| Pension-related deferred inflows of resources | (53,145,166) |
| Net OPEB liability | (11,225,818) |
| OPEB-related deferred outflows of resources | 1,630,081 |
| OPEB-related deferred inflows of resources | (3,953,787) |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position. | |
| | <u>11,705,949</u> |
| Total Net Position of Governmental Activities | <u>\$ (82,842,096)</u> |

Mesa County Valley School District No. 51
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

| | General | Special Revenue | | Bond Redemption Debt Service |
|--|----------------------|---------------------------------------|---------------------|------------------------------|
| | | Governmental Designated Purpose Grant | Nutrition Services | |
| Revenues | | | | |
| Local Sources | \$ 88,738,246 | \$ 1,223,950 | \$ 2,214,060 | \$ 23,243,957 |
| State Sources | 136,918,423 | 8,700,699 | 154,178 | - |
| Federal Sources | 84,993 | 33,571,276 | 6,495,882 | - |
| Total Revenues | <u>225,741,662</u> | <u>43,495,925</u> | <u>8,864,120</u> | <u>23,243,957</u> |
| Expenditures | | | | |
| Current | | | | |
| Instructional Services | 127,206,787 | 17,497,048 | - | - |
| Instructional Support | 44,697,674 | 13,404,161 | - | - |
| Business Support | 34,715,082 | 5,086,647 | - | - |
| Community Services | 34,500 | 906,566 | - | - |
| Physical Activities | - | - | - | - |
| Nutrition Services | - | - | 9,287,746 | - |
| Student Body Activities | - | - | - | - |
| Capital Outlay | 2,739,142 | 6,601,503 | 869,645 | - |
| Debt Service | | | | |
| Principal | 1,114,450 | - | - | 9,650,000 |
| Interest and Fiscal Charges | 120,025 | - | - | 11,441,513 |
| Total Expenditures | <u>210,627,660</u> | <u>43,495,925</u> | <u>10,157,391</u> | <u>21,091,513</u> |
| Excess Revenues Over (Under) Expenditures | <u>15,114,002</u> | <u>-</u> | <u>(1,293,271)</u> | <u>2,152,444</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Issuance of Debt | - | - | - | - |
| Transfers In | - | - | 103,643 | - |
| Transfers Out | (5,779,613) | - | - | - |
| Total Other Financial Sources (Uses) | <u>(5,779,613)</u> | <u>-</u> | <u>103,643</u> | <u>-</u> |
| Net Change in Fund Balances | 9,334,389 | - | (1,189,628) | 2,152,444 |
| Fund Balances, Beginning of year | <u>36,035,143</u> | <u>-</u> | <u>3,545,824</u> | <u>21,470,571</u> |
| Fund Balances, End of year | <u>\$ 45,369,532</u> | <u>\$ -</u> | <u>\$ 2,356,196</u> | <u>\$ 23,623,015</u> |

(Continued)

Mesa County Valley School District No. 51
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023
(Continued)

| | Capital Projects | | Nonmajor | Total |
|--|------------------|---------------------|-----------------------|----------------|
| | Building | Capital Projects | Governmental Funds | |
| Revenues | | | | |
| Local Sources | \$ 4,395,808 | \$ 4,834,107 | \$ 5,649,777 | \$ 130,299,905 |
| State Sources | - | - | - | 145,773,300 |
| Federal Sources | - | - | - | 40,152,151 |
| | 4,395,808 | 4,834,107 | 5,649,777 | 316,225,356 |
| Expenditures | | | | |
| Current | | | | |
| Instructional Services | - | - | 38,009 | 144,741,844 |
| Instructional Support | - | - | 3,075 | 58,104,910 |
| Business Support | - | - | - | 39,801,729 |
| Community Services | - | - | - | 941,066 |
| Physical Activities | - | - | 926,498 | 926,498 |
| Nutrition Services | - | - | - | 9,287,746 |
| Student body Activities | - | - | 5,134,106 | 5,134,106 |
| Capital Outlay | 48,763,600 | 4,102,967 | 29,415 | 63,106,272 |
| Debt Service | | | | |
| Principal | - | 1,883,511 | - | 12,647,961 |
| Interest and Fiscal Charges | - | 581,703 | - | 12,143,241 |
| | 48,763,600 | 6,568,181 | 6,131,103 | 346,835,373 |
| Excess Revenues Over (Under) Expenditures | (44,367,792) | (1,734,074) | (481,326) | (30,610,017) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Issuance of Debt | - | 1,504,360 | - | 1,504,360 |
| Transfers In | - | 2,275,970 | 400,000 | 2,779,613 |
| Transfers Out | - | - | - | (5,779,613) |
| | - | 3,780,330 | 400,000 | (1,495,640) |
| Net Change in Fund Balances | (44,367,792) | 2,046,256 | (81,326) | (32,105,657) |
| Fund Balances, Beginning of year | 126,536,385 | 15,893,183 | 3,479,728 | 206,960,834 |
| Fund Balances, End of year | \$ 82,168,593 | \$ 17,939,439 | \$ 3,398,402 | \$ 174,855,177 |

Mesa County Valley School District No. 51
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

| | |
|--|-----------------|
| Net Change in Fund Balances of Governmental Funds | \$ (32,105,657) |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p> | |
| Depreciation expense | (12,319,004) |
| Capital outlay | 51,649,658 |
| Loss on Disposal of Assets | (1,860,371) |
| <p>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.</p> | |
| | 190,448 |
| <p>The repayment of long-term leases receivable is reported as revenue in governmental funds, but the repayment reduces other noncurrent assets in the statement of net position and does not affect the statement of activities.</p> | |
| Principal Payments on Leases Receivable | (387,479) |
| <p>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:</p> | |
| Retainage Payable | (2,427,877) |
| Accrued Interest Payable | 16,738 |
| Amortization of Deferred Loss on Refunding | (1,001,475) |
| Proceeds from Issuance of Debt | (1,804,795) |
| Payments on Bonds Payable | 9,650,000 |
| Amortization of Premiums on Bonds Payable | 5,027,173 |
| Payments on Certificates of Participation | 660,000 |
| Amortization of Premiums on Certificates of Participation | 66,461 |
| Payments on Leases | 2,261,599 |
| Net pension liability | (87,575,353) |
| Pension-related deferred outflows of resources | 4,148,178 |
| Pension-related deferred inflows of resources | 65,594,040 |
| Net OPEB liability | 477,716 |
| OPEB-related deferred outflows of resources | 532,289 |
| OPEB-related deferred inflows of resources | 750,752 |
| <p>An internal service fund is used by management to charge the costs of insurance to individual funds. The activities of the internal service fund are reported with governmental activities in the statement of activities.</p> | |
| | 3,042,187 |
| Change in Net Position | \$ 4,585,228 |

Mesa County Valley School District No. 51
Statement of Net Position
Internal Service Funds
June 30, 2023

| | Governmental Activities |
|-------------------------------|----------------------------|
| | Internal Service |
| Assets | |
| <i>Current Assets</i> | |
| Cash and Investments | \$ 14,938,300 |
| Accounts Receivable | 216,811 |
| | 15,155,111 |
| Total Assets | |
| Liabilities | |
| Accounts Payable | 159,097 |
| Claims Payable | 500,000 |
| Accrued Salaries and Benefits | 45,371 |
| <i>Noncurrent Liabilities</i> | |
| Claims Payable | 2,704,851 |
| Compensated Absences | 39,843 |
| | 3,449,162 |
| Total Liabilities | |
| Net Position | |
| Unrestricted | 11,705,949 |
| | 11,705,949 |
| Total Net Position | \$ 15,155,111 |

Mesa County Valley School District No. 51
Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

| | Governmental Activities |
|--|----------------------------|
| | Internal Service |
| Operating Revenues | |
| Premiums and Copays for Employees | \$ 24,648,285 |
| Other Professional Services | 202,509 |
| Total Operating Revenues | 24,850,794 |
| Operating Expenses | |
| Workers' Compensation | 1,450,530 |
| Insurance Premiums | 870,663 |
| Losses or Claims | 21,108,457 |
| Other Operating Expenses | 1,714,813 |
| Total Operating Expenses | 25,144,463 |
| Operating Income (Loss) | (293,669) |
| Nonoperating Revenues | |
| Investment Income | 335,856 |
| Transfers In (Out) | 3,000,000 |
| Changes in Net Position | 3,042,187 |
| Net Position, Beginning of year | 8,663,762 |
| Net Position, End of year | \$ 11,705,949 |

Mesa County Valley School District No. 51
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

| | Governmental Activities |
|---|-----------------------------|
| | Internal Service |
| Cash Flows From Operating Activities | |
| Cash Received from Customers and Users | \$ 24,837,555 |
| Cash Paid to Suppliers | (23,981,362) |
| Cash Paid to Employees | <u>(842,772)</u> |
| Net Cash Provided by Operating Activities | <u>13,421</u> |
| Cash Flows From Noncapital Financing Activities | |
| Transfers from Other Funds | <u>3,000,000</u> |
| Cash Flows From Investing Activities | |
| Investment Income Received | <u>335,856</u> |
| Net Increase (Decrease) in Cash Flows | 3,349,277 |
| Cash and Cash Equivalents, <i>Beginning of year</i> | <u>11,589,023</u> |
| Cash and Cash Equivalents, <i>End of year</i> | <u><u>\$ 14,938,300</u></u> |
| Reconciliation of Change in Net Position to Net Cash Used by Operating Activities | |
| Operating Income (Loss) | \$ (293,669) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | |
| Change In: | |
| Accounts Receivable | (13,239) |
| Accounts Payable | (477,611) |
| Accrued Salaries and Benefits | 789,283 |
| Claims Payable | 6,104 |
| Compensated Absences | <u>2,553</u> |
| Net Cash Provided by Operating Activities | <u><u>\$ 13,421</u></u> |

**NOTES TO THE
FINANCIAL STATEMENTS**

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Mesa County Valley School District No. 51 (the District) conform to generally accepted accounting principles as 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.

A. 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.

The District is governed by a five-member Board of Education (Board) and is organized and operates in accordance with Colorado Statutes. Board of Education members are elected by the citizens of Mesa County, Colorado, not appointed by any other governing body. The Board selects the superintendent of schools. The Board is solely responsible for the District's budget adoption process. The District independently issues debt for short and long-term financing. The District meets the criteria of a primary government: its Board is the publicly elected governing body; it is a legally separate entity, and is fiscally independent. The District is not included in any other governmental reporting entity.

The Legislature of the State of Colorado enacted the *Charter School Act - Colorado Revised Statutes (CRS) Section 22030.3-101* in 1993. This act permits the District to contract with individuals and organizations to operate schools within the District. The statutes define these contracted schools as *Charter Schools*. Charter Schools are financed from a portion of the District's School Finance Act revenues and revenues generated by the Charter Schools with limits established by the Act. Charter Schools have a separate governing boards; however, the District's Board of Education must approve all charter school applications and budgets. There are three charter schools in the District: Independent Academy Charter School (IACS), Juniper Ridge Community School (JRCS), and Mesa Valley Community School (MVCS). The Charter Schools are discretely presented component units because the District is accountable for their financial reporting.

Complete financial statements for each school are available at their administrative offices:

Independent Academy
Charter School
675 29 Road
Grand Junction, CO 81504
Phone: 970-254-6850

Juniper Ridge
Community School
615 Community Lane
Grand Junction, CO 81506
Phone: 970-986-8219

Mesa Valley
Community School
609 25 Road
Grand Junction, CO 81505
Phone: 970-254-7202

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

B. 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 and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component units* for which the District is financially accountable.

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, proprietary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

(Continued)

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period and within 120 days of the end the current fiscal period for grants. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, interest and expended grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

The **Governmental Designated Purpose Grants Special Revenue Fund** - accounts for revenue and expenditures of the funds as prescribed by various federal, state and local grantors as awarded to the District.

The **Nutrition Services Special Revenue Fund** - accounts for revenue and expenditures of nutrition services related funds as prescribed by various federal, state, and local grantors as awarded to the District.

The **Capital Projects - Building Fund** - accounts for revenues and expenditures for acquisition of capital sites, buildings and equipment.

The **Capital Projects - Capital Projects Fund** - accounts for revenues allocated to fund ongoing capital needs, such as site acquisition, building additions and renovations, and equipment purchases.

The **Bond Redemption Fund** - accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

(Continued)

Additionally, the District reports the following fund types:

The **Internal Service Funds** - accounts for insurance provided to other departments or employees of the District on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Generally, this means that direct expenses for employee benefits are not eliminated from the various functional categories, whereas indirect expenses have been eliminated. Interfund activity is not eliminated in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants 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 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.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

(Continued)

The only propriety funds at the District are the Internal Service Funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

D. Assets, Liabilities and Fund Balance/Net Position

Cash and Investments - The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and the District to invest in obligations of the US Treasury, obligations unconditionally guaranteed by US agencies, certain international agency securities, certain types of bonds of US local government entities, bankers' acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and guaranteed investment contracts.

Investments for the District are reported at fair value.

Interfund Receivables and Payables - Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments.

Inventories - Inventories of expendable supplies and materials are valued at cost using the weighted average basis. Inventory items are charged to expenditures when they are consumed. United States Department of Agriculture commodity inventories are valued using Federal guidelines.

Capital Assets - Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements and the proprietary fund in the fund 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.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Fund Balance/Net Position (Continued)

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

| | |
|---|---------------|
| Buildings | 75 years |
| Modular buildings and improvements | 25 years |
| Building improvements | 20 years |
| Land improvements and infrastructure | 15 years |
| Grounds and shop equipment | 12 years |
| Instructional equipment and phone systems | 10 years |
| Vehicles and trailers | 7 years |
| Office equipment and software | 5 years |
| Computers and servers | 4 years |
| Leased equipment | Leasing terms |

Deferred Outflows of Resources - Deferred Outflows of resources represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting as Deferred Outflows of Resources. The first is the deferred charge on long-term debt refunding reporting in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two are the deferred outflow of resources related to cost-sharing, multiple employer defined benefit pension and OPEB plans that the District is affiliated with in the Public Employees' Retirement Association (PERA).

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.

Deferred Inflows of Resources - Deferred inflows of resources represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports as deferred inflows of resources in the governmental funds property taxes earned but not available as current financial resources. These property taxes are recognized as revenues in the period when received, generally within the subsequent fiscal year. The District also reports deferred inflow of resources related to the cost-sharing, multiple employer defined benefit pension and OPEB plans that they are affiliated with the Public Employees' Retirement Association (PERA).

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Fund Balance/Net Position (Continued)

Compensated Absences - The District's policy is to permit twelve-month employees to accumulate a limited amount of earned but unused vacation, which will be taken after June 30, 2023 or paid upon separation from District service. All employees will be compensated for unused accumulated leave based upon various formulas, depending upon the employee's position.

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements. There were no such matured compensated absences as of June 30, 2023.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund 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 straight-line 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.

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Fund Balance/Net Position (Continued)

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.

- Nonspendable - Nonspendable fund balance represents assets that will never be converted to cash. They are not spendable in form or legally or contractually required to be maintained intact.
- Restricted - Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions.
- Committed - Committed fund balance is the portion that is limited in use by the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education.
- Assigned - Assigned fund balances represent resources intended for a certain use by the District that do not meet the criteria to be classified as restricted or committed. Only the Board of Education assigns amounts for specific purposes.
- Unassigned - Unassigned fund balance for the general fund represents the net resource balance in excess of the prior classifications.

Effective June 30, 2021, the District Board of Education designated an operating fund balance of 10% in the General Fund if it is available and supported by the Student count as of October 2021. The designated fund shall be established in the amount of 10% of annual expenditures and transfers. For 2023, the District Board of Education committed \$21,640,734 as an emergency reserve in addition to the TABOR reserve.

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

Property Taxes - The District's property taxes, certified by the Board of Education by December 15th and levied on assessed valuations by the Mesa County Commissioners by December 22nd, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 16th of the year in which it is payable. The taxes are payable under two methods. First, in full on or before April 30th. Second, one-half on or before February 28th and the remaining one-half on or before June 15th. The Mesa County Treasurer collects all property taxes. The District portion of property taxes collected are received by the 10th of the month following the month of collection, except for the months of March, May and June, when two payments are received.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Fund Balance/Net Position (Continued)

On-behalf payments - In 2018, the Colorado General Assembly passed Senate Bill 18-200 which was intended to help reduce the Public Employee's Retirement Association's (PERA) unfunded actuarial accrued liability in several of its trust funds. One of the provisions of the bill directed the state of Colorado (the state) to give an annual direct distribution to PEA in the amount of \$225 million beginning in July 2018. This annual payment is to be allocated to the State, School, Judicial, and DPS Division Trust Funds within Colorado PERA based on annual covered payroll. Under GASB Statement No. 85, the on-half payment must also be recognized within the current financial resource's measurement focus and modified accrual basis of accounting statements (for fund accounting purposes). The District is required to recognized an expenditure and equal revenue for the District's proportionate share of the on-behalf payment made by the State, which was \$3,048,492 for FY2022.

Right-to-use Lease Asset - In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 - Leases (GASB 87). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and reporting for leases by governments. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Debt Defeasance - In July 2012, the District issued bonds of \$7,560,000 for the purpose of refunding the long-term portion of the 2004A Series Bonds. The proceeds of the 2012 Series Bonds were placed in an irrevocable trust to provide the future debt service payments on the defeased bonds. The trust account assets and the liabilities for the defeased bonds are not included in the District's basic financial statements. At June 30, 2023, he defeased debt and outstanding principal was \$345,000.

In September 2011, the District issued bonds of \$76,575,000 for the purpose of refunding the long-term portion of the 2004A Series Bonds. The proceeds of the 2011 Series Bonds were placed in an irrevocable trust to provide the future debt service payments on the defeased bonds. The trust account assets and the liabilities for the defeased bonds are not included in the district's basic financial statements. At June 30, 2023, the defeased debt and outstanding principal was \$20,350,000.

E. Subsequent Events

The District has evaluated subsequent events through December 22, 2023, the date the financial statements were available to be issued.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for all funds on a basis consistent with GAAP, with two exceptions. 1) Proceeds and subsequent payment to bond escrow agents of any bond refinancing transaction are not budgeted in the Bond Redemption Debt Service fund, as applicable. 2) The Nutrition Services Special Revenue Fund budget differs from GAAP in that revenue and expenditures for commodities received from the US Department of Agriculture are not budgeted, as they are non-cash items.

In June, the Board of Education adopts the budget for the following fiscal year. In accordance with Colorado statutes, the Board makes final changes, if any, when it "readopts" the budget on or before January 31. The Board may further amend or adopt supplemental budgets during the budget year.

Budgetary Level of Expenditures

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Education. At year-end, all appropriations lapse in accordance with Colorado statutes.

Encumbrance accounting is utilized in the governmental funds and proprietary funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. At June 30, 2023, the District had outstanding encumbrances of \$2,299,249 in combined General Fund, \$143,697 in Governmental Designated Purpose Grants Special Revenue Fund, \$186,604 in Nutrition Services Special Revenue Fund, \$111,702 in Capital Projects Building fund, and \$1,642,029 in Capital Projects - Capital Projects Fund.

The Capital Projects Capital Projects Fund expenditures are made pursuant to an annual resolution adopted by the Board of Education. Appropriations for capital expenditures are carried forward until such time as the project is completed or terminated. At year end, appropriations for any incomplete projects will be carried into the next year and added to the new year budget. This procedure allows for accurate presentation of budget to actual expenditures.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 2: Stewardship, Compliance and Accountability (Continued)

Budgetary Level of Expenditures (Continued)

Appropriations for the Governmental Designated Purpose Grants Special Revenue Fund are made by the Board of Education as new grants are approved during the year. Many of the grants have fiscal year ends that differ from the District. In these circumstances, appropriations for these grants are carried into the next fiscal year and added to the new fiscal year's budget. This allows for accurate presentation of budget to actual expenditures.

Proprietary Fund Appropriations

The schedule below is presented to demonstrate compliance with School District Budget Law.

| | <u>Appropriations</u> | <u>Actual</u> | <u>Variance Favorable_ (Unfavorable)</u> |
|-------------------------|-----------------------|---------------|--|
| Internal Service Funds: | | | |
| Insurance Reserve | \$ 8,858,286 | \$ 4,007,989 | \$ 4,850,297 |
| Dental Insurance | 1,756,102 | 1,137,746 | 618,356 |
| Medical Insurance | 27,060,458 | 19,998,728 | 7,061,738 |

Note 3: Cash and Investments

At June 30, 2023, the District had the following cash and investments:

| | |
|--------------|-----------------------|
| Cash on Hand | \$ 8,488 |
| Deposits | 42,909,154 |
| Investments | <u>169,962,884</u> |
| Total | <u>\$ 212,880,526</u> |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 3: 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 fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the District had bank deposits of \$42,659,154 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

Fair Value Measurements - At June 30, 2023, the District's investments in Colotrust, CSAFE and a money market fund are 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 certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

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.

Mesa County Valley School District No. 51
Notes to Financial Statements
June 30, 2023

Note 3: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2023, the District had \$68,851,857 and \$64,074,332 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Trust Fund (CSAFE), respectively. The pools are investment vehicles 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 the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools 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.

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized below.

| | <u>Balance</u> <u>06/30/22</u> | <u>Additions</u> | <u>Transfers</u> | <u>Deletions</u> | <u>Balance</u> <u>06/30/23</u> |
|---|-----------------------------------|----------------------|------------------|-----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| <i>Capital Assets, Not Being Depreciated</i> | | | | | |
| Land | \$ 14,967,114 | \$ - | \$ - | \$ - | \$ 14,967,114 |
| Construction in Progress | 9,027,873 | 47,426,176 | - | - | 56,454,049 |
| Total Capital Assets, <i>Not Being Depreciated</i> | <u>23,994,987</u> | <u>47,426,176</u> | <u>-</u> | <u>-</u> | <u>71,421,163</u> |
| <i>Capital Assets, Being Depreciated</i> | | | | | |
| Buildings and building improvements | 382,940,102 | - | (9,506,583) | (2,355,366) | 371,078,153 |
| Land improvements | 13,608,260 | - | - | (81,198) | 13,527,062 |
| Equipment | 21,105,369 | 2,418,687 | 9,506,583 | (8,334,825) | 24,695,814 |
| Right-to-use lease buildings | 1,162,295 | - | - | - | 1,162,295 |
| Right-to-use lease equipment | 14,597,849 | 1,302,797 | - | (2,791,233) | 13,109,413 |
| Subscription-based Agreements | - | 501,998 | - | - | 501,998 |
| Total Capital Assets, <i>Being Depreciated</i> | <u>433,413,875</u> | <u>4,223,482</u> | <u>-</u> | <u>(13,562,622)</u> | <u>424,074,735</u> |
| <i>Less Accumulated Depreciation</i> | | | | | |
| Buildings and building improvements | (109,114,827) | (7,580,201) | 6,065,884 | 1,690,287 | (108,938,857) |
| Land improvements | (10,651,588) | (335,256) | - | 81,198 | (10,905,646) |
| Equipment | (12,602,443) | (2,708,007) | (6,065,884) | 8,185,888 | (13,190,446) |
| Right-to-use lease buildings | - | (319,503) | - | - | (319,503) |
| Right-to-use lease equipment | (8,218,789) | (1,376,037) | - | 1,744,878 | (7,849,948) |
| Subscription-based Agreements | - | - | - | - | - |
| Total Accumulated Depreciation | <u>(140,587,647)</u> | <u>(12,319,004)</u> | <u>-</u> | <u>11,702,251</u> | <u>(141,204,400)</u> |
| Total Capital Assets, <i>Being Depreciated, net</i> | <u>292,826,228</u> | <u>(8,095,522)</u> | <u>-</u> | <u>(1,860,371)</u> | <u>282,870,335</u> |
| Governmental Activities Capital Assets, <i>net</i> | <u>\$ 316,821,215</u> | <u>\$ 39,330,654</u> | <u>-</u> | <u>\$ (1,860,371)</u> | <u>\$ 354,291,498</u> |

Mesa County Valley School District No. 51
Notes to Financial Statements
June 30, 2023

Note 4: Capital Assets (Continued)

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

| | | |
|--|--------|-----------------------|
| Instructional services | \$ | 9,265,794 |
| Pupil services | | 25,108 |
| Instructional staff services | | 19,566 |
| General administration services | | 2,900 |
| School administration services | | 296,423 |
| Business services | | 36,990 |
| Maintenance and capital asset services | | 161,998 |
| Transportation services | | 160,350 |
| Central services | | 2,204,860 |
| Nutrition services | | 145,015 |
| Total depreciation expense - governmental activities | \$ | <u>12,319,004</u> |

Construction Commitments

The District has active construction projects as of June 30, 2023, which is the new building of the Grand Junction High School. The project includes renovations, a new school building and site improvements. At the end of the year, commitments with contractors on all projects are too numerous to list. All accumulated resources for capital projects are reserved for construction commitments. A list of significant commitments as of June 30, 2023, are as follows:

| <u>Project Name</u> | <u>Spent-to-date</u> | <u>Remaining Commitment</u> |
|----------------------------|----------------------|---------------------------------|
| Grand Junction High School | \$ 67,591,505 | \$ 61,980,150 |

Mesa County Valley School District No. 51
Notes to Financial Statements
June 30, 2023

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2023:

| | Balance 06/30/22 | Additions | Payments | Balance 06/30/23 | Due Within One Year |
|-------------------------------|-----------------------------|----------------------|------------------------|-----------------------------|--------------------------------|
| General Obligation Bonds | | | | | |
| 2011 Refunding Bonds | \$ 30,000,000 | \$ - | \$ (9,650,000) | \$ 20,350,000 | \$ 10,000,000 |
| - Bond Premium | 2,044,306 | - | (984,295) | 1,060,011 | - |
| 2012 Refunding Bonds | 345,000 | - | - | 345,000 | 100,000 |
| - Bond Premium | 67,476 | - | (35,333) | 32,143 | - |
| 2018 General Obligation Bonds | 118,500,000 | - | - | 118,500,000 | - |
| - Bond Premium | 19,067,457 | - | (2,927,361) | 16,140,096 | - |
| 2022 General Obligation Bonds | 95,040,000 | - | - | 95,040,000 | - |
| - Bond Premium | 20,010,412 | - | (1,080,184) | 18,930,228 | - |
| Certificates of Participation | | | | | |
| 2018 COP (MV) | 2,425,000 | - | (95,000) | 2,330,000 | 100,000 |
| - COP Premium | 109,713 | - | (27,072) | 82,641 | - |
| 2018 COP (JR) | 7,060,000 | - | (190,000) | 6,870,000 | 200,000 |
| - COP Premium | 159,631 | - | (39,389) | 120,242 | - |
| 2020 Refunding of 2015 COP | 6,085,000 | - | (375,000) | 5,710,000 | 380,000 |
| Finance Purchase Leases | 153,837 | - | (72,672) | 81,165 | 74,795 |
| Right-to-use leases | 5,352,861 | 1,302,797 | (2,073,986) | 4,581,672 | 2,062,193 |
| Subscription-based Agreements | - | 501,998 | (114,941) | 387,057 | 115,871 |
| Claims Payable | 2,415,568 | 22,903,523 | (22,114,240) | 3,204,851 | 500,000 |
| Compensated Absences | 2,328,157 | 1,722,255 | (1,600,000) | 2,450,412 | 68,743 |
| Total | <u>\$ 311,164,418</u> | <u>\$ 26,430,573</u> | <u>\$ (41,379,473)</u> | <u>\$ 296,215,518</u> | <u>\$ 13,601,602</u> |

Internal service funds serve the governmental funds, accordingly, liabilities for them are included as \$3,204,851 of claims payable. Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

General Obligation Bonds

In January 2022, the District issued a \$15 million General Obligation Bonds, series 2022, to construct the new Grand Junction High school building. The bond's par value was \$95,040,000, and the premium was \$20,523,499. The series 2022 bond is dated January 26, 2022 and bears interest payable semi-annually on June 1 and December 1. Interest ranges from 4.0% to 5.0%, depending on maturity date. The bonds mature on December 1, 2041.

In January 2018, the District issued \$118,500,000 of General Obligation Bonds, series 2018 for priority 1 maintenance projects. The Series 2018 bond is dated February 13, 2018 and bears interest payable semi-annually on June 1 and December 1. Interest ranges from 5.0% to 5.5%, depending on maturity date. The bonds mature on June 1, 2018 through December 1, 2037 and are not subject to redemption prior to their respective maturities.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 5: Long-Term Debt (Continued)

General Obligation Bonds (Continued)

In July 2012, the District issued \$7,560,000 of General Obligation Refunding Bonds, Series 2012 to partially advance refund the Series 2004A General Obligation Bonds. The 2012 refunding bonds are dated July 25, 2012 and bear interest payable semi-annually on June 1 and December 1. Interest ranges from 2.0% to 4.0%, depending on maturity date. The bonds mature on December 1, 2024 and are not subject to redemption prior to their maturity.

In September 2011, the District issued \$76,575,000 of General Obligation Refunding Bonds, Series 2011 to advance refund \$76,710,000 of the General Obligation Bonds, Series 2004A. The Series 2011 issue is dated September 21, 2011 and bears interest payable semi-annually on June 1 and December 1. Interest ranges from 2.0% to 5.0%, depending on maturity date. The bonds mature on December 1, 2012 through December 1, 2024 and are not subject to redemption prior to their respective maturities.

Debt service for the 2011, 2012, 2018 and 2022 series bonds is accounted for in the Bond Redemption fund. The bond registrar and paying agent is Wells Fargo Bank, N.A., Denver, Colorado, for the 2011 and 2012 bonds, and UMB Bank for the 2018 and 2022 series.

The District participates in the Colorado State Treasurer intercept program, in which the State of Colorado guarantees payment of principal and interest if the District defaults as such payments come due. As a condition of participation in the program, the Mesa County Treasurer is assigned to act as the third-party trustee of the cash and investments in the Bond Redemption Debt Service Fund.

Debt service requirements to maturity for the general obligation bonds are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|----------------------------|-----------------------|--------------------|--------------------|----------------------|
| 2024 | \$ 10,100,000 | \$ 10,949,012 | \$ 21,049,012 | 2.50 - 5.50% |
| 2025 | 10,595,000 | 10,435,950 | 21,030,950 | 2.50 - 5.50% |
| 2026 | 8,255,000 | 9,967,763 | 18,222,763 | 5.00% |
| 2027 | 8,670,000 | 9,544,638 | 18,214,638 | 5.00% |
| 2028 | 9,105,000 | 9,100,262 | 18,205,262 | 5.00% |
| 2029 - 2033 | 52,805,000 | 38,008,344 | 90,813,344 | 5.00% |
| 2034 - 2038 | 67,805,000 | 22,577,437 | 90,382,437 | 5.35 - 5.50% |
| 2039 - 2042 | 66,900,000 | 5,483,000 | 72,383,000 | 5.50% |
| Total | <u>\$ 234,235,000</u> | <u>116,066,406</u> | <u>350,301,406</u> | |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 5: Long-Term Debt (Continued)

Certificates of Participation

In October 2020, the District issued \$6,085,000 of Certificate of Participation, Series 2020 to advance refund the Series 2015 Certificate of Participation. Principal payments are due on December 1st and the interest is due on December 1 and June 1. The interest rate is 2.29%. The gain on refunding of the COP was \$191,298 which is amortized over the term of the COP, and the net present value of savings realized as a result of the refunding was \$649,279.

On September 15, 2015, the District issued \$7,355,000 in Certificates of Participation for construction of an alternative secondary school building that replaced existing sites. The Certificates were issued with an interest rate ranging from 2.00% to 4.25% with Nisley Elementary School acting as collateral for the Certificates.

In 2019, the District issued two Certificates of Participation to construct and purchase buildings for Juniper Ridge Charter School and Mesa Valley Community Charter School. The Certificates were issued with an interest rate ranging from 4.00% to 5.50% with R5 High School acting as collateral for the Certificates. The first call date for the Certificates is on December 1, 2028 and the initial principal plus interest payment was due December 1, 2019. Because the debt is held and being paid by the District, the District collects monthly payments from the Charter Schools and holds the funds in an escrow account to pay the debt as it comes due. The principal and interest payments for 2024 is \$497,900 for Juniper Ridge Charter School and \$204,800 for Mesa Valley Community Charter School.

Principal and interest payments due on the outstanding leases are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|----------------------------|----------------------|------------------|-------------------|----------------------|
| 2024 | \$ 680,000 | \$ 529,108 | \$ 1,209,108 | 2.50 - 5.50% |
| 2025 | 705,000 | 504,916 | 1,209,916 | 2.50 - 5.50% |
| 2026 | 730,000 | 479,746 | 1,209,746 | 5.00% |
| 2027 | 755,000 | 453,597 | 1,208,597 | 5.00% |
| 2028 | 780,000 | 426,468 | 1,206,468 | 5.00% |
| 2029 - 2033 | 4,330,000 | 1,686,460 | 6,016,460 | 5.00% |
| 2034 - 2038 | 4,105,000 | 890,652 | 4,995,652 | 5.35 - 5.50% |
| 2039 - 2043 | 2,345,000 | 321,500 | 2,666,500 | 5.50% |
| 2044 | 480,000 | 9,600 | 489,600 | 5.50% |
| Total | <u>\$ 14,910,000</u> | <u>5,302,047</u> | <u>20,212,047</u> | |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 5: Long-Term Debt (Continued)

Lease Obligations

During 2023, the District entered into right-to-use lease and subscription-based Information Technology Agreements (SBITA) for computer equipment and software with a value of \$1,302,797 and \$501,998, respectively. Payments began at various times during 2023 and the final payments are in 2026. The annual explicit interest rate in these agreements were 2.71%.

In January 2022, the District entered into two buildings leases. The first is the Compass Building lease which is a 3-year lease with a present value of \$714,716. The interest rate to determine fair value is 1.3% and is based on the Applicable Federal Rate (AFR) as published by the IRS for the period of the inception of the lease. The building is being used as temporary office space for the administration staff. The second lease is with Colorado Mesa University and has a net present value of \$100,431. This is a 4-year lease and the interest rate is 1.3%, which is based on the AFR at the inception of the lease. This lease is being used for the District's Expulsion program.

In July 2021, the District entered into a 3-year building lease with an interest rate of 1.3% based on AFR at the inception of the lease, and a present value of \$347,148.

In 2022, the District entered into 3 equipment leases. The first lease was a 4-year lease with Dell with an interest rate of 0.86% and a present value of \$1,794,568. The remaining lease has a present value of \$122,809. Interest rates are based on the AFR. The second lease was the district-wide printer lease, a 4-year lease with All Copy with an interest rate of 1.0% and present value of \$85,343. The third lease was the print shop printer lease, a 3-year lease with an interest rate of 1.0% with a present value of \$37,466. All interest rates are based on the AFR.

In May 2020, the District renewed Dell leases in the amount of \$362,932 for Chromebooks. Payments on the leases began August 2020. In August 2020, the District revised this agreement, adding an amount of \$29,265 more computers to the original contract. The annual implicit interest rate in the contract was 4.23%.

In April 2020, the District entered into a new lease agreement of \$363,660 to lease buses. Payments are biannual starting October 2020. The annual explicit interest rate in the contract was 2.90%.

In May 2019, the District renewed Dell leases agreement in the amount of \$1,397,045 for Chromebooks. Payments on the leases began August 2019. The annual implicit interest rate in the contract was 5.06%.

During 2009 and 2011, the District entered into a lease for energy improvements with a capitalized value of \$9,506,583. Payments on the lease began in August 2011. The final lease payments are due in May 2027. The annual explicit interest rate in the contract was 3.55%.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 5: Long-Term Debt (Continued)

Lease Obligations (Continued)

The present value of future minimum lease payments is shown as a liability and related assets are capitalized in the basic financial statements. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|---------------------|-------------------|---------------------|
| 2024 | \$ 2,062,184 | \$ 108,253 | \$ 2,170,437 |
| 2025 | 1,674,540 | 53,605 | 1,728,145 |
| 2026 | 762,843 | 15,105 | 777,948 |
| 2027 | 82,105 | 312 | 82,417 |
| Total | <u>\$ 4,581,672</u> | <u>\$ 177,275</u> | <u>\$ 4,758,947</u> |

The present value of future minimum payments under subscription-based agreements is shown as a liability and the related right-to-use are capitalized in the basic financial statements. The future minimum obligations under the subscription-based agreements and the net present value of these minimum payments as of June 30, 2023, were as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-------------------|------------------|-------------------|
| 2024 | \$ 115,871 | \$ 10,489 | \$ 126,360 |
| 2025 | 122,378 | 7,349 | 129,727 |
| 2026 | 104,881 | 4,033 | 108,914 |
| 2027 | 43,927 | 1,190 | 45,117 |
| Total | <u>\$ 387,057</u> | <u>\$ 23,061</u> | <u>\$ 410,118</u> |

Note 6: Interfund Transactions

Interfund transfers during fiscal year 2023 were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|-----------------------|
| Physical Activities Special Revenue Fund | \$ 400,000 | \$ - |
| Capital Projects Fund | 2,275,970 | - |
| Nutrition Services Special Revenue Fund | 103,643 | - |
| Internal Service Funds | 3,000,000 | - |
| General Fund | - | (5,779,613) |
| Total Transfers | <u>\$ 5,779,613</u> | <u>\$ (5,779,613)</u> |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 6: Interfund Transactions (Continued)

The \$400,000 transfer from the General Fund to the Physical Activities Special Revenue Fund was made to fund costs in excess of revenues for sports programs of the District.

The \$2,275,970 transfer from the General Fund to the Capital Projects - Capital Projects Fund was made to fund capital projects and building maintenance.

The \$103,643 transfer from the General Fund to the Nutrition Service Fund was made to subsidize the cost of additional student contact days added in the 2017 Mill Levy Override.

The \$3,000,000 transfer from the General Fund to the Internal Service Funds consists of \$1,500,000 transfer to the Insurance Reserve and \$1,500,000 transfer to the Medical Insurance funds and were made to fund risk management services for the District.

Note 7: Risk Management

The District has established an Insurance Reserve Internal Service Fund to account for insuring against loss or damage to property; payment of premiums on loss insurances; and payment of judgements, administrative and legal claims.

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation as a member of Colorado School District Self-Insurance Pool (the Pool), which operations as a risk-sharing public entity risk pool comprised of various school districts and other related public educational entities within the State of Colorado. The Pool provides the District with general, property and vehicle liability insurance. For the year ended June 30, 2023, the District paid \$870,663 in premiums to the Pool. In the event of the impairment or insolvency of the Pool, the District may be assessed such amounts as may be necessary to ensure the solvency of the Pool. The likelihood of an event of this type occurring is remote.

Commercial insurance companies are used to provide coverage for life insurance and other insurance programs maintained by the District. For each of the past three years, no settlements have exceeded the amount of insurance coverage. The District self-insurance for vehicle comprehensive and collision coverage and worker's compensation coverage. Health, vision and life employee benefit insurances are not included in this fund and such premiums are recorded as employee benefits in the same funds as the salary expenditures.

The District had established a self-insured employee benefit dental insurance plan in 2002. In January 2004, the District established a self-insured employee medical insurance plan. Premiums paid by employees and District contributions are remitted to the Medical Insurance Internal Service Fund and the Dental Insurance Internal Service Fund by the fund that pays the salary expenditure. Payments of medical and dental claims and administrative costs are an expense of the internal service funds and these transactions are accounted for in the respective internal service funds.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 7: Risk Management (Continued)

Claims liabilities of \$1,398,429 in the Insurance Reserve Internal Service Fund, \$1,737,240 in the Medical Insurance Internal Service Fund and \$69,182 in the Dental Insurance Internal Service Fund were recorded at June 30, 2023 for the District's share of estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

Changes in claims liability amounts were as follows:

| | <u>7/1</u> <u>Claim Payable</u> | <u>Claims</u> <u>changes/est.</u> | <u>Claims</u> <u>Payment</u> | <u>6/30</u> <u>Claim Payable</u> |
|-------------------|------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|
| Dental | | | | |
| 2022 | 72,210 | 1,176,537 | (1,177,999) | 70,748 |
| 2023 | 70,748 | 1,136,181 | (1,137,747) | 69,182 |
| Medical | | | | |
| 2022 | 1,337,702 | 20,656,975 | (20,442,543) | 1,552,134 |
| 2023 | 1,552,134 | 20,155,817 | (19,970,711) | 1,737,240 |
| Insurance Reserve | | | | |
| 2022 | 813,254 | 830,861 | (851,429) | 792,686 |
| 2023 | 792,686 | 1,611,525 | (1,005,782) | 1,398,429 |

Note 8: Defined Benefit Pension Plan

General Information

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

Benefits provided as of June 30, 2023 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

Contributions provisions as of June 30, 2023 - Eligible employees, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2022 through June 30, 2023. The District's contribution rate was 21.40% of covered salaries for July 01, 2022 through June 30, 2023. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 9). Contribution rates for the SCHDTF are expressed as a percentage of salary defined in C.R.S. § 24-51-101(42).

| | July 1 2022 Through June 30, 203 |
|---|--|
| Employer contribution rate | 11.40% |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S Section 24-51-208(1)(f) | (1.02)% |
| Amount apportioned to the SCHDTF | 10.38% |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 42-51-411 | 4.50% |
| Supplemental Amortization Equalization Disbursements (SAED) as specified in C.R.S. Section 24-51-411 | 5.50% |
| Total employer contribution rate to the SCHDTF | 20.38% |

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$29,558,169, for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

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

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

At June 30, 2023, the District reported a liability of \$329,482,198, for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|--|-----------------------|
| District Proportionate share of net pension liability | \$ 425,496,621 |
| The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the District | <u>(96,014,423)</u> |
| Proportionate share of the net pension liability | <u>\$ 329,482,198</u> |

At December 31, 2022, the District's proportion was 1.80940076010%, which was a decrease of 0.2692992399% from its proportion measured at December 31, 2021.

For the year ended 2023, the District recognized pension benefit of \$16,398,087 and expense of \$472,875 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 3,118,233 | \$ - |
| Changes of assumptions and other inputs | 5,836,218 | - |
| Net difference between projected and actual earnings on plan investments | 44,261,620 | - |
| Changes in proportion | 426,214 | 53,145,166 |
| Contributions subsequent to the measurement date | <u>75,582,199</u> | <u>-</u> |
| Total | <u>\$ 54,060,702</u> | <u>\$ 53,145,166</u> |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

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

\$75,582,199 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the 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> | | |
|----------------------------|--------|--------------------|
| 2024 | \$ | (26,468,028) |
| 2025 | | (10,875,442) |
| 2026 | | 12,095,583 |
| 2027 | | <u>25,745,006</u> |
| Total | \$ | <u>497,119</u> |

Actuarial assumptions - The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs.

| | |
|---|-----------------|
| Actuarial cost method | Entry Age |
| Price inflation | 2.3% |
| Real wage growth | 0.7% |
| Wage inflation | 3.0% |
| Salary increases, including wage inflation | 3.4% - 11.0% |
| Long-term investment rate of return, net of plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Future post-employment benefit increases: | |
| Hired prior to 1/1/2007 | 1.25% |
| Hired after 12/31/2006 | Financed by AIR |

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

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

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the periods January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: Defined Benefit Pension Plan (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 8: 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 proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

| | <u>1% Decrease (6.25%)</u> | <u>Current Discount Rate (7.25%)</u> | <u>1% Increase (8.25%)</u> |
|---|--------------------------------|--|--------------------------------|
| Proportionate share of the net pension liability | \$ <u>431,178,880</u> | \$ <u>329,482,198</u> | \$ <u>244,555,078</u> |

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

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan

General Information

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

General Information (Continued)

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

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

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

PERA Benefit Structure

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

General Information (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District was \$135,452, for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$13,014,49 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers to the HCTF.

At December 31, 2022, the District's proportion was 1.3749059570%, which was a decrease of 0.0248940430% from its proportion measured at December 31, 2021.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$35,068. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 1,493 | \$ 2,714,820 |
| Changes of assumptions and other inputs | 180,439 | 1,238,967 |
| Net difference between projected and actual earnings on plan investments | 685,671 | - |
| Changes in proportion | 13,864 | - |
| Contributions subsequent to the measurement date | 748,614 | - |
| Total | \$ 1,630,081 | \$ 3,953,787 |

\$748,614 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the 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:

| <u>Year Ended June 30,</u> | | | |
|----------------------------|--|----|-------------|
| 2023 | | \$ | (1,114,446) |
| 2024 | | | (1,046,392) |
| 2025 | | | (484,059) |
| 2026 | | | (70,845) |
| 2027 | | | (290,381) |
| Thereafter | | | (66,276) |
| Total | | \$ | (3,072,320) |

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

Actuarial assumptions - The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|--------------|
| Actuarial cost method | Entry age |
| Price inflation | 2.3% |
| Real wage growth | 7.0% |
| Wage inflation | 3.0% |
| Salary increases, including wage inflation | 3.4% - 11.0% |
| Long-term investment rate of return, net of plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Health care cost trend rates: | |
| <i>PERA Benefit Structure</i> | |
| Service-based premium subsidy | 0.0% |
| PERACare Medicare plans | |
| 4.5% in 2021, 6.0% in 2022 gradually decreasing to 4.5% in 2029 | |
| Medicare Part A premiums: | |
| 3.75% in 2021, gradually increasing to 4.5% in 2029 | |
| <i>DPS Benefit Structure</i> | |
| Service-based premium subsidy | 0.0% |
| PERACare Medicare plans | N/A |
| Medicare Part A premiums: | N/A |

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

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

- Medicare Advantage/Self-Insured Rx - Monthly Cost of \$633, Monthly Premium of \$230, Monthly Costs Adjusted to Age 65 of \$591.
- Kaiser Permanente Medicare Advantage HMO - Monthly Cost of \$596, Monthly Premium of \$199, Monthly Costs Adjusted to Age 65 of \$562.

The 2022 Medicare Part A premium is \$471 (actual dollars) per month.

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A premiums.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 8).

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 9: Defined Benefit Other Post Employment Benefit (OPEB) Plan (Continued)

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

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

Sensitivity of the District's proportionate share of 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, as follows:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|--------------------------------|--|--------------------------------|
| Proportionate share of the net OPEB liability | \$ 13,014,049 | \$ 11,225,818 | \$ 9,696,304 |

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 2.75% to 5.50%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

| | 1% Decrease | Current Healthcare Cost Trend Rates | 1% Increase |
|--|--------------------|--|--------------------|
| Proportionate share of the net OPEB liability | \$ 10,908,078 | \$ 11,225,818 | \$ 1,157,152 |

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

Mesa County Valley School District No. 51

Notes to Financial Statements

June 30, 2023

Note 10: Commitments and Contingencies

Grants

The District receives significant assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. Based on prior experience, the District administration believes such disallowance, if any, would be immaterial.

Litigation

The District is involved in various litigations. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the financial statements 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 1996, 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. 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, 2023, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$7,065,000.

Committed Funds

Effective June 30, 2021, the District Board of Education designated an operating reserve fund balance of 10% in the General Fund if the fund balance is available and supported by the student count as of October 2021. The designated fund balance shall be established in the amount of 10% of annual expenditures and transfers.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Mesa County Valley School District No. 51
 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, 2023

| | <u>12/31/22</u> | <u>12/31/21</u> | <u>12/31/20</u> | <u>12/31/19</u> | <u>12/31/18</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Proportionate Share of the Net Pension Liability | | | | | |
| District's Proportion of the Net Pension Liability | 0.2091839500% | 2.0787000000% | 2.4205000000% | 2.1611000000% | 2.3169000000% |
| Net Pension Liability | | | | | |
| District's Proportionate Share | \$ 329,482,198 | \$ 241,906,845 | \$ 365,925,687 | \$ 322,868,806 | \$ 383,988,002 |
| State's Proportionate Share | <u>96,014,423</u> | <u>24,879,364</u> | <u>-</u> | <u>36,342,249</u> | <u>46,189,284</u> |
| Total Proportionate Share of the Net Pension Liability | \$ 425,496,621 | \$ 266,786,209 | \$ 365,925,687 | \$ 359,211,055 | \$ 430,177,286 |
| District's Covered Payroll | \$ 139,431,102 | \$ 129,868,520 | \$ 129,451,007 | \$ 126,303,921 | \$ 119,202,566 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 236% | 186% | 283% | 256% | 322% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 75% | 75% | 67% | 65% | 57% |
| | <u>06/30/23</u> | <u>06/30/22</u> | <u>06/30/21</u> | <u>06/30/20</u> | <u>06/30/19</u> |
| District Contributions | | | | | |
| Statutorily Required Contribution | \$ 29,558,169 | \$ 26,730,517 | \$ 25,430,438 | \$ 24,860,077 | \$ 23,653,869 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(29,558,169)</u> | <u>(26,730,517)</u> | <u>(25,430,438)</u> | <u>(24,860,077)</u> | <u>(23,653,869)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 145,033,028 | \$ 134,459,367 | \$ 127,919,598 | \$ 128,276,883 | \$ 123,647,973 |
| Contributions as a Percentage of Covered Payroll | 20.38% | 19.88% | 19.88% | 19.38% | 19.13% |

(Continued)

Mesa County Valley School District No. 51
 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, 2023
 (Continued)

| | 12/31/2017 | 12/31/16 | 12/31/15 | 12/31/14 | 12/31/13 |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|
| Proportionate Share of the Net Pension Liability | | | | | |
| District's Proportion of the Net Pension Liability | 2.4303000000% | 2.4403000000% | 2.4552000000% | 2.6793000000% | 0.2428819967% |
| Net Pension Liability | | | | | |
| District's Proportionate Share | \$ 785,867,412 | \$ 726,578,219 | \$ 375,508,406 | \$ 363,135,378 | \$ 30,979,533 |
| State's Proportionate Share | - | - | - | - | - |
| Total Proportionate Share of the Net Pension Liability | \$ 785,867,412 | \$ 726,578,219 | \$ 375,508,406 | \$ 363,135,378 | \$ 30,979,533 |
| District's Covered Payroll | \$ 112,094,703 | \$ 110,846,175 | \$ 106,992,550 | \$ 104,046,561 | \$ 9,791,336 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 701% | 655% | 351% | 349% | 316% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 44% | 43% | 59% | 63% | 64% |
| | <u>6/30/2018</u> | <u>6/30/17</u> | <u>6/30/16</u> | <u>6/30/15</u> | <u>6/30/14</u> |
| District Contributions | | | | | |
| Statutorily Required Contribution | \$ 21,641,878 | \$ 20,282,919 | \$ 19,376,687 | \$ 18,812,548 | \$ 1,535,299 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(21,641,878)</u> | <u>(20,282,919)</u> | <u>(19,376,687)</u> | <u>(18,812,548)</u> | <u>(1,535,299)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 114,601,772 | \$ 110,335,833 | \$ 109,269,410 | \$ 105,086,978 | \$ 9,606,475 |
| Contributions as a Percentage of Covered Payroll | 18.88% | 18.38% | 17.73% | 17.90% | 15.98% |

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Mesa County Valley School District No. 51
 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, 2023

| | 12/31/22 | 12/31/21 | 12/31/20 |
|---|--------------------|--------------------|--------------------|
| Proportionate Share of the Net OPEB Liability | | | |
| District's Proportion of the Net OPEB Liability | 0.1273480927% | 1.3572000000% | 1.3998000000% |
| District's Proportionate Share of the Net OPEB Liability | \$ 11,225,818 | \$ 11,703,531 | \$ 13,301,664 |
| District's Covered Payroll | \$ 139,431,102 | \$ 129,868,520 | \$ 129,451,007 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 8% | 9% | 10% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 24% | 39% | 33% |
| | 6/30/23 | 6/30/22 | 6/30/21 |
| District's Contributions | | | |
| Statutorily Required Contribution | \$ 1,479,337 | \$ 1,371,485 | \$ 1,304,780 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(1,479,337)</u> | <u>(1,371,485)</u> | <u>(1,304,780)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 145,033,028 | \$ 134,459,367 | \$ 127,919,598 |
| Contributions as a Percentage of Covered Payroll | 1.02% | 1.02% | 1.02% |

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Mesa County Valley School District No. 51
 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, 2023
 (Continued)

| | <u>12/31/19</u> | <u>12/31/18</u> | <u>12/31/17</u> |
|---|--------------------|--------------------|--------------------|
| Proportionate Share of the Net OPEB Liability | | | |
| District's Proportion of the Net OPEB Liability | 1.4123000000% | 1.4096000000% | 1.3809000000% |
| District's Proportionate Share of the Net OPEB Liability | \$ 15,874,668 | \$ 19,177,865 | \$ 17,945,907 |
| District's Covered Payroll | \$ 126,303,921 | \$ 119,202,566 | \$ 112,094,703 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 13% | 16% | 16% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 24% | 17% | 18% |
| | <u>6/30/20</u> | <u>6/30/19</u> | <u>6/30/18</u> |
| District's Contributions | | | |
| Statutorily Required Contribution | \$ 1,308,424 | \$ 1,261,209 | \$ 1,168,938 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(1,308,424)</u> | <u>(1,261,209)</u> | <u>(1,168,938)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 128,276,883 | \$ 123,647,973 | \$ 114,601,772 |
| Contributions as a Percentage of Covered Payroll | 1.02% | 1.02% | 1.02% |

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------------|---------------------------|---------------------------|------------------------------------|
| Revenues | | | | |
| <i>Local Sources</i> | | | | |
| Property Taxes | \$ 71,683,884 | \$ 71,115,034 | \$ 69,776,186 | \$ (1,338,848) |
| Delinquent Taxes, Interest and Penalties | 80,000 | 80,000 | 28,399 | (51,601) |
| Specific Ownership Taxes | 11,054,235 | 10,831,298 | 12,126,072 | 1,294,774 |
| Tuition and Fees | 10,000 | 10,000 | 10,050 | 50 |
| Investment Income | 81,250 | 2,450,050 | 2,251,154 | (198,896) |
| District Services to Charter School | - | - | 323,671 | 323,671 |
| Miscellaneous | 2,138,382 | 2,138,382 | 4,222,714 | 2,084,332 |
| Total Local Sources | <u>85,047,751</u> | <u>86,624,764</u> | <u>88,738,246</u> | <u>2,113,482</u> |
| <i>State Sources</i> | | | | |
| State Equalization | 114,721,473 | 115,562,324 | 115,928,678 | 366,354 |
| Special Education | 8,830,180 | 8,865,304 | 8,927,960 | 62,656 |
| Transportation | 1,763,639 | 1,703,229 | 1,771,485 | 68,256 |
| Vocational Education | 1,933,105 | 1,785,801 | 1,702,816 | (82,985) |
| Small Attendance Center | 93,286 | 93,286 | 65,941 | (27,345) |
| Add At-Risk Revenue | - | - | 132,201 | 132,201 |
| English Language Proficiency | 173,792 | 201,791 | 201,791 | - |
| PERA on Behalf Payment | 10,000,000 | 10,000,000 | 8,187,551 | (1,812,449) |
| Total State Sources | <u>137,515,475</u> | <u>138,211,735</u> | <u>136,918,423</u> | <u>(1,293,312)</u> |
| <i>Federal Sources</i> | | | | |
| Other | 66,661 | 66,661 | 84,993 | 18,332 |
| Total Federal Sources | <u>66,661</u> | <u>66,661</u> | <u>84,993</u> | <u>18,332</u> |
| Total Revenues | <u>\$ 222,629,887</u> | <u>\$ 224,903,160</u> | <u>\$ 225,741,662</u> | <u>\$ 838,502</u> |

(Continued)

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023
 (Continued)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|--------------------|--------------------|------------------------------------|
| Expenditures | | | | |
| Instruction | | | | |
| Elementary Education | \$ 28,297,614 | \$ 28,297,614 | \$ 27,602,468 | \$ 695,146 |
| Middle School Education | 15,665,332 | 15,665,332 | 14,729,541 | 935,791 |
| High School Education | 22,953,777 | 22,953,777 | 22,825,660 | 128,117 |
| Vocational Education/WCCC | 2,606,281 | 2,606,281 | 2,872,543 | (266,262) |
| High School Programs | 660,846 | 693,849 | 516,542 | 177,307 |
| Gifted and Talented Programs | 1,523,733 | 1,523,733 | 1,416,833 | 106,900 |
| Integrated Educational Programs | 2,064,346 | 2,064,346 | 2,028,746 | 35,600 |
| Preschool/Extended Day Programs | 9,686,665 | 9,278,311 | 8,236,534 | 1,041,777 |
| Library | 407,762 | 407,762 | 271,541 | 136,221 |
| General Instruction | 18,552,634 | 18,428,837 | 13,185,673 | 5,243,164 |
| Music Activities | 4,270,511 | 4,270,511 | 4,196,245 | 74,266 |
| Physical Education | 4,271,055 | 4,271,055 | 4,162,088 | 108,967 |
| Special Education | 23,378,041 | 23,378,041 | 23,150,527 | 227,514 |
| Cocurricular Activities | 2,005,940 | 2,005,940 | 2,011,846 | (5,906) |
| Total Instructional Services | <u>136,344,537</u> | <u>135,845,389</u> | <u>127,206,787</u> | <u>8,638,602</u> |
| Instructional Support | | | | |
| Instructional: | | | | |
| Social Work/Attendance | 1,172,348 | 1,172,348 | 1,712,812 | (540,464) |
| Guidance | 6,903,018 | 6,903,018 | 6,963,612 | (60,594) |
| Nursing/Mental Health | 2,213,075 | 2,213,075 | 3,139,037 | (925,962) |
| Psychologist | 3,142,943 | 3,142,943 | 2,471,558 | 671,385 |
| Audiologists/Therapists | 226,767 | 226,767 | 186,341 | 40,426 |
| Other Services | 196,051 | 196,051 | 843,620 | (647,569) |
| Assessments/Staff Development | 4,571,352 | 4,704,363 | 2,200,335 | 2,504,028 |
| Media Services | 1,997,554 | 1,997,554 | 1,902,238 | 95,316 |
| Instructional Technology | 586,277 | 586,277 | 526,103 | 60,174 |
| Program Administration | 2,344,023 | 2,344,023 | 2,826,543 | (482,520) |
| | <u>23,353,408</u> | <u>23,486,419</u> | <u>22,772,199</u> | <u>714,220</u> |
| General Administration: | | | | |
| Board of Education | 85,985 | 85,985 | 89,848 | (3,863) |
| Legal Services | 238,081 | 238,081 | 257,571 | (19,490) |
| County Treasurer's Fee | 135,000 | 151,500 | 230,667 | (79,167) |
| Audit Services | 32,000 | 32,000 | 42,100 | (10,100) |
| Office of the Superintendent | 708,748 | 708,748 | 529,047 | 179,701 |
| Community Relations Services | 75,358 | 75,358 | 61,860 | 13,498 |
| Other Executive Administration Services | 2,059,435 | 2,059,435 | 2,133,989 | (74,554) |
| School Administration | 17,841,967 | 17,841,967 | 18,580,393 | (738,426) |
| | <u>21,176,574</u> | <u>21,193,074</u> | <u>21,925,475</u> | <u>(732,401)</u> |
| Total Instructional Support | <u>44,529,982</u> | <u>44,679,493</u> | <u>44,697,674</u> | <u>(18,181)</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023
 (Continued)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|--------------------|----------------------|------------------------------------|
| Expenditures | | | | |
| Business Support: | | | | |
| Business: | | | | |
| Business Fiscal Services | \$ 1,469,136 | \$ 1,485,337 | \$ 2,387,591 | \$ (902,254) |
| Indirect Cost Reimbursements | (1,037,964) | (1,037,964) | (2,941,068) | 1,903,104 |
| Purchasing | 332,549 | 332,549 | 300,583 | 31,966 |
| Warehouse | 507,205 | 511,587 | 511,653 | (66) |
| Print Shop | 83,234 | 83,234 | 66,710 | 16,524 |
| Maintenance | 1,008,287 | 1,008,287 | 1,517,828 | (509,541) |
| Custodial | 11,940,950 | 12,947,854 | 12,184,963 | 762,891 |
| Grounds Maintenance | 1,727,767 | 1,729,434 | 1,944,584 | (215,150) |
| Craftsmen | 2,662,466 | 2,662,466 | 2,752,782 | (90,316) |
| Transportation | 7,410,426 | 7,410,426 | 8,185,683 | (775,257) |
| | <u>26,104,056</u> | <u>27,133,210</u> | <u>26,911,309</u> | <u>221,901</u> |
| Central: | | | | |
| Communication | 946,858 | 946,858 | 1,045,144 | (98,286) |
| Human Resources | 1,403,270 | 1,416,964 | 1,319,116 | 97,848 |
| Information Technology | 4,506,693 | 4,506,693 | 4,674,482 | (167,789) |
| Risk Management | 219,845 | 219,845 | 323,323 | (103,478) |
| Other Support Services | 336,157 | 336,157 | 441,708 | (105,551) |
| | <u>7,412,823</u> | <u>7,426,517</u> | <u>7,803,773</u> | <u>(377,256)</u> |
| Total Business Support | <u>33,516,879</u> | <u>34,559,727</u> | <u>34,715,082</u> | <u>(155,355)</u> |
| Community Services: | <u>64,732</u> | <u>64,732</u> | <u>34,500</u> | <u>30,232</u> |
| Total Current Expenditures | 214,456,130 | 215,149,341 | 206,654,043 | 8,495,298 |
| Capital Outlay | 1,257,583 | 1,257,583 | 2,739,142 | (1,481,559) |
| Contingency | 35,542,005 | 38,751,766 | - | 38,751,766 |
| Debt Service | | | | |
| Principal | - | - | 1,114,450 | (1,114,450) |
| Interest and Fiscal Charges | - | - | 120,025 | (120,025) |
| | <u>251,255,718</u> | <u>255,158,690</u> | <u>210,627,660</u> | <u>44,531,030</u> |
| Excess of Revenues Over (Under) Expenditures | (28,625,831) | (30,255,530) | 15,114,002 | 45,369,532 |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | <u>(5,513,472)</u> | <u>(5,779,613)</u> | <u>(5,779,613)</u> | <u>-</u> |
| Net Change In Fund Balance | (34,139,303) | (36,035,143) | 9,334,389 | 45,369,532 |
| Fund Balance, Beginning of year | <u>34,139,303</u> | <u>36,035,143</u> | <u>36,035,143</u> | <u>-</u> |
| Fund Balance, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,369,532</u> | <u>\$ 45,369,532</u> |

See Accompanying Independent Auditor's Report.

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Governmental Designated Purpose Grant Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|-------------------|-------------------|------------------------------------|
| Revenues | | | | |
| Local Grants | \$ 1,388,455 | \$ 1,676,658 | \$ 1,223,950 | \$ (452,708) |
| State Grants | 4,753,482 | 15,241,813 | 8,700,699 | (6,541,114) |
| Federal Grants | 59,359,781 | 59,653,989 | 33,571,276 | (26,082,713) |
| Total Revenues | <u>65,501,718</u> | <u>76,572,460</u> | <u>43,495,925</u> | <u>(33,076,535)</u> |
| Expenditures | | | | |
| Instructional Services: | | | | |
| Salaries | 11,079,914 | 12,952,580 | 8,328,409 | 4,624,171 |
| Fringe Benefits | 4,142,581 | 4,842,737 | 3,087,945 | 1,754,792 |
| Contracted Service | 4,414,399 | 5,160,496 | 2,495,676 | 2,664,820 |
| Supplies | 3,291,664 | 3,848,003 | 3,585,018 | 262,985 |
| | <u>22,928,558</u> | <u>26,803,816</u> | <u>17,497,048</u> | <u>9,306,768</u> |
| Instructional Support: | | | | |
| Salaries | 14,510,057 | 16,962,468 | 8,448,213 | 8,514,255 |
| Fringe Benefits | 4,568,501 | 5,340,644 | 2,869,359 | 2,471,285 |
| Contracted Service | 2,238,486 | 2,616,823 | 1,755,377 | 861,446 |
| Supplies | 196,480 | 229,688 | 331,212 | (101,524) |
| | <u>21,513,524</u> | <u>25,149,623</u> | <u>13,404,161</u> | <u>11,745,462</u> |
| Business Support: | | | | |
| Salaries | 1,017,154 | 1,189,068 | 837,283 | 351,785 |
| Fringe Benefits | 409,923 | 479,206 | 277,713 | 201,493 |
| Contracted Service | 4,690,560 | 5,483,333 | 3,952,513 | 1,530,820 |
| Supplies | 11,889 | 13,898 | 19,138 | (5,240) |
| | <u>6,129,526</u> | <u>7,165,505</u> | <u>5,086,647</u> | <u>2,078,858</u> |
| Community Support: | | | | |
| Salaries | 493,713 | 577,158 | 418,330 | 158,828 |
| Fringe Benefits | 230,427 | 269,372 | 159,717 | 109,655 |
| Contracted Service | 109,832 | 128,395 | 68,494 | 59,901 |
| Supplies | 355,405 | 415,474 | 260,025 | 155,449 |
| | <u>1,189,377</u> | <u>1,390,399</u> | <u>906,566</u> | <u>483,833</u> |
| Capital Outlay | <u>13,740,733</u> | <u>16,063,117</u> | <u>6,601,503</u> | <u>9,461,614</u> |
| Total Expenditures | <u>65,501,718</u> | <u>76,572,460</u> | <u>43,495,925</u> | <u>33,076,535</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance, Beginning of year | - | - | - | - |
| Fund Balance, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Bond Redemption Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|-------------------|----------------------|------------------------------------|
| Revenues | | | | |
| Local Sources | | | | |
| Property Taxes | \$ 23,255,813 | \$ 23,174,571 | \$ 22,483,558 | \$ (691,013) |
| Delinquent Taxes | 5,000 | 5,000 | 8,693 | 3,693 |
| Other Local Taxes | 5,000 | 5,000 | 751,706 | 746,706 |
| | <u>23,265,813</u> | <u>23,184,571</u> | <u>23,243,957</u> | <u>59,386</u> |
| Expenses | | | | |
| Debt Service | | | | |
| Principal Payments | 9,650,000 | 9,650,000 | 9,650,000 | - |
| Interest Payments | 11,441,513 | 11,441,513 | 11,441,513 | - |
| Contingency | 23,518,805 | 23,563,629 | 0 | 23,563,629 |
| | <u>44,610,318</u> | <u>44,655,142</u> | <u>21,091,513</u> | <u>23,563,629</u> |
| Change in Net Position | (21,344,505) | (21,470,571) | 2,152,444 | (23,504,243) |
| Net Position, Beginning of year | <u>21,344,505</u> | <u>21,470,571</u> | <u>21,470,571</u> | <u>-</u> |
| Net Position, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,623,015</u> | <u>\$ 23,623,015</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Nutrition Services Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|-------------------|---------------------|------------------------------------|
| Revenues | | | | |
| Local Sources | \$ 2,107,898 | \$ 1,911,583 | \$ 2,214,060 | \$ 302,477 |
| State Sources | 163,814 | 155,383 | 154,178 | (1,205) |
| Federal Sources | 6,143,551 | 6,574,442 | 6,495,882 | (78,560) |
| Total Revenues | <u>8,415,263</u> | <u>8,641,408</u> | <u>8,864,120</u> | <u>222,712</u> |
| Expenditures | | | | |
| Food Service Direction: | | | | |
| Salaries | 554,610 | 560,067 | 553,456 | 6,611 |
| Fringe Benefits | 186,564 | 186,234 | 181,190 | 5,044 |
| Contracted Services and Supplies | 409,743 | 522,657 | 1,187,378 | (664,721) |
| | <u>1,150,917</u> | <u>1,268,958</u> | <u>1,922,024</u> | <u>(653,066)</u> |
| Food Service Preparation/Serving | | | | |
| Salaries | 2,680,807 | 2,605,235 | 2,520,923 | 84,312 |
| Fringe Benefits | 1,161,057 | 1,132,560 | 1,090,479 | 42,081 |
| Contracted Services and Supplies | 3,592,395 | 3,989,222 | 3,384,294 | 604,928 |
| | <u>7,434,259</u> | <u>7,727,017</u> | <u>6,995,696</u> | <u>731,321</u> |
| Food Delivery | | | | |
| Salaries | 191,826 | 195,752 | 198,124 | (2,372) |
| Fringe Benefits | 79,368 | 79,121 | 78,618 | 503 |
| Contracted Services and Supplies | 26,000 | 22,500 | 26,071 | (3,571) |
| | <u>297,194</u> | <u>297,373</u> | <u>302,813</u> | <u>(5,440)</u> |
| Catering | | | | |
| Salaries | 500 | 500 | 561 | (61) |
| Fringe Benefits | 116 | 116 | 128 | (12) |
| Contracted Services and Supplies | 1,100 | 300 | 117 | 183 |
| | <u>1,716</u> | <u>916</u> | <u>806</u> | <u>110</u> |
| Support Services | | | | |
| Maintenance | 65,000 | 55,000 | 60,563 | (5,563) |
| Administration | - | - | 5,844 | (5,844) |
| | <u>65,000</u> | <u>55,000</u> | <u>66,407</u> | <u>(11,407)</u> |
| Capital Outlay | 171,352 | 869,860 | 869,645 | 215 |
| Contingency | 2,449,064 | 2,071,751 | - | 2,071,751 |
| Total Expenditures | <u>11,569,502</u> | <u>12,290,875</u> | <u>10,157,391</u> | <u>2,133,484</u> |
| Over Excess of Revenues (Under) Expenditures | (3,154,239) | (3,649,467) | (1,293,271) | (1,910,772) |
| Other Financing Sources | | | | |
| Transfers In | 87,502 | 103,643 | 103,643 | - |
| Net Change in Fund Balance | (3,066,737) | (3,545,824) | (1,189,628) | (1,910,772) |
| Fund Balance, Beginning of year | <u>3,066,737</u> | <u>3,545,824</u> | <u>3,545,824</u> | <u>-</u> |
| Fund Balance, Ending of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,356,196</u> | <u>\$ (1,910,772)</u> |

See Accompanying Independent Auditor's Report.

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Capital Projects Building Fund
 For the Year Ended June 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|-------------------------|----------------------|---|
| Revenues | | | | |
| Local Sources: | | | | |
| Investment Income | \$ 400,000 | \$ 4,000,000 | \$ 4,395,808 | \$ 395,808 |
| Total Revenues | <u>400,000</u> | <u>4,000,000</u> | <u>4,395,808</u> | <u>395,808</u> |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| New Construction | 49,054,968 | 49,054,968 | 48,763,600 | 291,368 |
| Other Professional Services | <u>76,711,337</u> | <u>81,481,417</u> | <u>-</u> | <u>81,481,417</u> |
| Total Expenditures | <u>125,766,305</u> | <u>130,536,385</u> | <u>48,763,600</u> | <u>81,772,785</u> |
| Over Excess of Revenues | | | | |
| Net Change in Fund Balance | (125,366,305) | (126,536,385) | (44,367,792) | (81,376,977) |
| Fund Balance, Beginning of year | <u>125,366,305</u> | <u>126,536,385</u> | <u>126,536,385</u> | <u>-</u> |
| Fund Balance, Ending of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 82,168,593</u> | <u>\$ (81,376,977)</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|-------------------|----------------------|------------------------------------|
| Revenues | | | | |
| Lease Revenue | \$ 704,825 | \$ 704,825 | \$ 797,365 | \$ 92,540 |
| Land Dedication Revenue | 1,590,350 | 2,850,000 | 3,444,586 | 594,586 |
| Investment Income | 40,000 | 900,000 | 592,156 | (307,844) |
| Total Revenues | <u>2,335,175</u> | <u>4,454,825</u> | <u>4,834,107</u> | <u>379,282</u> |
| Expenses | | | | |
| Capital Outlay | | | | |
| Ground Improvements/Land | 125,000 | 125,000 | 145,847 | (20,847) |
| Buildings | 1,200,000 | 1,200,000 | 899,890 | 300,110 |
| Equipment | 1,155,215 | 2,575,215 | 1,518,654 | 1,056,561 |
| Right-to-use Lease Assets | - | 2,200,000 | 1,504,360 | 695,640 |
| Other Capital Outlay | 441,459 | 441,459 | 34,216 | 407,243 |
| Contingency | 12,824,309 | 14,852,254 | - | 14,852,254 |
| Debt Service | | | | |
| Principal Payments | 2,872,672 | 2,872,672 | 1,883,511 | 989,161 |
| Interest Payments | 557,378 | 557,378 | 581,703 | (24,325) |
| Total Expenditures | <u>19,176,033</u> | <u>24,823,978</u> | <u>6,568,181</u> | <u>18,255,797</u> |
| Over Excess of Revenues (Under) Expenditures | (16,840,858) | (20,369,153) | (1,734,074) | 18,635,079 |
| Other Financing Sources | | | | |
| Transfers In | 2,275,970 | 2,275,970 | 2,275,970 | - |
| Issuance of Right-to-use Lease Assets | 241,500 | 2,200,000 | 1,504,360 | (695,640) |
| Total Other Financing Sources | <u>2,517,470</u> | <u>4,475,970</u> | <u>3,780,330</u> | <u>(695,640)</u> |
| Change in Net Position | (14,323,388) | (15,893,183) | 2,046,256 | 17,939,439 |
| Net Position, Beginning of year | <u>14,323,388</u> | <u>15,893,183</u> | <u>15,893,183</u> | <u>-</u> |
| Net Position, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,939,439</u> | <u>\$ 17,939,439</u> |

Mesa County Valley School District No. 51

Notes to Required Supplementary Information

June 30, 2023

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended 2023, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption decreased from 2.4% from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.0% per year. This assumption decreased from 3.5% in the prior year.
- Healthy and disabled mortality assumptions are based on the PubT-2010 Employee Tables.

Note 2: 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 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.

SUPPLEMENTARY INFORMATION

Mesa County Valley School District No. 51
Description of Funds - Nonmajor Governmental
June 30, 2023

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Physical Activities Fund - accounts for most of the revenue and expenditures associated with the athletic programs at the high schools.

Beverage Fund - accounts for the money received from a "Sponsorship Agreement" entered into with Swire Pacific Holding, Inc. and expenditure of the funds as per management directives.

Student Body Activity Fund - effective July 1, 2020, the district implemented and adopted GASB Statement No. 84, Fiduciary Activities. The Student Body Activity fund is qualified as a Special revenue fund under the new announcement.

Mesa County Valley School District No. 51
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue | | | Total |
|--|------------------------|-------------------|----------------------------|---------------------|
| | Physical Activities | Beverage | Student Body Activities | |
| Assets | | | | |
| Cash and Investments | \$ 244,097 | \$ 337,222 | \$ 2,824,594 | \$ 3,405,913 |
| Accounts Receivable | 300 | - | 2,719 | 3,019 |
| Total Assets | <u>244,397</u> | <u>337,222</u> | <u>2,827,313</u> | <u>3,408,932</u> |
| Liabilities | | | | |
| Accounts Payable | - | - | 10,530 | 10,530 |
| Accrued Salaries and Benefits | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>10,530</u> | <u>10,530</u> |
| Fund Balances | | | | |
| Assigned to: | | | | |
| Physical Activities | 244,397 | - | - | 244,397 |
| Athletics Programs | - | 337,222 | - | 337,222 |
| Student Activity | - | - | 2,816,783 | 2,816,783 |
| Total Fund Balances | <u>244,397</u> | <u>337,222</u> | <u>2,816,783</u> | <u>3,398,402</u> |
| Total Liabilities and Fund Balances | <u>\$ 244,397</u> | <u>\$ 337,222</u> | <u>\$ 2,827,313</u> | <u>\$ 3,408,932</u> |

Mesa County Valley School District No. 51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

| | Special Revenue | | | Total |
|---|-----------------------------|-------------------|-----------------------------|---------------------|
| | Physical Activities | Beverage | Student Body Activities | |
| Revenues | | | | |
| Local Sources | \$ 671,788 | \$ 97,639 | \$ 4,880,350 | \$ 5,649,777 |
| Total Revenues | <u>671,788</u> | <u>97,639</u> | <u>4,880,350</u> | <u>5,649,777</u> |
| Expenditures | | | | |
| Current | | | | |
| Instructional Services | - | 38,009 | - | 38,009 |
| Instructional Support | - | 3,075 | - | 3,075 |
| Physical Activities | 926,498 | - | - | 926,498 |
| Student Body Activities | - | - | 5,134,106 | 5,134,106 |
| Capital Outlay | <u> </u> | <u>29,415</u> | <u> </u> | <u>29,415</u> |
| Total Expenditures | <u>926,498</u> | <u>70,499</u> | <u>5,134,106</u> | <u>6,131,103</u> |
| Excess of Revenues Over (Under) Expenditures | (254,710) | 27,140 | (253,756) | (481,326) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | <u>400,000</u> | <u>-</u> | <u>-</u> | <u>400,000</u> |
| Total Other Financing Sources (Uses) | <u>400,000</u> | <u>-</u> | <u>-</u> | <u>400,000</u> |
| Net Change in Fund Balances | 145,290 | 27,140 | (253,756) | (81,326) |
| Fund Balances, Beginning of year | <u>99,107</u> | <u>310,082</u> | <u>3,070,539</u> | <u>3,479,728</u> |
| Fund Balances, End of year | <u>\$ 244,397</u> | <u>\$ 337,222</u> | <u>\$ 2,816,783</u> | <u>\$ 3,398,402</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Physical Activities Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|------------------|-------------------|------------------------------------|
| Revenues | | | | |
| Local Sources: | | | | |
| Athletic Fees | \$ 340,000 | \$ 340,000 | \$ 330,494 | \$ (9,506) |
| Gate Receipts | 260,000 | 260,000 | 324,380 | 64,380 |
| Contribution | 36,000 | 36,000 | 16,914 | (19,086) |
| Total Revenues | <u>636,000</u> | <u>636,000</u> | <u>671,788</u> | <u>35,788</u> |
| Expenditures | | | | |
| Basketball, girls | 52,000 | 55,000 | 69,691 | (14,691) |
| Cheerleader/Poms | 15,000 | 15,000 | 18,032 | (3,032) |
| Golf, girls | 8,000 | 8,000 | 5,484 | 2,516 |
| Soccer, girls | 24,000 | 26,000 | 27,559 | (1,559) |
| Softball | 40,000 | 40,000 | 42,357 | (2,357) |
| Swimming, girls | 12,000 | 12,000 | 6,031 | 5,969 |
| Tennis, girls | 6,500 | 8,000 | 10,729 | (2,729) |
| Volleyball | 48,000 | 48,000 | 67,853 | (19,853) |
| Wrestling, girls | 12,000 | 12,000 | 18,873 | (6,873) |
| Lacrosse, girls | 27,000 | 27,000 | 20,587 | 6,413 |
| Baseball | 40,000 | 40,000 | 49,891 | (9,891) |
| Basketball, boys | 52,000 | 55,000 | 60,447 | (5,447) |
| Football | 130,500 | 130,500 | 122,060 | 8,440 |
| Golf, boys | 8,000 | 8,000 | 12,419 | (4,419) |
| Soccer, boys | 24,000 | 26,000 | 26,348 | (348) |
| Swimming, boys | 10,000 | 10,000 | 5,285 | 4,715 |
| Tennis, boys | 6,500 | 8,000 | 7,862 | 138 |
| Wrestling, boys | 48,000 | 55,000 | 61,216 | (6,216) |
| Lacrosse, boys | 27,000 | 27,000 | 20,728 | 6,272 |
| Cross Country | 12,000 | 14,000 | 13,704 | 296 |
| Track | 32,000 | 36,000 | 37,189 | (1,189) |
| Scholarship | 1,000 | 1,000 | - | 1,000 |
| Athletic Director Travel | 3,000 | 3,000 | 2,137 | 863 |
| Other Professional Services | 142,500 | 231,500 | 220,016 | 11,484 |
| Contingency | 17,312 | 239,107 | - | 239,107 |
| Total Expenditures | <u>798,312</u> | <u>1,135,107</u> | <u>926,498</u> | <u>208,609</u> |
| Excess of Revenues Over (Under) Expenditures | (162,312) | (499,107) | (254,710) | 244,397 |
| Other Financing Sources | | | | |
| Transfers In | 150,000 | 400,000 | 400,000 | - |
| Net Change in Fund Balance | (12,312) | (99,107) | 145,290 | 244,397 |
| Fund Balance, Beginning of year | 12,312 | 99,107 | 99,107 | - |
| Fund Balance, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 244,397</u> | <u>\$ 244,397</u> |

See Accompanying Independent Auditor's Report.

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Beverage Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|-----------------|-------------------|------------------------------------|
| Revenues | | | | |
| Program Revenue | \$ 43,308 | \$ 43,308 | \$ 70,284 | \$ 26,976 |
| Investment Income | 1,200 | 20,000 | 12,355 | (7,645) |
| Miscellaneous Income | 15,000 | 15,000 | 15,000 | - |
| Total Revenues | <u>59,508</u> | <u>78,308</u> | <u>97,639</u> | <u>19,331</u> |
| Expenditures | | | | |
| Instructional Services | 45,200 | 45,200 | 38,009 | 7,191 |
| Instructional Support | 28,308 | 28,308 | 3,075 | 25,233 |
| Capital Outlay | 14,000 | 14,000 | 29,415 | (15,415) |
| Contingency | 230,982 | 300,882 | - | 300,882 |
| Total Expenditures | <u>318,490</u> | <u>388,390</u> | <u>70,499</u> | <u>317,891</u> |
| Net Change in Fund Balance | (258,982) | (310,082) | 27,140 | 337,222 |
| Fund Balance, Beginning of year | <u>258,982</u> | <u>310,082</u> | <u>310,082</u> | <u>-</u> |
| Fund Balance, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 337,222</u> | <u>\$ 337,222</u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 Student Body Activities Fund
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|-----------------|--------------|------------------------------------|
| Revenues | | | | |
| Activities Fee Revenue | \$ 6,000,000 | \$ 8,000,000 | \$ 4,880,350 | \$ (3,119,650) |
| Expenses | | | | |
| Student Activities | 6,000,000 | 8,000,000 | 5,134,106 | 2,865,894 |
| Contingency | 3,394,030 | 3,070,539 | - | 3,070,539 |
| Total Expenditures | 9,394,030 | 11,070,539 | 5,134,106 | 5,936,433 |
| Change in Net Position | (3,394,030) | (3,070,539) | (253,756) | 2,816,783 |
| Net Position, Beginning of year | 3,394,030 | 3,070,539 | 3,070,539 | - |
| Net Position, End of year | \$ - | \$ - | \$ 2,816,783 | \$ 2,816,783 |

Mesa County Valley School District No. 51

Description of Funds - Internal Service Funds

June 30, 2023

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance Reserve Fund - accounts for the cost of District insurance services provided to schools and departments in the District, including property, liability, and worker's compensation coverage.

Dental Insurance Fund - accounts for the premiums collected from employees and District contributions and costs of administration and dental claims of a self-insured employee benefit dental plan.

Medical Insurance Fund - accounts for the premiums collected from employees and District contributions and costs of administration and medical claims of a self-insured employee benefit medical plan.

Mesa County Valley School District No. 51
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

| | Insurance Reserve | Dental Insurance | Medical Insurance | Total |
|-------------------------------|----------------------|---------------------|----------------------|----------------------|
| Assets | | | | |
| <i>Current Assets</i> | | | | |
| Cash and Investments | \$ 5,842,886 | \$ 563,154 | \$ 8,532,260 | \$ 14,938,300 |
| Accounts Receivable | 1,414 | 7,640 | 207,757 | 216,811 |
| | | | | |
| Total Assets | <u>5,844,300</u> | <u>570,794</u> | <u>8,740,017</u> | <u>15,155,111</u> |
| Liabilities | | | | |
| Accounts Payable | 99,115 | 37,911 | 22,071 | 159,097 |
| Claims Payable | 500,000 | - | - | 500,000 |
| Accrued Salaries and Benefits | 45,371 | - | - | 45,371 |
| <i>Noncurrent Liabilities</i> | | | | |
| Claims Payable | 898,429 | 69,182 | 1,737,240 | 2,704,851 |
| Compensated Absences | 39,843 | - | - | 39,843 |
| | | | | |
| Total Liabilities | <u>1,582,758</u> | <u>107,093</u> | <u>1,759,311</u> | <u>3,449,162</u> |
| Net Position | | | | |
| Unrestricted | <u>4,261,542</u> | <u>463,701</u> | <u>6,980,706</u> | <u>11,705,949</u> |
| | | | | |
| Total Net Position | <u>\$ 5,844,300</u> | <u>\$ 570,794</u> | <u>\$ 8,740,017</u> | <u>\$ 15,155,111</u> |

Mesa County Valley School District No. 51
Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

| | Insurance Reserve | Dental Insurance | Medical Insurance | Total |
|--|----------------------|---------------------|----------------------|----------------------|
| Operating Revenues | | | | |
| Premiums and Copays for Employees | \$ 924,519 | \$ 1,205,370 | \$ 22,518,396 | \$ 24,648,285 |
| Other Professional Services | 38,196 | - | 164,313 | 202,509 |
| Total Operating Revenues | <u>962,715</u> | <u>1,205,370</u> | <u>22,682,709</u> | <u>24,850,794</u> |
| Operating Expenses | | | | |
| Workers' Compensation | 1,450,530 | - | - | 1,450,530 |
| Insurance Premiums | 870,663 | - | - | 870,663 |
| Losses or Claims | - | 1,137,746 | 19,970,711 | 21,108,457 |
| Other Operating Expenses | 1,686,796 | - | 28,017 | 1,714,813 |
| Total Operating Expenses | <u>4,007,989</u> | <u>1,137,746</u> | <u>19,998,728</u> | <u>25,144,463</u> |
| Operating Income (Loss) | (3,045,274) | 67,624 | 2,683,981 | (293,669) |
| Nonoperating Revenues: | | | | |
| Investment Income | 195,530 | - | 140,326 | 335,856 |
| Transfers In (Out) | 1,500,000 | - | 1,500,000 | 3,000,000 |
| Changes in Net Position | (1,349,744) | 67,624 | 4,324,307 | 3,042,187 |
| Net Position, Beginning of year | <u>5,611,286</u> | <u>396,077</u> | <u>2,656,399</u> | <u>8,663,762</u> |
| Net Position, End of year | <u>\$ 4,261,542</u> | <u>\$ 463,701</u> | <u>\$ 6,980,706</u> | <u>\$ 11,705,949</u> |

Mesa County Valley School District No. 51
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

| | Insurance Reserve | Dental Insurance | Medical Insurance | Total |
|--|----------------------|---------------------|----------------------|---------------|
| Cash Flows From Operating Activities | | | | |
| Cash Received from Customers and Users | \$ 965,919 | \$ 1,197,730 | \$ 22,673,906 | \$ 24,837,555 |
| Cash Paid to Suppliers | (2,562,930) | (1,181,736) | (20,236,696) | (23,981,362) |
| Cash Paid to Employees | (834,694) | - | (8,078) | (842,772) |
| Net Cash Provided by Operating Activities | (2,431,705) | 15,994 | 2,429,132 | 13,421 |
| Cash Flows From Noncapital Financing Activities | | | | |
| Transfers from Other Funds | 1,500,000 | - | 1,500,000 | 3,000,000 |
| Cash Flows From Investing Activities | | | | |
| Investment Income Received | 195,530 | - | 140,326 | 335,856 |
| Net Increase (Decrease) in Cash Flows | (736,175) | 15,994 | 4,069,458 | 3,349,277 |
| Cash and Cash Equivalents, Beginning of year | 6,579,061 | 547,160 | 4,462,802 | 11,589,023 |
| Cash and Cash Equivalents, End of year | \$ 5,842,886 | \$ 563,154 | \$ 8,532,260 | \$ 14,938,300 |
| Reconciliation of Change in Net Position to Net Cash Used by Operating Activities | | | | |
| Operating Income (Loss) | \$ (3,045,274) | \$ 67,624 | \$ 2,683,981 | \$ (293,669) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash by Operating Activities: | | | | |
| Change In: | | | | |
| Accounts Receivable | 3,204 | (7,640) | (8,803) | (13,239) |
| Accounts Payable | (12,113) | (42,424) | (423,074) | (477,611) |
| Claims Payable | 605,743 | (1,566) | 185,106 | 789,283 |
| Accrued Salaries and Benefits | 14,182 | - | (8,078) | 6,104 |
| Compensated Absences | 2,553 | - | - | 2,553 |
| Net Cash Provided by Operating Activities | \$ (2,431,705) | \$ 15,994 | \$ 2,429,132 | \$ 13,421 |

Mesa County Valley School District No. 51
Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2023

| | Independence Academy Charter School | Juniper Ridge Community School | Mesa Valley Community School | Total |
|--|---|--------------------------------------|------------------------------------|-----------------------|
| Assets | | | | |
| Cash and Investments | \$ 5,361,111 | \$ 1,084,806 | \$ 644,955 | \$ 7,090,872 |
| Restricted Cash and Investments | 1,287,195 | - | 181,451 | 1,468,646 |
| Receivables: | | | | |
| Accounts Receivable, <i>net of allowance</i> | 5,749 | 107,674 | - | 113,423 |
| Grants Receivable | - | 51,527 | - | 51,527 |
| Due from District | 208,717 | - | 140,189 | 348,906 |
| Prepaid Expenses | - | 38,309 | - | 38,309 |
| Capital Assets, <i>not being depreciated</i> | 650,620 | 973,083 | 700,186 | 2,323,889 |
| Capital Assets, <i>being depreciated</i> | 10,263,636 | 7,432,666 | 3,490,315 | 21,186,617 |
| Total Assets | <u>17,777,028</u> | <u>9,688,065</u> | <u>5,157,096</u> | <u>32,622,189</u> |
| Deferred Outflows of Resources | | | | |
| Pensions, <i>Net of Accumulated Amortization</i> | 1,215,914 | 1,120,933 | 927,384 | 3,264,231 |
| OPEB, <i>Net of Accumulated Amortization</i> | 53,059 | 64,526 | 41,042 | 158,627 |
| Total Deferred Outflows of Resources | <u>1,268,973</u> | <u>1,185,459</u> | <u>968,426</u> | <u>3,422,858</u> |
| Liabilities | | | | |
| Accounts Payable | 122,892 | 59,491 | 187,623 | 370,006 |
| Due to Agency Funds | 305,998 | - | - | 305,998 |
| Accrued Salaries and Benefits | 231,367 | 148,832 | 160,939 | 541,138 |
| Accrued Interest Payable | 31,182 | - | 8,942 | 40,124 |
| Unearned Revenue | 27,298 | 18,520 | - | 45,818 |
| Noncurrent Liabilities | | | | |
| Due within One Year | 325,000 | 200,000 | 100,000 | 625,000 |
| Due in More Than One Year | 11,368,251 | 6,670,000 | 2,243,427 | 20,281,678 |
| Net Pension Liability | 4,748,120 | 4,911,358 | 3,679,260 | 13,338,738 |
| Net OPEB Liability | 161,780 | 167,270 | 122,922 | 451,972 |
| Total Liabilities | <u>17,321,888</u> | <u>12,175,471</u> | <u>6,503,113</u> | <u>36,000,472</u> |
| Deferred Inflows of Resources | | | | |
| Pensions, <i>Net of Accumulated Amortization</i> | 246,753 | 442,644 | 759,243 | 1,448,640 |
| OPEB, <i>Net of Accumulated Amortization</i> | 56,979 | 58,912 | 58,189 | 174,080 |
| Total Deferred Inflows of Resources | <u>303,732</u> | <u>501,556</u> | <u>817,432</u> | <u>1,622,720</u> |
| Net Position | | | | |
| Net Investment in Capital Assets | 508,200 | 1,535,749 | 1,921,401 | 3,965,350 |
| Restricted for: | | | | |
| Emergencies | 165,000 | 138,388 | 105,000 | 408,388 |
| Debt Service | 1,287,195 | - | - | 1,287,195 |
| Unassigned | (540,014) | (3,477,640) | (3,221,424) | (7,239,078) |
| Total Net Position | <u>\$ 1,420,381</u> | <u>\$ (1,803,503)</u> | <u>\$ (1,195,023)</u> | <u>\$ (1,578,145)</u> |

Mesa County Valley School District No. 51
Combining Statement of Activities
Discretely Presented Component Units
June 30, 2023

| <u>Function/Programs</u> | Independence Academy Charter School | Juniper Ridge Community School | Mesa Valley Community School | Total |
|--|---|--------------------------------------|------------------------------------|-----------------------|
| Expenses | | | | |
| Instructional Services | \$ 2,619,339 | \$ 1,413,534 | \$ 1,542,345 | \$ 5,575,218 |
| Supporting Services | 2,554,574 | 3,006,747 | 1,105,413 | 6,666,734 |
| Interest on Long-Term Debt | 382,837 | 366,710 | 109,633 | 859,180 |
| Total Expenses | <u>5,556,750</u> | <u>4,786,991</u> | <u>2,757,391</u> | <u>13,101,132</u> |
| Program Revenues | | | | |
| Charges for Services | 162,484 | 40,800 | 81,870 | 285,154 |
| Operating Grants and Contributions | 745,172 | 578,688 | 631,669 | 1,955,529 |
| Capital Grants and Contributions | 213,527 | 153,782 | 145,808 | 513,117 |
| Total Program Revenues | <u>1,121,183</u> | <u>773,270</u> | <u>859,347</u> | <u>2,753,800</u> |
| General Revenues | | | | |
| Per Pupil Revenue | 4,114,670 | 3,772,474 | 2,319,950 | 10,207,094 |
| Mill Levy Override | 322,279 | 272,257 | 186,449 | 780,985 |
| Investment Income | 100,238 | 24,896 | 12,440 | 137,574 |
| Other | 128,985 | 130,325 | 2,402 | 261,712 |
| Total General Revenues | <u>4,666,172</u> | <u>4,199,952</u> | <u>2,521,241</u> | <u>11,387,365</u> |
| Total Revenues | <u>5,787,355</u> | <u>4,973,222</u> | <u>3,380,588</u> | <u>14,141,165</u> |
| Change in Net Position | 230,605 | 186,231 | 623,197 | 1,040,033 |
| Net Position, Beginning of year (as restated) | <u>1,189,776</u> | <u>(1,989,734)</u> | <u>(1,818,220)</u> | <u>(2,618,178)</u> |
| Net Position, End of year | <u>\$ 1,420,381</u> | <u>\$ (1,803,503)</u> | <u>\$ (1,195,023)</u> | <u>\$ (1,578,145)</u> |

Mesa County Valley School District No. 51

Description of Funds - Mill Levy

June 30, 2023

Component of General fund Component - 2017 Mill Levy

In November 2017, School District 51 voters approved a mill levy override to raise property taxes within District 51 boundaries by \$6.5 million annually for ten years. The funds are for the purpose of adding additional student count days, updating instructional materials and educator training, and helping extend the life of buildings and additional positions for technology support. The 2017 Mill Levy fund is part of the Combined General fund.

Mesa County Valley School District No. 51

Balance Sheet

2017 Mill Levy

(Component of the General Fund)

June 30, 2023

Assets

Current Assets

Cash and Investments \$ 6,208,173

Total Assets 6,208,173

Liabilities

Accounts Payable 250,296

Total Liabilities 250,296

Net Position

Unrestricted 5,957,877

Total Net Position \$ 6,208,173

Mesa County Valley School District No. 51
Statement of Revenues, Expenses and Changes in Net Position
2017 Mill Levy
(Component of the General Fund)
For the Year Ended June 30, 2023

| | |
|---|----------------------------|
| Revenues | |
| Local Sources | \$ <u>7,886,916</u> |
| | |
| Total Operating Revenues | <u>7,886,916</u> |
| Expenditures | |
| Instructional Services | 613,826 |
| Instructional Support | 16,260 |
| Business Support | 363,091 |
| Capital Outlay | <u>408,083</u> |
| | |
| Total Operating Expenses | <u>1,401,260</u> |
| Over Excess of Revenues (Under) Expenditures | 6,485,656 |
| Nonoperating Revenues | |
| Transfers In (Out) | <u>(4,775,693)</u> |
| Changes in Net Position | 1,709,963 |
| Net Position, Beginning of year | <u>4,247,914</u> |
| Net Position, End of year | <u>\$ <u>5,957,877</u></u> |

Mesa County Valley School District No. 51
 Budgetary Comparison Schedule
 2017 Mill Levy
(Component of the General Fund)
 For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------|---------------------|---------------------|------------------------------------|
| Revenues | | | | |
| Property Taxes | \$ 6,500,000 | \$ 6,500,000 | \$ 6,713,754 | \$ 213,754 |
| Specific Ownership Tax | 975,818 | 975,818 | 832,424 | (143,394) |
| Investment Income | 1,200 | 250,000 | 130,168 | (119,832) |
| Other Income | - | - | 210,570 | 210,570 |
| | <u>7,477,018</u> | <u>7,725,818</u> | <u>7,886,916</u> | <u>161,098</u> |
| Total Revenues | | | | |
| | <u>7,477,018</u> | <u>7,725,818</u> | <u>7,886,916</u> | <u>161,098</u> |
| Expenses | | | | |
| Instructional Services | 1,169,321 | 1,045,524 | 613,826 | 431,698 |
| Instructional Support | - | 16,500 | 16,260 | 240 |
| Business Support | 300,000 | 300,000 | 363,091 | (63,091) |
| Capital Outlay | 1,000,000 | 1,000,000 | 408,083 | 591,917 |
| | <u>2,469,321</u> | <u>2,362,024</u> | <u>1,401,260</u> | <u>960,764</u> |
| Total Expenditures | | | | |
| | <u>2,469,321</u> | <u>2,362,024</u> | <u>1,401,260</u> | <u>960,764</u> |
| Over Excess of Revenues (Under) Expenditures | 5,007,697 | 5,363,794 | 6,485,656 | 1,121,862 |
| Other Financing Sources | | | | |
| Transfers Out | (4,011,890) | (4,804,460) | (4,775,693) | 28,767 |
| | <u>(4,011,890)</u> | <u>(4,804,460)</u> | <u>(4,775,693)</u> | <u>28,767</u> |
| Total Other Financing Sources | | | | |
| | <u>(4,011,890)</u> | <u>(4,804,460)</u> | <u>(4,775,693)</u> | <u>28,767</u> |
| Change in Net Position | 995,807 | 559,334 | 1,709,963 | 1,150,629 |
| Net Position, Beginning of year | <u>3,506,803</u> | <u>4,247,914</u> | <u>4,247,914</u> | <u>-</u> |
| Net Position, End of year | <u>\$ 4,502,610</u> | <u>\$ 4,807,248</u> | <u>\$ 5,957,877</u> | <u>\$ 1,150,629</u> |

Mesa County Valley School District No. 51
Capital Assets Used in the Operations of Governmental Funds
Schedule by Function and Activity
For the year ended June 30, 2023

| Function and Activity | Land and Improvements | Right-to-use Lease Buildings | Equipment | Right-to-use Lease Equipment | Total |
|---------------------------------|--------------------------|------------------------------------|----------------------|------------------------------------|-----------------------|
| Instructional services | \$ 26,445,523 | \$ 405,621,507 | \$ 15,766,051 | \$ 1,155,278 | \$ 448,988,359 |
| Pupil services | - | 1,772,174 | 1,173,165 | 100,431 | 3,045,770 |
| Instructional staff services | - | 469,888 | 11,922 | 714,716 | 1,196,526 |
| General administration services | - | 78,266 | - | - | 78,266 |
| School administration services | 263,666 | 17,289,814 | 39,641 | - | 17,593,121 |
| Business services | 978,867 | 282,905 | 274,873 | 122,809 | 1,659,454 |
| Maintenance services | - | 197,216 | 2,861,518 | - | 3,058,734 |
| Transportation services | 378,287 | 200,000 | 1,214,067 | - | 1,792,354 |
| Central services | 83,817 | 358,829 | 940,418 | 12,680,472 | 14,063,536 |
| Nutrition & community services | 344,016 | 1,261,603 | 2,414,159 | - | 4,019,778 |
| | <u>\$ 28,494,176</u> | <u>\$ 427,532,202</u> | <u>\$ 24,695,814</u> | <u>\$ 14,773,706</u> | <u>\$ 495,495,898</u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51
Capital Assets Used in the Operations of Governmental Funds
Schedule by Source
For the year ended June 30, 2023

| | |
|--|----------------------------------|
| <u>Governmental funds capital assets:</u> | |
| Land and improvements | \$ 28,494,176 |
| Buildings | 427,532,202 |
| Equipment | 24,695,814 |
| Right-to-use lease assets | <u>14,773,706</u> |
| Total governmental funds capital assets | \$ <u><u>495,495,898</u></u> |
| <u>Investment in governmental funds capital assets by source</u> | |
| Assets acquired prior to January 1, 1998, not categorized by source | \$ 18,931,152 |
| General fund | 15,071,468 |
| Special revenue funds | 55,540,476 |
| Capital projects funds | 402,303,071 |
| Donations and other | <u>3,649,731</u> |
| Total governmental funds capital asset | \$ <u><u>495,495,898</u></u> |

Note 1: This schedule presents only the capital asset balance related to governmental funds. Accordingly the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51
Capital Assets Used in the Operations of Governmental Funds
Schedule of Changes by Function and Activity
For the year ended June 30, 2023

| <u>Function and Activity</u> | <u>Balance 2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 2023</u> |
|---------------------------------|-------------------------|----------------------|------------------------|-------------------------|
| Instructional services | \$ 409,111,013 | \$ 50,089,130 | \$ (10,211,784) | \$ 448,988,359 |
| Pupil services | 3,003,987 | 53,913 | (12,130) | 3,045,770 |
| Instructional staff services | 1,211,542 | - | (15,016) | 1,196,526 |
| General administration services | 78,266 | - | - | 78,266 |
| School administration services | 17,593,121 | - | - | 17,593,121 |
| Business services | 1,659,454 | - | - | 1,659,454 |
| Maintenance services | 3,351,005 | 339,673 | (631,944) | 3,058,734 |
| Transportation services | 1,754,438 | 229,023 | (191,107) | 1,792,354 |
| Central services | 15,717,484 | 47,576 | (1,701,524) | 14,063,536 |
| Nutrition & community services | 3,928,552 | 890,343 | (799,117) | 4,019,778 |
| | <u>\$ 457,408,862</u> | <u>\$ 51,649,658</u> | <u>\$ (13,562,622)</u> | <u>\$ 495,495,898</u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.



Calra Thaxton 4th Grade – Taylor Elementary

STATISTICAL SECTION

Statistical Section

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Tables

Financial Trends

1-4

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

5-9

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

11-13

assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

14-16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

17-18

These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

SCHEDULE 1

Mesa County Valley School District No. 51

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

| | 2023 | 2022 | 2021 | 2020 | 2019 | Fiscal Year 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 176,140,113 | \$ 139,176,460 | \$ 113,248,554 | \$ 129,888,125 | \$ 117,356,631 | \$ 115,137,562 | \$ 111,140,665 | \$ 106,908,230 | \$ 96,397,273 | \$ 100,323,737 |
| Restricted | 33,044,071 | 31,243,731 | 45,077,132 | 58,992,332 | 109,237,276 | 149,203,595 | 24,394,335 | 25,700,649 | 28,818,154 | 23,049,475 |
| Unrestricted | (292,026,280) | (257,847,515) | (391,475,835) | (510,402,108) | (618,349,532) | (712,159,497) | (437,459,202) | (322,627,457) | (309,046,875) | 14,969,324 |
| Total governmental activities net position | \$ (82,842,096) | \$ (87,427,324) | \$ (233,150,149) | \$ (321,521,651) | \$ (391,755,625) | \$ (447,818,340) | \$ (301,924,202) | \$ (190,018,578) | \$ (183,831,448) | \$ 138,342,536 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,068,385 |
| Restricted | - | - | - | - | - | - | - | - | - | 468,640 |
| Total business-type activities net position | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,537,025 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 176,140,113 | \$ 139,176,460 | \$ 113,248,554 | \$ 129,888,125 | \$ 117,356,631 | \$ 115,137,562 | \$ 111,140,665 | \$ 106,908,230 | \$ 96,397,273 | \$ 101,392,122 |
| Restricted | 33,044,071 | 31,243,731 | 45,077,132 | 58,551,077 | 109,237,276 | 149,203,595 | 24,394,335 | 25,700,649 | 28,818,154 | 23,518,115 |
| Unrestricted | (292,026,280) | (257,847,515) | (391,475,835) | (509,960,853) | (618,349,532) | (712,159,497) | (437,459,202) | (322,627,457) | (309,046,875) | 14,969,324 |
| Total primary government net position | \$ (82,842,096) | \$ (87,427,324) | \$ (233,150,149) | \$ (321,521,651) | \$ (391,755,625) | \$ (447,818,340) | \$ (301,924,202) | \$ (190,018,578) | \$ (183,831,448) | \$ 139,879,561 |

SCHEDULE 2

Mesa County Valley School District No. 51

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instructional services | \$ 165,846,932 | \$ 58,299,199 | \$ 92,270,293 | \$ 92,624,793 | \$ 87,502,165 | \$ 195,108,436 | \$ 176,966,621 | \$ 116,995,950 | \$ 125,766,049 | \$ 103,736,456 |
| Support services: | | | | | | | | | | |
| Pupil services | 21,230,325 | 11,058,769 | 12,767,282 | 7,483,163 | 9,844,288 | 24,494,987 | 27,127,646 | 11,104,927 | 11,689,141 | 11,304,103 |
| Instructional staff services | 18,479,227 | 11,124,293 | 19,968,924 | 13,421,665 | 10,828,451 | 19,491,190 | 9,629,866 | 10,357,135 | 8,558,900 | 8,791,412 |
| General administration services | 11,576,309 | 1,622,067 | 2,093,270 | 9,212,484 | 2,563,901 | 4,173,553 | 3,843,550 | 2,187,709 | 2,128,667 | 1,905,190 |
| School administration services | 22,869,814 | 9,774,843 | 12,904,490 | 10,532,775 | 11,614,493 | 26,227,769 | 22,264,358 | 13,828,255 | 12,764,674 | 10,877,332 |
| Business Services | 534,673 | 20,856 | 2,513 | 1,767,423 | 1,973,798 | 4,242,106 | 10,019,665 | 2,289,277 | 3,169,113 | 3,012,228 |
| Maintenance and capital asset services | 26,475,105 | 12,557,563 | 13,296,433 | 16,017,775 | 17,983,759 | 27,812,878 | 15,733,043 | 14,408,219 | 13,241,380 | 17,459,417 |
| Transportation services | 8,087,082 | 7,860,625 | 7,638,581 | 6,880,587 | 7,124,778 | 7,475,488 | 6,075,325 | 6,016,818 | 6,037,842 | 5,548,008 |
| Central services | 11,866,506 | 3,407,541 | 11,289,680 | 23,841,064 | 28,118,422 | 28,835,936 | 28,385,565 | 18,466,052 | 18,441,764 | 7,111,686 |
| Nutrition services | 10,378,445 | * | * | * | * | * | * | * | * | * |
| Community services | 829,119 | 9,918,872 | 6,210,193 | 569,315 | 6,110,879 | 9,720,468 | 9,067,812 | 7,165,995 | 7,355,621 | 621,274 |
| Capital Outlay | 3,914,289 | ** | ** | ** | ** | ** | ** | ** | ** | ** |
| Interest on long-term debt | 8,294,980 | 7,337,376 | 7,029,308 | 6,574,189 | 8,015,380 | 5,475,729 | 4,189,427 | 3,459,246 | 3,667,809 | 3,296,778 |
| Depreciation - unallocated | - | - | - | - | - | - | 23,670 | 6,241 | 8,055 | 259,894 |
| Total governmental activities expenses | <u>310,382,806</u> | <u>132,982,004</u> | <u>185,470,967</u> | <u>188,925,231</u> | <u>191,680,312</u> | <u>353,058,540</u> | <u>313,326,548</u> | <u>206,285,824</u> | <u>212,829,015</u> | <u>173,923,778</u> |
| Business-type activities: | | | | | | | | | | |
| Food services | - | - | - | - | - | - | - | - | - | 5,592,221 |
| Total primary government expenses | <u>\$ 310,382,806</u> | <u>\$ 132,982,004</u> | <u>\$ 185,470,967</u> | <u>\$ 188,925,231</u> | <u>\$ 191,680,312</u> | <u>\$ 353,058,540</u> | <u>\$ 313,326,548</u> | <u>\$ 206,285,824</u> | <u>\$ 212,829,015</u> | <u>\$ 179,515,999</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instructional | \$ 10,050 | \$ 9,400 | \$ 15,721 | \$ 496,742 | \$ 727,409 | \$ 1,006,960 | \$ 1,044,573 | \$ 736,313 | \$ 712,469 | \$ 658,031 |
| Pupil services | 2,721,894 | 3,028,659 | 3,472,409 | - | - | - | - | - | - | - |
| Business services | - | - | - | - | - | - | - | - | - | 35,175 |
| Central services | - | 782,432 | 1,137,745 | 7,498,958 | 5,801,070 | 7,233,685 | 3,991,413 | 117,385 | - | 46,892 |
| Community services | - | 216,648 | 171,042 | 1,249,840 | 1,655,533 | 1,369,001 | 1,279,513 | 1,307,832 | 1,346,493 | - |
| Nutrition services | 2,170,906 | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 54,639,093 | 60,778,985 | 73,556,055 | 42,440,443 | 41,362,913 | 30,382,666 | 27,043,480 | 33,386,472 | 38,346,832 | 22,705,890 |
| Capital grants and contributions | 3,751,371 | 1,250,524 | 1,858,578 | 801,648 | 422,040 | 435,323 | - | 68,217 | 607,855 | 295,176 |
| Total governmental activities program revenues | <u>63,293,314</u> | <u>66,066,648</u> | <u>80,211,550</u> | <u>52,487,631</u> | <u>49,968,965</u> | <u>40,427,635</u> | <u>33,358,979</u> | <u>35,616,219</u> | <u>41,013,649</u> | <u>23,741,164</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food services | - | - | - | - | - | - | - | - | - | 1,332,813 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | 4,058,872 |
| Total business-type activities program revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,391,685</u> |
| Total primary government program revenues | <u>\$ 63,293,314</u> | <u>\$ 66,066,648</u> | <u>\$ 80,211,550</u> | <u>\$ 52,487,631</u> | <u>\$ 49,968,965</u> | <u>\$ 40,427,635</u> | <u>\$ 33,358,979</u> | <u>\$ 35,616,219</u> | <u>\$ 41,013,649</u> | <u>\$ 29,132,849</u> |

SCHEDULE 2

Mesa County Valley School District No. 51

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

| | 2023 | 2022 | 2021 | 2020 | 2019 | Fiscal Year 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (247,089,492) | \$ (66,915,356) | \$ (105,259,417) | \$ (136,437,600) | \$ (141,711,347) | \$ (312,630,905) | \$ (279,967,569) | \$ (170,669,605) | \$ (171,815,366) | \$ (150,182,614) |
| Business-type activities | - | - | - | - | - | - | - | - | - | (200,536) |
| Total primary government net expense | \$ <u>(247,089,492)</u> | \$ <u>(66,915,356)</u> | \$ <u>(105,259,417)</u> | \$ <u>(136,437,600)</u> | \$ <u>(141,711,347)</u> | \$ <u>(312,630,905)</u> | \$ <u>(279,967,569)</u> | \$ <u>(170,669,605)</u> | \$ <u>(171,815,366)</u> | \$ <u>(150,383,150)</u> |
| General Revenues and other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes for general purposes | \$ 70,832,528 | \$ 69,382,213 | \$ 61,337,311 | \$ 63,347,136 | \$ 55,617,230 | \$ 54,455,668 | \$ 50,360,125 | \$ 49,769,891 | \$ 48,216,179 | \$ 49,731,685 |
| Property taxes for debt service | 22,487,180 | 23,183,485 | 17,615,094 | 17,944,544 | 17,396,241 | 16,623,491 | 11,075,880 | 10,944,960 | 11,384,094 | 11,598,287 |
| State equalization | 115,928,678 | 107,161,370 | 99,457,713 | 111,239,365 | 107,783,096 | 99,148,831 | 95,725,754 | 93,806,039 | 90,949,243 | 85,582,234 |
| Specific ownership taxes | 11,293,648 | 11,854,176 | 11,810,511 | 11,042,879 | 10,965,626 | 10,215,553 | 8,227,547 | 7,972,710 | 7,889,729 | 7,867,676 |
| Investment earnings | 7,628,680 | 486,444 | 126,410 | 2,062,893 | 4,144,129 | 1,825,437 | 401,128 | 143,917 | 89,650 | 81,175 |
| Miscellaneous | 29,115,748 | 638,727 | 604,753 | 1,034,759 | 1,867,740 | 1,883,342 | 2,084,836 | 1,168,710 | 2,397,011 | 2,510,243 |
| Gain (loss) on sale of capital assets | (1,860,371) | 625,096 | - | - | - | - | 186,675 | 676,248 | - | - |
| Total governmental activities | <u>255,426,091</u> | <u>213,331,511</u> | <u>190,951,792</u> | <u>206,671,576</u> | <u>197,774,062</u> | <u>184,152,322</u> | <u>168,061,945</u> | <u>164,482,475</u> | <u>160,925,906</u> | <u>157,371,300</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | - | - | - | - | - | - | - | - | - | 1,192 |
| Total business-type activities | - | - | - | - | - | - | - | - | - | 1,192 |
| Total primary government | \$ <u>255,426,091</u> | \$ <u>213,331,511</u> | \$ <u>190,951,792</u> | \$ <u>206,671,576</u> | \$ <u>197,774,062</u> | \$ <u>184,152,322</u> | \$ <u>168,061,945</u> | \$ <u>164,482,475</u> | \$ <u>160,925,906</u> | \$ <u>157,372,492</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 8,336,599 | \$ 146,416,155 | \$ 85,692,375 | \$ 70,233,976 | \$ 56,062,715 | \$ (128,478,583) | \$ (111,905,624) | \$ (6,187,130) | \$ (10,889,460) | \$ 7,188,686 |
| Business-type activities | - | - | - | - | - | - | - | - | - | (199,344) |
| Total primary government | \$ <u>8,336,599</u> | \$ <u>146,416,155</u> | \$ <u>85,692,375</u> | \$ <u>70,233,976</u> | \$ <u>56,062,715</u> | \$ <u>(128,478,583)</u> | \$ <u>(111,905,624)</u> | \$ <u>(6,187,130)</u> | \$ <u>(10,889,460)</u> | \$ <u>6,989,342</u> |

* & ** In 2023, the District decided to separated Nutrition services and Capital outlay which were included in other program previously

SCHEDULE 3

Mesa County Valley School District No. 51

Fund Balance, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2023 | 2022 | 2021 | 2020 | 2019 | Fiscal Year 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 317,626 | \$ 286,865 | \$ 261,154 | \$ 236,890 | \$ 281,423 | \$ 248,040 | \$ 272,000 | \$ 279,559 | \$ 287,481 | \$ 269,092 |
| Restricted | 7,873,744 | 137,064 | 194,885 | 759,232 | 1,221,274 | 1,396,561 | 1,326,724 | 1,021,913 | 809,507 | 333,669 |
| Committed | 21,640,727 * | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | 61,821 | 680,858 | 52,113 | 179,644 |
| Unassigned | 37,178,168 | 35,611,214 | 28,526,849 | 13,936,198 | 13,526,186 | 12,142,902 | 8,041,245 | 7,676,462 | 8,846,551 | 8,304,944 |
| Total general fund | <u>\$ 67,010,265</u> | <u>\$ 36,035,143</u> | <u>\$ 28,982,888</u> | <u>\$ 14,932,320</u> | <u>\$ 15,028,883</u> | <u>\$ 13,787,503</u> | <u>\$ 9,701,790</u> | <u>\$ 9,658,792</u> | <u>\$ 9,995,652</u> | <u>\$ 9,087,349</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 693,128 | \$ 750,186 | \$ 553,616 | \$ 476,632 | \$ 363,052 | \$ 325,299 | \$ 370,540 | \$ 388,820 | \$ 340,652 | \$ - |
| Restricted | 114,519,536 | 157,029,932 | 45,077,132 | 58,551,077 | 109,237,276 | 149,203,595 | 17,087,884 | 16,835,743 | 16,127,959 | 15,459,895 |
| Assigned | 11,456,198 | 13,145,574 | 12,345,498 | 7,028,237 | 10,450,040 | 7,972,762 | 8,190,498 | 9,840,641 | 8,309,650 | 8,054,292 |
| Unassigned | 2,816,783 | - | - | (198,032) | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 129,485,645</u> | <u>\$ 170,925,692</u> | <u>\$ 57,976,246</u> | <u>\$ 65,857,914</u> | <u>\$ 120,050,368</u> | <u>\$ 157,501,656</u> | <u>\$ 25,648,922</u> | <u>\$ 27,065,204</u> | <u>\$ 24,778,261</u> | <u>\$ 23,514,187</u> |

* Note: In fiscal year 2023, the District reserved 10% of total district's general fund (fund 10) expenditure and transfer in Combined general fund.

SCHEDULE 4

Mesa County Valley School District No. 51

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2023 | 2022 | 2021 | 2020 | 2019 | Fiscal Year 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------------|-----------------------|---------------------|------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Local sources | \$ 130,299,905 | \$ 114,472,614 | \$ 101,049,644 | \$ 97,707,196 | \$ 94,584,343 | \$ 89,850,204 | \$ 73,531,140 | \$ 72,818,522 | \$ 70,695,150 | \$ 69,530,584 |
| State sources | 145,773,300 | 126,556,267 | 113,446,735 | 134,220,935 | 128,312,794 | 112,024,838 | 106,430,245 | 104,918,780 | 106,398,938 | 95,041,524 |
| Federal sources | 40,152,151 | 43,977,950 | 56,527,709 | 19,709,482 | 19,953,900 | 16,984,742 | 15,937,757 | 17,547,688 | 17,313,559 | 13,185,496 |
| Total revenues | <u>316,225,356</u> | <u>285,006,831</u> | <u>271,024,088</u> | <u>251,637,613</u> | <u>242,851,037</u> | <u>218,859,784</u> | <u>195,899,142</u> | <u>195,284,990</u> | <u>194,407,647</u> | <u>177,757,604</u> |
| Expenditures | | | | | | | | | | |
| Instructional services | 144,741,844 | 136,794,380 | 125,043,614 | 125,077,709 | 119,819,781 | 110,317,739 | 104,377,501 | 104,269,806 | 100,008,691 | 99,409,868 |
| Instructional support | 58,104,910 | 55,346,514 | 56,985,969 | 48,826,586 | 45,141,595 | 42,266,450 | 38,350,224 | 38,831,614 | 33,949,186 | 33,555,814 |
| Business support | 39,801,729 | 37,156,243 | 34,585,197 | 34,885,428 | 35,422,401 | 30,015,503 | 27,873,566 | 26,231,563 | 25,371,253 | 25,566,053 |
| Community services | 941,066 | 1,634,879 | 1,087,895 | 902,380 | 854,372 | 739,209 | 969,112 | 592,327 | 476,040 | 386,463 |
| Physical activities | 926,498 | 4,937 | 497,959 | 564,708 | 755,390 | 698,378 | 729,238 | 700,554 | 659,900 | 650,108 |
| Nutrition services | 9,287,746 | 8,957,968 | 6,778,416 | 6,602,638 | 6,575,366 | 6,373,951 | 6,069,977 | 5,516,887 | 5,719,817 | - |
| Student body activities | 5,134,106 | *** | *** | *** | *** | *** | *** | *** | *** | *** |
| Capital outlay | 63,106,272 | 19,762,328 | 21,221,325 | 69,031,427 | 60,258,563 | 20,290,321 | 6,361,582 | 11,872,294 | 7,532,147 | 5,891,025 |
| Debt service: | | | | | | | | | | |
| Lease financing principal* | 12,647,961 | 2,882,442 | 2,097,310 | 2,048,625 | 1,594,690 | 1,410,787 | 2,103,116 | - | - | - |
| Lease financing interest* | - | 759,084 | 661,110 | 877,236 | 634,371 | 547,057 | 872,737 | - | - | - |
| GO Bond principal | - | 9,260,000 | 8,825,000 | 8,535,000 | 8,265,000 | 7,980,000 | 7,625,000 | 9,357,701 | 9,331,776 | 8,595,848 |
| Bond Issuance Costs | - | 563,499 | 90,000 | - | - | 752,897 | - | - | - | - |
| Interest and fiscal charges | 12,143,241 | 9,247,794 | 8,265,163 | 8,621,463 | 8,904,175 | 4,854,106 | 3,312,613 | 3,923,570 | 4,466,814 | 4,547,940 |
| Total expenditures | <u>346,835,373</u> | <u>282,370,068</u> | <u>266,138,958</u> | <u>305,973,200</u> | <u>288,225,704</u> | <u>226,246,398</u> | <u>198,644,666</u> | <u>201,296,316</u> | <u>187,515,624</u> | <u>178,603,119</u> |
| Excess of revenues over (under) expenditures | <u>(30,610,017)</u> | <u>2,636,763</u> | <u>4,885,130</u> | <u>(54,335,587)</u> | <u>(45,374,667)</u> | <u>(7,386,614)</u> | <u>(2,745,524)</u> | <u>(6,011,326)</u> | <u>6,892,023</u> | <u>(845,515)</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Proceeds from issuance of bonds/ COPs | - | 115,563,499 | 6,085,000 | - | - | 142,726,435 | - | 7,355,000 | - | - |
| Bond/ COPs premium | - | - | - | - | - | - | - | 257,930 | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - | - | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - |
| Payment to refunded COP escrow agent | - | - | (5,995,000) | - | - | - | - | - | - | - |
| Proceeds from sale of real property | - | 915,095 | - | 423,475 | 419,757 | - | 1,355,137 | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | 10,245,000 | - | 6,105 | 351,500 | - | 20,000 |
| Issuance of right of use lease assets | 1,504,360 | 3,079,672 | 20,265 | 2,123,096 | - | 2,098,626 | 1,510,998 | 1,946,982 | 2,696,875 | 2,140,967 |
| Refinanced leases debt payoff | - | - | - | - | - | - | - | - | - | - |
| Charter school allocations** | - | - | - | - | - | - | - | - | (5,585,158) | - |
| Transfers in | 2,779,613 | 2,613,472 | 2,653,762 | 2,605,952 | 2,402,756 | 2,356,030 | 2,326,363 | 3,196,363 | 3,587,829 | 3,218,890 |
| Transfers out | (5,779,613) | (4,113,472) | (4,153,762) | (5,105,952) | (3,902,756) | (3,856,030) | (3,826,363) | (5,146,363) | (5,887,832) | (3,218,890) |
| Total other financing sources (uses) | <u>(1,495,640)</u> | <u>118,058,266</u> | <u>(1,389,735)</u> | <u>46,571</u> | <u>9,164,757</u> | <u>143,325,061</u> | <u>1,372,240</u> | <u>7,961,412</u> | <u>(5,188,286)</u> | <u>2,160,967</u> |
| Net change in fund balances | \$ <u>(32,105,657)</u> | \$ <u>120,695,029</u> | \$ <u>3,495,395</u> | \$ <u>(54,289,016)</u> | \$ <u>(36,209,910)</u> | \$ <u>135,938,447</u> | \$ <u>(1,373,284)</u> | \$ <u>1,950,086</u> | \$ <u>1,703,737</u> | \$ <u>1,315,452</u> |
| Debt service as a percentage of noncapital expenditures | 8.40% | 8.25% | 7.97% | 8.25% | 8.16% | 7.01% | 7.14% | 6.98% | 7.60% | 7.50% |

* Prior to fiscal year 2017, lease financing principal and interest were not separately categorized from General Obligation bond payments.

** Beginning in fiscal year 2016, charter school allocations are shown as a reduction in state source revenues.

*** Beginning in fiscal year 2023, student body activity has been separated from other expenditure classification to match the presentation on the fund statement

SCHEDULE 5

Mesa County Valley School District No. 51

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

| Fiscal Year | Mesa County-Wide Valuations | | | | | | District Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual District Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|-------------|--------------------------------|-----------------------|----------------------|------------------------------|---------------------|----------------------|---------------------------------|-----------------------|---|--|
| | Commercial/Industrial Property | Agricultural Property | Residential Property | Total Taxable Assessed Value | Tax-Exempt Property | Total Assessed Value | | | | |
| 2014 | 1,064,212,210 | 27,249,000 | 734,716,840 | 1,826,178,050 | 381,085,680 | 2,207,263,730 | 1,610,605,670 | 36.693 | 12,129,218,540 | 13.28% |
| 2015 | 1,032,666,110 | 27,839,710 | 744,510,470 | 1,805,016,290 | 449,483,850 | 2,254,500,140 | 1,584,339,243 | 36.572 | 12,119,081,320 | 13.07% |
| 2016 | 1,017,803,470 | 32,936,330 | 838,018,250 | 1,888,758,050 | 452,929,650 | 2,341,687,700 | 1,649,727,000 | 36.845 | 13,184,337,400 | 12.51% |
| 2017 | 962,779,190 | 33,401,450 | 849,295,690 | 1,845,476,330 | 451,552,500 | 2,297,028,830 | 1,687,046,060 | 36.079 | 13,344,282,620 | 12.64% |
| 2018 | 969,971,530 | 36,397,010 | 850,360,870 | 1,856,729,410 | 395,583,340 | 2,252,312,750 | 1,674,830,529 | 43.784 | 14,500,114,390 | 11.55% |
| 2019 | 997,324,630 | 36,655,800 | 864,390,840 | 1,903,371,270 | 405,432,970 | 2,308,804,240 | 1,685,347,113 | 43.768 | 14,680,257,950 | 11.48% |
| 2020 | 1,161,320,500 | 35,264,880 | 1,004,807,290 | 2,201,392,670 | 451,591,130 | 2,652,983,800 | 1,926,091,870 | 41.971 | 16,982,350,450 | 11.34% |
| 2021 | 1,119,523,510 | 35,262,590 | 1,023,809,700 | 2,178,595,800 | 457,810,990 | 2,636,406,790 | 1,923,891,560 | 41.985 | 17,235,308,100 | 11.16% |
| 2022 | 1,092,062,480 | 40,383,670 | 1,178,692,360 | 2,311,138,510 | 519,768,500 | 2,830,907,010 | 2,131,319,002 | 43.845 | 19,486,240,530 | 10.94% |
| 2023 | 1,170,867,650 | 37,642,300 | 1,170,963,970 | 2,379,473,920 | 534,190,370 | 2,913,664,290 | 2,101,430,072 | 45.077 | 19,714,098,380 | 10.66% |

Source: Mesa County Assessor's Office
 Summary of Levies published on their website
 Actual Value per December certification of values

SCHEDULE 6

Mesa County Valley School District No. 51

Principal Property Tax Payers

Current Year and Nine Years Ago

| Taxpayer | Type of Business | 2023 | | | 2014 | | | |
|--|------------------|-------------------------|------|---|------------------|-------------------------|------|---|
| | | Taxable Assessed Value | Rank | Percentage of Total District Assessed Taxable Value | Type of Business | Taxable Assessed Value | Rank | Percentage of Total District Assessed Taxable Value |
| Public Service Company of Colorado (Xcel) | Utility | \$ 71,742,910 | 1 | 3.37 % | Utility | \$ 44,590,900 | 3 | 2.59 % |
| Union Pacific Railroad Company | Railroad | 26,949,470 | 2 | 1.26 | Railroad | 16,487,000 | 6 | 0.96 |
| Wal Mart Real Estate Business Trust | Real Estate | 16,767,620 | 3 | 0.79 | ** | ** | ** | ** |
| Spectrum Pacific West, LLC | Utility | 15,559,540 | 4 | 0.73 | ** | ** | ** | ** |
| Grand Valley Rural Power Lines, Inc | Utility | 10,065,860 | 5 | 0.47 | Utility | 11,219,700 | 8 | 0.65 |
| Qwest Corporation | Utility | 9,928,200 | 6 | 0.47 | Utility | 18,636,900 | 5 | 1.08 |
| GAHC4 Grand Junction CO MOB, LLC | Health | 8,911,870 | 7 | 0.42 | ** | ** | ** | ** |
| Grand Mesa Center LLC | Shopping Center | 6,374,990 | 8 | 0.30 | ** | ** | ** | ** |
| Mid America Pipeline | Oil & Gas | 6,320,000 | 9 | 0.30 | ** | ** | ** | ** |
| Dillon Real Estate CO Inc | Real Estate | 6,024,470 | 10 | 0.28 | ** | ** | ** | ** |
| OXY USA Inc. | * | * | * | * | Oil & Gas | 85,193,380 | 1 | 4.95 |
| Delta Petroleum Corporation | * | * | * | * | Oil & Gas | 49,746,470 | 2 | 2.89 |
| Encana Oil & Gas Inc | * | * | * | * | Oil & Gas | 19,458,080 | 4 | 1.13 |
| Collbran Valley Gas Gathering LLC | * | * | * | * | Oil & Gas | 13,344,680 | 7 | 0.78 |
| SM Mesa Mall LLC | * | * | * | * | Shopping Center | 8,720,950 | 10 | 0.51 |
| Enterprise Gas Processing LLC | * | * | * | * | Oil & Gas | 10,652,390 | 9 | 0.62 |
| Total Principal Taxpayers Assessed Valuation | | 178,644,930 | | | | 278,050,450 | | |
| Total Other Taxpayers Assessed Valuation | | <u>1,952,674,072</u> | | | | <u>1,443,083,590</u> | | |
| Total Assessed Valuation | | <u>\$ 2,131,319,002</u> | | | | <u>\$ 1,721,134,040</u> | | |

Source: Mesa County Assessor's Office.
 * Not in the Top 10 in 2022
 ** Not in the Top 10 2013

Note:

SCHEDULE 7

Mesa County Valley School District No. 51

History of Assessed and Statutory "Actual" Valuations for the District

Last Ten Fiscal Years
(Unaudited)

| Levy/ Collection Year | Assessed Valuation | (1) Percentage Change | Statutory "Actual" Valuation | (1) Percentage Change |
|-----------------------------|-----------------------|--------------------------|------------------------------------|--------------------------|
| 2013/2014 | 1,610,605,670 | -6.42% | 12,129,218,540 | -10.50% |
| 2014/2015 | 1,584,339,243 | -1.63% | 12,119,081,320 | -0.08% |
| 2015/2016 | 1,649,727,000 | 4.13% | 13,184,337,400 | 8.79% |
| 2016/2017 | 1,687,046,060 | 2.26% | 13,344,282,620 | 1.21% |
| 2017/2018 | 1,674,830,529 | -0.72% | 14,500,114,390 | 8.66% |
| 2018/2019 | 1,685,347,113 | 0.63% | 14,680,257,950 | 1.24% |
| 2019/2020 | 1,926,091,870 | 14.28% | 16,982,350,450 | 15.68% |
| 2020/2021 | 1,923,891,560 | -0.11% | 17,235,308,100 | 1.49% |
| 2021/2022 | 2,131,319,002 | 10.78% | 19,486,240,530 | 13.06% |
| 2022/2023 | 2,101,430,072 | -1.40% | 19,714,098,380 | 1.17% |

(1) Assessed Value and Statutory "Actual" Value are taken from Certification of Values dated December of each year from the Mesa County Assessors Office and used to certify the levies for the following year.

SCHEDULE 8

Mesa County Valley School District No. 51

Property Tax Levies and Collections

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year ^(a) | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years ^(c) | Total Collections to Date | |
|----------------------------|---|--|--------------------|--|---------------------------|--------------------|
| | | Amount ^(b) | Percentage of Levy | | Amount | Percentage of Levy |
| 2014 | 59,097,954 | 57,594,080 | 97.46 | 9,233 | 57,603,313 | 97.47 |
| 2015 | 57,942,632 | 57,946,869 | 100.01 | - | 57,946,869 | 100.01 |
| 2016 | 60,784,527 | 60,170,315 | 98.99 | 950,355 | 61,120,670 | 100.55 |
| 2017 | 60,866,935 | 57,694,675 | 94.79 | 1,137,932 | 58,832,607 | 96.66 |
| 2018 | 73,331,524 | 71,607,575 | 97.65 | 1,570,157 | 73,177,732 | 99.79 |
| 2019 | 73,764,272 | 72,530,736 | 98.33 | 1,110,593 | 73,641,329 | 99.83 |
| 2020 | 80,840,836 | 76,470,707 | 94.59 | 1,577,984 | 78,048,691 | 96.55 |
| 2021 | 80,774,956 | 76,959,364 | 95.28 | 1,247,990 | 78,207,354 | 96.82 |
| 2022 | 92,461,087 | 88,394,077 | 95.60 | 1,726,768 | 90,120,845 | 97.47 |
| 2023 | 94,726,209 | 90,468,751 | 95.51 | - | 90,468,751 | 95.51 |

Note: The county treasurer provides collection data in "current" and "delinquent" categories. Collections of delinquent taxes are presented as collected for the prior year, which may result in total collections to appear in excess of 100%. Data for reporting delinquent taxes in the year of assessment rather than year of collection is unavailable prior to 2013.

Source:

^(a) Mesa County Assessor's Office

^(b) Mesa County Treasurer

#

#

^(c) Mesa County Treasurer

SCHEDULE 9

Mesa County Valley School District No. 51

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years
(Unaudited)

PROPERTY TAX LEVY IN MILLS

| Levy Year | Collection Year | School District #51 | | | | Mesa County | Cities and Towns |
|-----------|-----------------|---------------------|--------------|----------------------|---------------------------|-------------|------------------|
| | | General Fund | Debt Service | Special Capital Fund | School District #51 Total | | |
| 2013 | 2014 | 29.743 | 6.95 | 0.000 | 36.693 | 12.272 | 35.646 |
| 2014 | 2015 | 29.582 | 6.99 | 0.000 | 36.572 | 12.214 | 35.646 |
| 2015 | 2016 | 30.186 | 6.659 | 0.000 | 36.845 | 12.297 | 35.646 |
| 2016 | 2017 | 29.596 | 6.483 | 0.000 | 36.079 | 12.214 | 35.646 |
| 2017 | 2018 | 33.644 | 10.14 | 0.000 | 43.784 | 12.246 | 35.646 |
| 2018 | 2019 | 33.430 | 10.338 | 0.000 | 43.768 | 12.357 | 35.646 |
| 2019 | 2020 | 32.540 | 9.431 | 0.000 | 41.971 | 12.192 | 35.646 |
| 2020 | 2021 | 32.573 | 9.412 | 0.000 | 41.985 | 12.248 | 35.646 |
| 2021 | 2022 | 32.817 | 11.028 | 0.000 | 43.845 | 12.303 | 35.646 |
| 2022 | 2023 | 34.049 | 11.028 | 0.000 | 45.077 | 12.213 | 35.646 |

PROPERTY TAX LEVY IN AMOUNT

| Levy Year | Collection Year | School District #51 | | | | Mesa County | Cities and Towns |
|-----------|-----------------|---------------------|--------------|----------------------|---------------------------|-------------|------------------|
| | | General Fund | Debt Service | Special Capital Fund | School District #51 Total | | |
| 2013 | 2014 | 47,904,244 | 11,193,709 | - | 59,097,954 | 22,410,858 | 9,050,361 |
| 2014 | 2015 | 46,868,101 | 11,074,531 | - | 57,942,632 | 21,922,758 | 8,884,212 |
| 2015 | 2016 | 49,798,995 | 10,985,532 | - | 60,784,527 | 23,226,058 | 8,978,166 |
| 2016 | 2017 | 49,929,815 | 10,937,120 | - | 60,866,935 | 22,540,648 | 9,176,607 |
| 2017 | 2018 | 56,347,998 | 16,982,781 | - | 73,330,779 | 22,737,509 | 7,305,712 |
| 2018 | 2019 | 56,341,154 | 17,423,117 | - | 73,764,271 | 23,519,959 | 9,188,298 |
| 2019 | 2020 | 62,675,029 | 18,164,971 | - | 80,840,001 | 26,839,380 | 10,452,600 |
| 2020 | 2021 | 62,665,056 | 18,109,900 | - | 80,774,956 | 26,683,441 | 10,621,097 |
| 2021 | 2022 | 69,205,274 | 23,255,813 | - | 92,461,087 | 28,433,938 | 11,517,885 |
| 2022 | 2023 | 71,551,638 | 23,174,571 | - | 94,726,209 | 28,918,391 | 11,552,223 |

Source: Mesa County Assessor's Office

SCHEDULE 10

Mesa County Valley School District No. 51

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | Governmental Activities | | | | | Total Primary Government | ⁽¹⁾ Estimated Population | Debt Per Capita | ⁽¹⁾ Per Capita Income | Percentage of Personal Income |
|-------------|--------------------------|------------|--------------------------|--------------------------------|----------------|--------------------------|-------------------------------------|-----------------|----------------------------------|-------------------------------|
| | General Obligation Bonds | COP | Finance Purchased Leases | Right-to-use Lease Obligations | Capital Leases | | | | | |
| 2014 | 105,611,443 | N/A | - | - | 10,754,304 | 116,365,747 | 149,617 | 778% | 37,222 | 2.09% |
| 2015 | 97,180,588 | N/A | - | - | 11,199,402 | 108,379,990 | 150,986 | 718% | 38,074 | 1.89% |
| 2016 | 88,696,497 | 7,602,183 | - | - | 10,670,887 | 106,969,567 | 150,232 | 712% | 38,863 | 1.83% |
| 2017 | 80,260,910 | 7,140,000 | - | - | 10,293,769 | 97,694,679 | 152,357 | 641% | 39,118 | 1.64% |
| 2018 | 213,548,493 | 6,865,000 | - | - | 10,242,333 | 230,655,826 | 153,649 | 1501% | 41,503 | 3.62% |
| 2019 | 204,220,181 | 16,830,000 | - | - | 7,866,866 | 228,917,047 | 154,615 | 1481% | 44,935 | 3.29% |
| 2020 | 166,930,000 | 16,305,000 | - | - | 7,474,636 | 190,709,636 | 156,260 | 1220% | 46,719 | 2.61% |
| 2021 | 158,105,000 | 15,840,000 | - | - | 4,889,350 | 178,834,350 | 155,574 | 1150% | 48,435 | 2.37% |
| 2022 | 243,885,000 | 15,570,000 | 153,837 | 5,352,861 | - | 264,961,698 | 155,910 | 1699% | 52,121 | 0.49% |
| 2023 | 234,235,000 | 14,910,000 | 81,165 | 4,732,969 | - | 253,959,134 | 157,636 | 1611% | Not Available | |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Sources:

⁽¹⁾ Mesa County, CO 2022 Annual Comprehensive Financial Report

8,019

SCHEDULE 11

Mesa County Valley School District No. 51

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | General Obligation Bonds | Debt Service Monies Available | Net Bonded Debt | ⁽¹⁾ | |
|-------------|--------------------------|-------------------------------|-----------------|--|---------------------------|
| | | | | Percentage of Actual Taxable Value of Property | ⁽²⁾ Per Capita |
| 2014 | 105,611,443 | 10,826,869 | 94,784,574 | 0.78 | 634 |
| 2015 | 97,180,588 | 10,936,447 | 86,244,141 | 0.71 | 571 |
| 2016 | 88,696,497 | 10,871,536 | 77,824,961 | 0.59 | 518 |
| 2017 | 80,260,910 | 10,752,139 | 69,508,771 | 0.52 | 456 |
| 2018 | 213,548,493 | 14,726,466 | 198,822,027 | 1.37 | 1,294 |
| 2019 | 204,220,181 | 14,986,280 | 189,233,901 | 1.29 | 1,232 |
| 2020 | 166,930,000 | 15,694,012 | 151,235,988 | 0.89 | 978 |
| 2021 | 158,105,000 | 16,254,861 | 141,850,139 | 0.82 | 908 |
| 2022 | 243,885,000 | 21,470,571 | 222,414,429 | 1.14 | 1,430 |
| 2023 | 234,235,000 | 23,623,015 | 210,611,985 | 1.07 | 1,351 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Sources:

- ⁽¹⁾ See Schedule 5 for property value data
- ⁽²⁾ See Schedule 11 for population data

SCHEDULE 12

Mesa County Valley School District No. 51

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2023
(Unaudited)

| Taxing Authority | Debt Outstanding | Estimated Percentage Applicable to District 51 | Estimated Overlapping Debt |
|--|---------------------|---|----------------------------------|
| Direct: | | | |
| Mesa County Valley Schools District 51 | \$ 249,145,000 | 100 % | \$ 249,145,000 |
| Overlapping: | | | |
| Mesa County | 9,515,689 | 50 % | 4,757,844.50 |
| City of Grand Junction | 111,186,500 | 100 % | 111,186,500 |
| | | | <u>115,944,345</u> |
| Total direct and overlapping debt | | | <u>\$ 365,089,345</u> |

Sources:

- Individual taxing entities
- Mesa County Valley School District No. 51 Finance Department

Note:

Debt that is repaid using tax revenues is included in the calculation. Debt that will be repaid using revenues related to an enterprise operation, such as user charges for sewer services, is excluded. The percentage of each entity's outstanding general obligation debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

SCHEDULE 13

Mesa County Valley School District No. 51

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Debt limit | 322,121,134 | 316,867,849 | 329,945,400 | 337,409,212 | 334,966,106 | 337,069,423 | 385,218,374 | 384,778,312 | 426,263,800 | 420,286,014 |
| Total debt applicable to limit | 95,280,000 | 88,200,000 | 88,696,497 | 80,260,910 | 213,548,493 | 204,220,181 | 166,930,000 | 158,105,000 | 243,885,000 | 234,235,000 |
| Legal debt margin | 226,841,134 | 228,667,849 | 241,248,903 | 257,148,302 | 121,417,613 | 132,849,242 | 218,288,374 | 226,673,312 | 182,378,800 | 186,051,014 |
| Total debt applicable to the limit as a percentage of debt limit | 29.58% | 27.83% | 26.88% | 23.79% | 63.75% | 60.59% | 43.33% | 41.09% | 57.21% | 55.73% |

Note: Under Colorado State Statute, the District's outstanding general obligation debt should not exceed 20 percent of total assessed property value.

SCHEDULE 14

Mesa County Valley School District No. 51

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | (1) Estimated Population | (1) Personal Income (millions) | (1) Per Capita Personal Income | (2) School Enrollment | (3) Funded FTE Count | (4) Unemployment Rate |
|-------------|-----------------------------|-----------------------------------|-----------------------------------|--------------------------|-------------------------|--------------------------|
| 2014 | 149,617 | 5,492,271 | 36,709 | 21,894 | 21,076.9 | 6.90% |
| 2015 | 148,116 | 5,644,717 | 38,074 | 21,742 | 21,021.2 | 4.70% |
| 2016 | 149,794 | 5,979,808 | 39,920 | 21,904 | 21,005.6 | 4.80% |
| 2017 | 151,616 | 6,292,523 | 41,503 | 22,105 | 21,126.7 | 3.60% |
| 2018 | 153,649 | 6,884,366 | 44,935 | 22,084 | 21,078.5 | 3.30% |
| 2019 | 154,615 | 7,223,458 | 46,719 | 22,082 | 21,082.4 | 3.80% |
| 2020 | 156,260 | 7,568,453 | 48,435 | 22,046 | 21,432.1 | 6.70% |
| 2021 | 155,574 | 8,200,469 | 52,121 | 21,081 | 21,055.0 | 6.90% |
| 2022 | 155,910 | Not available | Not available | 21,315 | 21,006.7 | 3.90% |
| 2023 | 157,636 | Not available | Not available | 20,295 | 20,854.0 | 3.40% |

Sources:

- (1) US Dept of Commerce, Bureau of Economic Analysis (www.bea.gov/bea/regional)
- (2) Colorado Department of Education - Pupil Membership
- (3) Mesa County Valley School District No. 51 October CDE pupil count.
- (4) Mesa County Workforce Center

SCHEDULE 15

Mesa County Valley School District No. 51

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

| Employer | Type of Business | June, 2023 | | | June, 2014 | | |
|---|------------------|---------------------------|------|--------------------------|---------------------------|------|--------------------------|
| | | Numbers of Employees 2023 | Rank | Percentage of Total 2023 | Numbers of Employees 2014 | Rank | Percentage of Total 2014 |
| Mesa County Valley School District No. 51 | Education | 2,575 | 1 | 22.93% | 2,401 | 1 | 25.29% |
| St. Mary's Hospital & Medical Center | Healthcare | 2,000 | 2 | 17.81% | 1,500 | 2 | 15.81% |
| Colorado Mesa University | Education | 1,431 | 3 | 12.74% | 604 | 9 | 6.37% |
| Mesa County | Government | 1,120 | 4 | 9.97% | 987 | 3 | 10.40% |
| VA Medical Center | Healthcare | 900 | 5 | 8.01% | 569 | 10 | 6.00% |
| City of Grand Junction | Government | 772 | 6 | 6.87% | 642 | 5 | 6.77% |
| Community Hospital | Healthcare | 750 | 7 | 6.68% | - | - | - |
| GJRC (CODHS) | Government | 750 | 8 | 6.68% | 623 | 8 | 6.57% |
| Hilltop Community Resources | Healthcare | 437 | 9 | 3.89% | - | - | - |
| West Star Aviation | Aviation | 497 | 10 | 4.42% | - | - | - |
| City Markets, Inc | Retail | - | - | - | 637 | 6 | 6.71% |
| Star Tek USA | Services | - | - | - | 900 | 4 | 9.49% |
| Halliburton Energy | Oil&Gas | - | - | - | 625 | 7 | 6.59% |
| Total | | 11,232 | | 100.00% | 9,488 | | 100.00% |

Source:

1. Grand Junction Economic Partnership
2. Colorado Department of Labor and Employment (includes part-time and seasonal employees)

SCHEDULE 16

Mesa County Valley School District No. 51

District Employees by Type

Last Ten Fiscal Years
(Unaudited)

| PERSONNEL DATA: | 2023 | 2022 | 2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| FULL-TIME | | | | | | | | | | |
| Administrators | | | - | - | - | - | - | - | - | - |
| Deans | | | - | - | - | - | - | - | - | - |
| CERTIFIED: | | | | | | | | | | |
| Building Leaders | 94 | 90 | 93 | 90 | 88 | 85 | 82 | 78 | 76 | 75 |
| Central Administration | 13 | 15 | 16 | 14 | 14 | 15 | 17 | 16 | 14 | 16 |
| Teachers: | | | | | | | | | | |
| Elementary | 538 | 546 | 567 | 557 | 532 | 534 | 527 | 539 | 537 | 533 |
| Middle School | 264 | 271 | 298 | 307 | 312 | 308 | 299 | 298 | 295 | 296 |
| High School | 376 | 377 | 379 | 366 | 361 | 358 | 362 | 357 | 367 | 362 |
| Instructional Coaches, etc. | 103 | 99 | 87 | 95 | 84 | 71 | 56 | 51 | 52 | 51 |
| Audiologists | 1 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Counselors | 67 | 65 | 68 | 62 | 60 | 59 | 57 | 62 | 59 | 52 |
| Librarians | 9 | 10 | 11 | 13 | 13 | 13 | 13 | 12 | 12 | 12 |
| Nurses | 20 | 20 | 18 | 18 | 17 | 16 | 16 | 15 | 15 | 14 |
| Psychologists | 18 | 19 | 21 | 23 | 22 | 21 | 17 | 19 | 20 | 18 |
| Occupational therapists | 10 | 8 | 8 | 8 | 11 | 10 | 9 | 8 | 9 | 9 |
| Physical therapists | 1 | 4 | 4 | 2 | 2 | 3 | 2 | 3 | 3 | 3 |
| Social workers | 4 | 2 | 0 | 4 | 4 | 4 | - | - | - | - |
| Speech/Language | 23 | 27 | 26 | 24 | 27 | 29 | 26 | 26 | 25 | 25 |
| Coordinators | 18 | 19 | 16 | 18 | 19 | 14 | 16 | 14 | 12 | 12 |
| CLASSIFIED: | | | | | | | | | | |
| Administration | 14 | 13 | 13 | 13 | 13 | 12 | 11 | 11 | 12 | 12 |
| Clerical | 213 | 216 | 220 | 210 | 207 | 204 | 205 | 202 | 189 | 190 |
| Cooks | 74 | 70 | 63 | 69 | 67 | 70 | 69 | 69 | 70 | 71 |
| Coordinators | 10 | 9 | 12 | 12 | 12 | 11 | 11 | 13 | 17 | 18 |
| Custodians | 118 | 117 | 122 | 121 | 119 | 117 | 115 | 120 | 119 | 118 |
| Garage | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 3 |
| Instructional assistants | 449 | 456 | 463 | 447 | 432 | 415 | 424 | 425 | 438 | 411 |
| Interpreters, job coaches and medically fragile attendants | 17 | 17 | 18 | 16 | 11 | 13 | 11 | 12 | 14 | 11 |
| Maintenance | 52 | 47 | 52 | 54 | 55 | 53 | 51 | 52 | 53 | 52 |
| Nurse assistants | 41 | 43 | 74 | 39 | 40 | 38 | 37 | 37 | 39 | 38 |
| Technical computer support | 30 | 33 | 32 | 34 | 35 | 33 | 28 | 29 | 28 | 27 |
| Security Guard | 11 | 9 | 9 | 9 | 8 | 4 | 4 | 4 | 4 | 2 |
| Warehouse persons | 13 | 11 | 9 | 9 | 8 | 8 | 8 | 9 | 10 | 10 |
| Total Full-Time | 2,605 | 2,619 | 2,704 | 2,639 | 2,578 | 2,523 | 2,477 | 2,485 | 2,494 | 2,442 |
| PART-TIME | | | | | | | | | | |
| CERTIFIED: | | | | | | | | | | |
| Administrators | - | - | - | - | - | - | - | - | 1 | 1 |
| Teachers: | | | | | | | | | | |
| Elementary | 21 | 14 | 18 | 26 | 32 | 34 | 44 | 44 | 42 | 40 |
| Middle School | 7 | 12 | 9 | 8 | 8 | 7 | 7 | 9 | 7 | 9 |
| High School | 4 | 11 | 8 | 12 | 12 | 9 | 14 | 15 | 12 | 10 |
| Instructional Coaches, etc. | 6 | 4 | 1 | 2 | - | - | - | 1 | 1 | - |
| Audiologists | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Counselors | 2 | 5 | 2 | 4 | 4 | 5 | 5 | 4 | 3 | 6 |
| Librarians | - | - | - | - | - | - | - | 2 | 2 | 2 |
| Nurses | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Psychologists | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Occupational therapists | - | 1 | - | 1 | 2 | 2 | 3 | 3 | 3 | 3 |
| Physical therapists | - | - | - | - | - | - | - | - | - | - |
| Speech/Language | 2 | 1 | - | 1 | 3 | 2 | 1 | 2 | 4 | 4 |
| Coordinators | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| CLASSIFIED: | | | | | | | | | | |
| Clerical | 13 | 12 | 11 | 14 | 15 | 15 | 14 | 11 | 9 | 10 |
| Cooks | 44 | 51 | 39 | 43 | 42 | 39 | 40 | 41 | 40 | 34 |
| Coordinators | - | - | - | - | - | - | - | 1 | 1 | - |
| Custodians | 3 | 2 | - | - | 1 | 1 | 2 | 2 | 4 | 5 |
| Garage | - | - | - | - | - | - | - | - | - | - |
| Instructional assistants | 39 | 34 | 47 | 58 | 55 | 58 | 64 | 51 | 46 | 45 |
| Interpreters, job coaches and medically fragile attendants | 1 | 1 | - | - | 1 | 1 | 1 | - | - | - |
| Nurse assistants | - | - | - | - | - | 1 | 1 | 2 | 1 | 2 |
| Volunteer coordinator | - | - | - | - | - | - | - | - | - | - |
| Total Part-Time | 149 | 152 | 139 | 172 | 178 | 177 | 201 | 193 | 181 | 176 |
| SUBSTITUTE EMPLOYEES: | | | | | | | | | | |
| Clerical and Inst Assistants | 99 | 109 | 126 | 161 | 128 | 114 | 108 | 178 | 97 | 80 |
| Cooks | 37 | 30 | 25 | 28 | 25 | 19 | 25 | 32 | 34 | 30 |
| Custodians | 28 | 26 | 21 | 17 | 3 | 4 | 5 | 5 | 3 | 1 |
| Teachers | 430 | 448 | 428 | 458 | 398 | 371 | 385 | 303 | 369 | 412 |
| Total substitute employees | 594 | 613 | 600 | 664 | 554 | 508 | 523 | 518 | 503 | 523 |
| Total employees | 3,348 | 3,384 | 3,443 | 3,475 | 3,310 | 3,208 | 3,201 | 3,196 | 3,178 | 3,141 |

Source: Mesa County Valley School District No. 51 Human Resources Department

Note: An employee scheduled to work 6 or more hours per day for 164 days or more per year is considered full-time.

Part-time employees are scheduled to work less than 6 hours per day for 164 days or more per year.

Substitute employees are called in to work as needed, and have no predetermined work schedules.

*Following a review in 2020, designations labeled Administrators/Deans were updated to reflect new designations Building Leaders/Central Admin. Data was applied back to 2013 retroactively.

**2021; data pulled 02/2021

Introduction of D51 online program made teacher level difficult to descimate.

Due to covid, additional Nurse assistants were hired to support the schools using temp funding.

SCHEDULE 17

Mesa County Valley School District No. 51

Operating Statistics

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | (1) Expenses | (2) School Enrollment (FTE) | Cost per Pupil | Percentage Change | (3) Teaching Staff | Pupil/Teacher Ratio | (4) Student Attendance Percentage | (5)Percentage of Students on Free/Reduced Lunch Program |
|-------------|-----------------|--------------------------------|----------------|-------------------|-----------------------|---------------------|--------------------------------------|---|
| 2014 | 179,515,999 | 21,894 | 8,199 | 2.76 | 1,199.9 | 18.25 | 93.31 | 42.50 |
| 2015 | 212,829,015 | 21,742 | 9,789 | (16.24) | 1,313.0 | 16.56 | 91.96 | 42.79 |
| 2016 | 206,285,824 | 21,904 | 9,418 | 3.94 | 1,258.3 | 17.41 | 92.06 | 47.68 |
| 2017 | 313,326,548 | 22,105 | 14,174 | (33.56) | 1,232.6 | 17.93 | 91.09 | 49.42 |
| 2018 | 353,058,540 | 22,084 | 15,987 | (11.34) | 1,271.0 | 17.38 | 90.61 | 44.47 |
| 2019 | 191,680,312 | 22,082 | 8,680 | 84.17 | 1,289.0 | 17.13 | 92.19 | 46.82 |
| 2020 | 188,925,231 | 22,046 | 8,570 | 1.29 | 1,325.0 | 16.64 | 91.28 | 43.70 |
| 2021 | 185,470,967 | 21,081 | 8,798 | (2.60) | 1,331.0 | 15.84 | 88.08 | 50.13 |
| 2022 | 132,982,004 | 21,315 | 6,239 | 41.02 | 1,293.0 | 16.48 | 85.49 | 43.01 |
| 2023 | 310,382,806 | 20,295 | 15,294 | -59.21 | 1,319.0 | 15.39 | 90.20 | 51.53 |

Sources:

- (1) See Schedule 2 for expense data
- (2) Colorado Department of Education - Pupil Membership
- (3) Mesa County Valley School District No. 51 Human Resources office
- (4) Mesa County Valley School District No. 51 Attendance office
- (5) Mesa County Valley School District No. 51 Nutrition Services office

Note: Teaching staff includes only classroom teachers, not all certified staff.



Jeremy King 5th Grade – New Emerson Elementary

COMPLIANCE SECTION

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 2000 - Mesa County Valley 51
 Fiscal Year 2022-23
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|--|---|---|
| Governmental | + | | - | = |
| 10 General Fund | 35,898,079 | 216,901,448 | 208,238,739 | 44,560,789 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 137,064 | 3,060,601 | 2,388,921 | 808,744 |
| Sub- Total | 36,035,143 | 219,962,049 | 210,627,660 | 45,369,532 |
| 11 Charter School Fund | 7,608,802 | 14,818,174 | 14,578,253 | 7,848,723 |
| 20,26-29 Special Revenue Fund | 3,380,621 | 4,977,989 | 5,204,605 | 3,154,005 |
| 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 | 3,545,825 | 8,967,763 | 10,157,391 | 2,356,197 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 43,495,925 | 43,495,925 | 0 |
| 23 Pupil Activity Special Revenue Fund | 99,107 | 1,071,788 | 926,498 | 244,397 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 21,470,571 | 23,243,956 | 21,091,512 | 23,623,015 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 Building Fund | 126,536,386 | 4,395,808 | 48,763,600 | 82,168,594 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 15,893,182 | 8,614,435 | 6,568,178 | 17,939,439 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 214,569,636 | 329,547,888 | 361,413,623 | 182,703,901 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 (63) Risk-Related Activity Fund | 6,007,363 | 1,733,726 | 3,015,847 | 4,725,243 |
| 60,65-69 Other Internal Service Funds | 2,656,399 | 1,804,640 | -2,519,668 | 6,980,706 |
| Totals | 8,663,762 | 3,538,366 | 496,180 | 11,705,949 |
| 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

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.



Jada Christensen 6th grade – Fruita Middle School

SINGLE AUDIT



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Members of the Board of Education
Mesa County Valley School District No. 51
Grand Junction, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mesa County Valley School District No. 51 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2023.

Internal Control over Financial Reporting

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

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

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

Office Locations:
Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:
750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Compliance and Other Matters

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

Purpose of this Report

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

Hick & Company, PC

Englewood, Colorado
December 22, 2023





**Independent Auditor's Report on Compliance for Each
Major Federal Program; Report on Internal Control over Compliance
and Report on Schedule of Expenditures of Federal Awards Required
by the *Uniform Guidance***

Members of the Board of Education
Mesa County Valley School District No. 51
Grand Junction, Colorado

Report on Compliance for Each Major Federal Program

Opinion Report on Compliance for Each Major Federal Program

We have audited Mesa County Valley School District No. 51 (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.



Report on Internal Control Over Compliance (Continued)

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District. We issued our report thereon dated December 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Hick & Company, PC

Englewood, Colorado
December 22, 2023



Mesa County Valley School District No. 51
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

| Federal Grantor/Pass-Through Grantor/Program Title | Assistance Listing Number | Grant Member Pass-Through Entity Identity Number | Federal Expenditures | Passed Through to Subrecipients |
|---|---------------------------------|--|-----------------------------|---------------------------------------|
| U.S. Department of Education | | | | |
| Passed through State Department of Education | | | | |
| ESSER III – LEA Learning Loss - COVID-19 | 84.425U | 4414/9414 | \$ 16,143,829 | - |
| ESSER III – LEA Learning Loss - Special Education - COVID-19 | 84.425U | 4418/9418 | 189,133 | - |
| ESSER American Rescue Plan - Emergency Relief Fund - COVID-19 | 84.425U | 4434/4436 | 580,088 | - |
| ESSER III - COVID-19 | 84.425D | 4420 | 129,014 | - |
| ESSER II CRSSA Set Aside - COVID-19 | 84.425D | 4419 | 16,739 | - |
| ESSER I Rapid Request - COVID-19 | 84.425D | 4448 | 44,000 | - |
| Governor's Emergency Education Relief Funds - COVID-19 | 84.425C | 6426/6427 | 144,836 | - |
| McKinney-Vento Emergency Relief Fund - COVID-19 | 84.425W | 8426 | 139,098 | - |
| Education Stabilization Fund Subtotal | | | <u>17,386,737</u> | - |
| Special Education | 84.027 | 4027/5027 | 3,959,546 | - |
| American Rescue Plan: Special Education - COVID-19 | 84.027 | 6027 | 588,369 | - |
| Special Education Preschool | 84.173 | 4173/5173 | 211,693 | - |
| American Rescue Plan: Special Education Preschool - COVID-19 | 84.173 | 6173 | 65,109 | - |
| Total Special Education Cluster | | | <u>4,824,717</u> | - |
| Twenty-First Century Community Learning Centers | 84.287 | 5287 | 175,077 | - |
| Title I | 84.010 | 4010/5010 | 5,770,857 | - |
| Title I Grants to Local Education Agencies | 84.010A | 5010 | 84,876 | - |
| Migrant Education | 84.011 | 4011 | 882,535 | - |
| Colorado School Climate Transformation Grant | 84.184F | 8174 | 96,726 | - |
| English Language Acquisition | 84.365 | 4365/7365 | 53,640 | - |
| Improving Teacher Quality | 84.367 | 4367 | 753,164 | - |
| Title IV: Student Support and Academic Enrichment | 84.424 | 4424 | 376,064 | - |
| McKinney-Vento Education for Homeless Children and Youth | 84.196A | 5196 | 61,765 | - |
| Passed through State Community College System | | | | |
| Career and Technical Education | 84.048 | 4048/5048 | 281,185 | - |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | <u>30,747,343</u> | - |
| U.S. Department of Agriculture | | | | |
| Passed through State Department of Education | | | | |
| Seamless Summer Option Breakfast | 10.553 | 4553/5553 | 1,096,582 | - |
| National School Lunch Program | 10.555 | 4555 | 4,074,018 | - |
| Supply Chain Assistance | 10.555 | 6555 | 449,718 | - |
| Summer Food Service Program for Children | 10.559 | 4559 | 126,152 | - |
| Passed through State Department of Human Services | | | | |
| Food Commodities | 10.555 | 4555 | 737,393 | - |
| Total Child Nutrition Cluster | | | <u>6,483,863</u> | - |
| Passed through State Department of Education | | | | |
| SNAP CN Local Administrative Funds | 10.649 | 4649 | 5,950 | - |
| Local Food for Schools Cooperative | 10.185 | 4184 | 12,022 | - |
| Passed through State Department of Human Services | | | | |
| Child and Adult Care Food Program | 10.558 | 4558 | 1,700 | - |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>6,503,535</u> | - |
| U.S. Department of Treasury | | | | |
| Passed through State of Colorado | | | | |
| Build America Bonds and QECCB Subsidy | 21.000 | 9016 | 10,687 | - |
| Coronavirus Local Fiscal Recovery Fund - COVID-19 | 21.027 | 7127 | 98,000 | - |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | <u>108,687</u> | - |
| U.S. Department of Defense | | | | |
| Junior ROTC Program | 12.XXX | 10-9001 | 74,306 | - |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | <u>74,306</u> | - |
| U.S. Department of Health and Human Services | | | | |
| Passed through State Department of Education | | | | |
| Child Care Development Program | 93.596 | 7596 | 63,018 | - |
| Passed through State Department of Early Childhood | | | | |
| Child Care Assistance Block Grant - COVID-19 | 93.575 | 7575 | 963,883 | - |
| Total CCDF Cluster | | | <u>1,026,901</u> | - |
| Passed through State Department of Early Childhood | | | | |
| Early Head Start | 93.600 | 8600 | 39,504 | - |
| Total Head Start Cluster | | | <u>39,504</u> | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>1,066,405</u> | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | <u>\$ 38,500,276</u> | - |

See Notes to the Schedule of Expenditures of Federal Awards.

Mesa County Valley School District No. 51
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Mesa County Valley School District No. 51 under programs for the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Mesa County Valley School District No. 51
 Schedule of Findings and Questioned Costs
 June 30, 2023

Section I: Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:

Unmodified Qualified Adverse Disclaimed

2. The independent auditor's report on internal control over financial reporting described:

Significant deficiencies Yes None reported

Material weaknesses? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiencies? Yes None reported

Material weaknesses? Yes No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

Yes No

7. The District's major program was:

| Cluster/Program | CFDA Number |
|-----------------|-------------|
| ESSER I | 84.425D |
| ESSER II | 84.425D |
| Title I | 84.010 |

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The District qualified as a low-risk auditee as that term is defined in Uniform Guidance.

Yes No

Mesa County Valley School District No. 51
Schedule of Findings and Questioned Costs
June 30, 2023

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Mesa County Valley School District No. 51
Summary Schedule of Prior Audit Findings
June 30, 2023

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.