

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORTS**

**For the Year Ended
June 30, 2017**



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INTRODUCTORY SECTION

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

ROSTER OF SCHOOL OFFICIALS

Year Ended June 30, 2017

Board Of Education

Eric Larson - President

Justin Osborne - Vice-President

Jason Bitter - Member

Kyle Doak - Member

Gina Waggoner - Member

Administrative Staff

Steven B. Grasmick - Superintendent

Michael R. Thomas - Secretary/Treasurer

FOWLER SCHOOL DISTRICT R4J

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FINANCIAL SECTION

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

Management's Discussion and Analysis

As management of the Fowler School District R-4J, we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information provided in the Independent Auditor's report.

Financial Highlights

- The primary government has government-wide net position totaling (\$2,821,309) at the end of the current fiscal year, which is a decline of \$1,850,064 from the prior year. The negative amount is primarily due to the requirement to report pension liabilities from the Public Employees Retirement Association (PERA).
- Governmental activities unrestricted net position are (\$7,454,423). Again, this is due primarily to the reporting requirement of the Public Employees Retirement Association (PERA) pension liability,
- Fund balance of the District's governmental funds increased by \$38,726 resulting in an ending fund balance of \$1,902,186.

Overview of the Financial Statements

The Management's discussion and analysis is intended to be an introduction into the District's basic financial statements. The Fowler School District R-4J basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to basic financial statements

The Management's discussion and analysis also contains other supplemental information.

Government-Wide Financial Statements

The financial statements provided are designed to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students.

The statement of net position presents information on all of the District's assets and liabilities. The difference between the two is reported as net position. Changes in net position from year-to-year may be used as an indicator of the overall financial position of the District. A summary of the District's net position is as follows:

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Current Assets	\$ 2,262,808	\$ 2,229,354
Capital Assets - Net	<u>4,805,458</u>	<u>4,785,393</u>
Total Assets	<u>7,068,266</u>	<u>7,014,747</u>
Deferred Outflows of Financial Resources	<u>5,255,255</u>	<u>901,915</u>
Current Liabilities	357,375	352,466
Long-Term Liabilities	<u>14,413,014</u>	<u>8,142,397</u>
Total Liabilities	<u>14,770,389</u>	<u>8,494,863</u>
Deferred Inflows of Financial Resources	<u>374,441</u>	<u>393,045</u>
Net Investment in Capital Assets	4,130,458	3,985,393
Restricted Net Position	502,656	486,068
Unrestricted Net Position	<u>(7,454,423)</u>	<u>(5,442,707)</u>
Total Net Position	<u>\$ (2,821,309)</u>	<u>\$ (971,246)</u>

Significant changes from the prior year include an increase in capital assets of \$20,065, an increase in current liabilities of \$4,909, and a net increase in long-term liabilities of \$6,270,617. Overall net position decreased \$1,850,063 for governmental activities.

The statement of net position presents the current fiscal year revenues and expenses to show how the net assets of the district changed during the year. In the statement of activities, changes in net assets are recorded when the event occurs. This could mean that information may be reported for revenues and expenses that will result in cash flow differences in future fiscal years.

Revenue in the form of property and specific ownership taxes, as well as State Equalization received, increased by approximately \$50,538 for governmental activities. A summary of the District's activities is as follows:

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Program Revenues:		
Charges for Services	\$ 107,148	\$ 107,485
Operating Grants & Contributions	<u>534,057</u>	<u>481,709</u>
Total Program Revenues	<u>641,205</u>	<u>589,194</u>
General Revenues:		
Taxes	938,317	930,348
State Equalization	2,746,536	2,703,967
Investment Income	6,328	5,996
Miscellaneous	<u>48,162</u>	<u>312,883</u>
Total General Revenues	<u>3,739,343</u>	<u>3,953,194</u>
Total Revenues	<u>4,380,548</u>	<u>4,542,388</u>
Expenses		
Instruction	3,949,580	2,568,604
Supporting Services	2,270,761	1,674,871
Interest on Long Term Debt	<u>10,271</u>	<u>12,771</u>
Total Expenses	<u>6,230,612</u>	<u>4,256,246</u>
Change in Net Position	(1,850,064)	286,142
Net Position - Beginning	<u>(971,246)</u>	<u>(1,257,388)</u>
Net Position - Ending	<u>\$ (2,821,310)</u>	<u>\$ (971,246)</u>

Governmental activities consolidate all of the following Fowler School District R-4J funds: general fund, insurance reserve fund, preschool fund, food services fund, capital reserve fund and bond redemption fund.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Fowler School District R-4J, like other governments, uses fund accounting to guarantee and prove compliance. All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances (spendable resources available at the end of the fiscal year). Such information is used to evaluate the District's short-term financing requirements. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the District's near-term financing decisions.

Fowler School District R-4J maintains two different governmental funds which are major funds: the general fund (which combines the District's general operating fund, insurance reserve fund, and preschool fund), capital projects fund and bond redemption fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. The District does present the food services fund as a non-major fund.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held by the District for parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the sources of those funds are not available to support Fowler School District R-4J direct educational programs. The accounting methods used for fiduciary funds are much like that used for proprietary funds.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

Notes to the Financial Statements

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

Other Information

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's capital projects, food services, debt service and fiduciary funds.

Financial Analysis of the Government's Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of Fowler School District's R-4J net resources available for spending at the end of the fiscal year.

The combined general fund is the largest governmental fund of Fowler School District R-4J. The combined general fund under GASB 34 reporting requirements includes the general fund, insurance reserve fund and preschool fund. As of June 30, 2017, the combined general fund shows an ending fund balance of \$1,226,157, which is an increase of \$159,746 from the prior year, the Capital Reserve Fund balance decreased by \$133,367 to \$243,781, the Bond Redemption Fund ending fund balance increased by \$16,588 to \$388,656, and the Food Service Fund decreased by \$4,241 to \$43,592.

General Fund Budgetary Highlights

Fowler School District R-4J began budget development for the 2016-2017 fiscal year in January of 2016 with preliminary analysis of salary requirements. After reviewing enrollment projections and the most current revenue assumptions, the superintendent and his senior staff prepared a preliminary budget by prioritizing the needs expressed in the February hearings' process. The District Accountability Committee reviewed the budget in April 2016. The preliminary budget was presented to the Board of Education in May. Adoption of the 2016-2017 District budget occurred in June 2016. A supplemental budget was adopted in January 2017.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$4,805,458. This is a total cost of \$10,062,204 less accumulated depreciation of \$5,256,746.

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Assets being depreciated:				
Buildings and Improvements	8,030,628	218,732	-	8,249,360
Transportation equipment	571,121	-	-	571,121
Other equipment	1,032,253	35,547	-	1,067,800
Food Service equipment	55,289	-	-	55,289
Total Assets being depreciated	9,689,291	254,279	-	9,943,570
Accumulated depreciation:				
Buildings	(3,662,812)	(184,148)	-	(3,846,960)
Transportation equipment	(424,427)	(24,503)	-	(448,930)
Other equipment	(899,390)	(24,963)	-	(924,353)
Food Service equipment	(35,903)	(600)	-	(36,503)
Total Accumulated depreciation	(5,022,532)	(234,214)	-	(5,256,746)
Net Capital Assets	\$ 4,785,393	\$ 20,065	\$ -	\$ 4,805,458

At June 30, 2017, Fowler School District R-4J had \$699,189 of bonded debt outstanding, which is a decrease of \$129,479 from the prior year. Additional information on the District's capital assets can be found on page 20 of this report.

	Balance July 1, 2016			Balance June 30, 2017		
	Advances	Payments	Current Portion	Interest Expense		
Series 2012 Gen. Oblig. Bonds	\$ 800,000	\$ -	\$ 125,000	\$ 675,000	\$ 125,000	\$ 14,750
Bond Premiums	28,668	-	4,479	24,189	4,479	-
PERA Net Pension Liability	7,267,320	6,389,809	-	13,657,129	-	-
Compensated Absences	46,409	10,288	-	56,697	-	-
Total Long-Term Obligations	\$ 8,142,397	\$ 6,400,097	\$ 129,479	\$ 14,413,015	\$ 129,479	\$ 14,750

Economic Factors and Next Year's Budget

The District had a guarded outlook for the upcoming 2017-18 budget year. Student enrollment is expected to stay flat or slightly decrease for the upcoming school year. The Fowler School District R-4J Board of Directors voted to give modest salary increases for the 2017-18 school year. New jobs are scarce in the area and economic growth is sluggish. The State of Colorado is continuing to have budget challenges of its own. Although the negative factor is still in place in the State of Colorado, the legislature has apportioned to small, rural districts \$30 million. This will mean our district will receive approximately \$144,000 additional, one-time money. In these uncertain times, it will be imperative to continue to keep a good grasp on the financial condition of the District.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2017

Given these circumstances, the 2016-17 year was a challenging fiscal year. Continued reserve growth is an ongoing financial goal of the District. The upcoming 2017-18 fiscal year will continue to be a challenge in balancing the needs of the students and staff of Fowler School District R-4J and the needs for fiscal stewardship. With the new change of leadership to Alfred Lotrich at the superintendent's position due to the retirement of Steven Grasmick, teamwork is the key to continued financial stability.

Requests for Information

This financial report is designed to provide a general overview of the Fowler School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Michael R. Thomas, District Secretary/Treasurer
600 W. Eugene
P O Box 218
Fowler, CO 81039

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Fowler School District R-4J
Fowler, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fowler School District R-4J, Colorado, as of and for the year ended June 30, 2017, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fowler School District R-4J, Colorado, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Fowler School District R-4J's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 32-33 be presented to supplement the basic financial statements. Such information, 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 34-37 be presented to supplement the basic financial statements. Such information, 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. In addition, the combining and individual fund financial schedules on pages 38-42 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 43-46 are presented for state regulatory compliance and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry + Company, LLC

Englewood, CO
December 6, 2017

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Basic Financial Statements

Fowler School District R-4J
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,140,542
Cash with Fiscal Agent	23,890
Taxes Receivable	27,140
Grants Receivable	17,573
Other Accounts Receivable	40,243
Inventory	<u>13,420</u>
Total Current Assets	<u>2,262,808</u>
Noncurrent Assets	
Capital Assets, not being depreciated	118,634
Capital Assets, being depreciated	<u>4,686,824</u>
Total Noncurrent Assets	<u>4,805,458</u>
TOTAL ASSETS	<u>7,068,266</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Contributions Subsequent to Measurement Date	196,400
Difference Between Actual and Expected Experience - net	170,735
Changes of Assumptions for Deferred Outflows - net	4,431,454
Difference Between Projected and Actual Returns on Pension Plan Investments - net	<u>456,666</u>
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>5,255,255</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 12,323,521</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 20,194
Accrued Salaries & Benefits	<u>337,181</u>
Total Current Liabilities	<u>357,375</u>
Non-Current Liabilities	
Due Within One Year	129,479
Due In More Than One Year	<u>14,283,535</u>
Total Noncurrent Liabilities	<u>14,413,014</u>
TOTAL LIABILITIES	<u>14,770,389</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Inflows Other	3,055
Deferred Inflows Grants	192
Difference Between Projected and Actual Pension Plan Experience - net	120
Changes of Assumptions for Deferred Inflows - net	61,586
Change in District's Proportionate Share of Net Pension Liability - net	<u>309,488</u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>374,441</u>
NET POSITION	
Net Investment in Capital Assets	4,130,458
Restricted Net Position	502,656
Unrestricted Net Position	<u>(7,454,423)</u>
TOTAL NET POSITION	<u>(2,821,309)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 12,323,521</u>

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

Fowler School District R-4J
Statement of Activities
For the Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Primary Government					
Governmental Activities					
Instruction	\$ 3,949,580	\$ 2,452	\$ 183,652	\$ -	\$ (3,763,476)
Supporting Services	2,270,761	104,696	229,942	120,463	(1,815,660)
Interest on Long Term Debt	10,270	-	-	-	(10,270)
Total Governmental Activities	<u>\$ 6,230,611</u>	<u>\$ 107,148</u>	<u>\$ 413,594</u>	<u>120,463</u>	<u>(5,589,406)</u>
General Revenues					
Property Taxes					810,758
Specific Ownership Taxes					127,559
State Equalization					2,746,536
Investment Earnings					6,328
Other Revenues					48,162
Total General Revenues					<u>3,739,343</u>
Change in Net Position					<u>(1,850,063)</u>
Beginning Net Position					<u>(971,246)</u>
Ending Net Position					<u>\$ (2,821,309)</u>

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

Fowler School District R-4J
 Balance Sheet
 Governmental Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

		Debt Service	Capital Projects	Special Revenue
		Bond		
	General Fund	Redemption Fund	Capital Reserve Project Fund	Nonmajor Food Service Fund
ASSETS				
Cash and Investments	\$ 1,486,690	\$ 379,493	\$ 243,781	\$ 30,578
Cash with Fiscal Agent	21,230	2,660	-	-
Taxes Receivable	20,637	6,503	-	-
Interfund Accounts Receivable	-	-	-	-
Grants Receivable	17,573	-	-	-
Other Accounts Receivable	33,557	-	-	6,686
Inventory	-	-	-	13,420
TOTAL ASSETS	<u>\$ 1,579,687</u>	<u>\$ 388,656</u>	<u>\$ 243,781</u>	<u>\$ 50,684</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	20,194	-	-	-
Accrued Salaries & Benefits	333,144	-	-	4,037
Total Liabilities	<u>353,338</u>	<u>-</u>	<u>-</u>	<u>4,037</u>
Deferred Inflows of Financial Resources				
Deferred Inflows Other	-	-	-	3,055
Deferred Inflows Grants	192	-	-	-
Total Liabilities	<u>192</u>	<u>-</u>	<u>-</u>	<u>3,055</u>
Fund Balance				
Nonspendable Fund Balance	-	-	-	13,420
Restricted Fund Balance				
Restricted for Debt Service	-	388,656	-	-
Restricted for TABOR Emergencies	114,000	-	-	-
Committed Fund Balance				
Committed Fund Balance	-	-	-	30,172
Assigned Fund Balance				
Assigned for Fund Purposes	-	-	243,781	-
Unassigned Fund Balance	1,112,157	-	-	-
Total Fund Balance	<u>1,226,157</u>	<u>388,656</u>	<u>243,781</u>	<u>43,592</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,579,687</u>	<u>\$ 388,656</u>	<u>\$ 243,781</u>	<u>\$ 50,684</u>

Totals

<u>2017</u>	<u>2016</u>
\$ 2,140,542	\$ 2,134,000
23,890	21,968
27,140	20,822
-	100,000
17,573	2,767
40,243	42,223
13,420	7,574
<u>\$ 2,262,808</u>	<u>\$ 2,329,354</u>

\$ -	\$ 100,000
20,194	16,766
<u>337,181</u>	<u>335,700</u>
<u>357,375</u>	<u>452,466</u>

3,055	2,060
<u>192</u>	<u>11,368</u>
<u>3,247</u>	<u>13,428</u>

13,420	7,574
388,656	372,068
114,000	114,000
30,172	-
243,781	417,407
<u>1,112,157</u>	<u>952,411</u>
<u>1,902,186</u>	<u>1,863,460</u>
<u>\$ 2,262,808</u>	<u>\$ 2,329,354</u>

Fowler School District R-4J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2017

Fund Balance - Governmental Funds		\$ 1,902,186
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	118,634	
Capital assets, being depreciated	9,943,570	
Accumulated depreciation	<u>(5,256,746)</u>	4,805,458
Certain long-term pension related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date	196,400	
Difference between actual and expected experience	286,740	
Amortization of experience difference	(116,005)	
Difference between projected and actual investment returns on the pension plan	813,088	
Amortization of investment return difference	(356,422)	
Changes of assumptions for deferred outflows	6,225,564	
Amortization of change in assumptions for deferred outflows	(1,794,110)	
Net pension liability	(13,657,129)	
Difference between projected and actual pension plan experience	(636)	
Amortization of experience difference	516	
Changes of assumptions for deferred inflows	(136,693)	
Amortization of change in assumptions for deferred inflows	75,107	
Change in District's proportionate share of net pension liability	(712,494)	
Amortization of change in proportion	<u>403,006</u>	(8,773,068)
Deferred amounts related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Bond premiums		(24,188)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(675,000)	
Accrued compensated absences	<u>(56,697)</u>	<u>(731,697)</u>
Total Net Position - Governmental Activities		<u>\$ (2,821,309)</u>

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

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Fowler School District R-4J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

		<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
		<u>Bond Redemption Fund</u>	<u>Capital Reserve Project Fund</u>	<u>Nonmajor Food Service Fund</u>
	<u>General Fund</u>			
REVENUES				
Local Sources	\$ 878,824	\$ 156,578	\$ 120,912	\$ 45,477
Intermediate Sources	2,026	-	-	-
State Sources	2,851,391	-	-	3,998
Federal Sources	180,872	-	-	140,470
TOTAL REVENUES	<u>3,913,113</u>	<u>156,578</u>	<u>120,912</u>	<u>189,945</u>
EXPENDITURES				
Instruction	2,420,107	-	-	-
Pupil Support	109,599	-	-	-
Staff Support	57,318	-	-	-
General Administration	160,880	240	-	-
School Administration	210,237	-	-	-
Business Services	97,411	-	-	-
Operations and Maintenance	409,639	-	12,208	-
Transportation	158,256	-	-	-
Other Central Support	29,953	-	-	-
Risk Management	59,673	-	-	-
Other Supporting Services	2,064	-	-	-
Food Service	-	-	-	199,186
Community Support	33,230	-	-	-
Facilities	-	-	242,071	-
Debt Service	-	139,750	-	-
TOTAL EXPENDITURES	<u>3,748,367</u>	<u>139,990</u>	<u>254,279</u>	<u>199,186</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>164,746</u>	<u>16,588</u>	<u>(133,367)</u>	<u>(9,241)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In (Out) - net	(5,000)	-	-	5,000
CHANGE IN FUND BALANCE	159,746	16,588	(133,367)	(4,241)
BEGINNING FUND BALANCE	1,066,411	372,068	377,148	47,833
ENDING FUND BALANCE	<u>\$ 1,226,157</u>	<u>\$ 388,656</u>	<u>\$ 243,781</u>	<u>\$ 43,592</u>

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

Totals

<u>2017</u>	<u>2016</u>
\$ 1,201,791	\$ 1,369,733
2,026	58
2,855,389	2,889,912
<u>321,342</u>	<u>282,685</u>
<u>4,380,548</u>	<u>4,542,388</u>
2,420,107	2,334,950
109,599	105,116
57,318	57,644
161,120	152,628
210,237	207,752
97,411	94,617
421,847	627,290
158,256	230,098
29,953	29,468
59,673	67,304
2,064	2,893
199,186	197,187
33,230	34,580
242,071	13,063
<u>139,750</u>	<u>142,250</u>
<u>4,341,822</u>	<u>4,296,840</u>
<u>38,726</u>	<u>245,548</u>
-	-
<u>38,726</u>	<u>245,548</u>
<u>1,863,460</u>	<u>1,617,912</u>
<u>\$ 1,902,186</u>	<u>\$ 1,863,460</u>

Fowler School District R-4J
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2017

Change in Fund Balance - Governmental Funds	\$	38,726
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	254,279	
Depreciation Expense	<u>(234,214)</u>	20,065
Pension expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in contributions subsequent to measurement date	8,376	
Change in the difference between actual and expected experience	154,424	
Change in the amortization of experience difference	(79,654)	
Current year projected to actual investment return difference	(5,601)	
Current year amortization of overall investment return differences	(155,659)	
Change in the changes of assumptions for deferred outflows	6,225,564	
Change in the amortization of change in assumptions for deferred outflows	(1,794,110)	
Change in net pension liability	(6,389,809)	
Current year projected to actual pension plan experience difference	23	
Current year amortization of overall pension plan experience differences	160	
Change in the changes of assumptions for deferred inflows	4,909	
Change in the amortization of change in assumptions for deferred inflows	36,205	
Current year change in proportionate share of cost-sharing plan liability	(230,494)	
Current year amortization of overall proportionate share differences	<u>197,620</u>	(2,028,046)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on bonds payable	125,000	
Amortization of premiums and discounts	4,480	
Change in accrued compensated absences	<u>(10,288)</u>	<u>119,192</u>
Change in Net Position - Governmental Activities	\$	<u><u>(1,850,063)</u></u>

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

Fowler School District R-4J
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
(With Comparative Totals for June 30, 2016)

	<u>Scholarship</u>	<u>Pupil Activity</u>	<u>Totals</u>	
	<u>Agency Fund</u>	<u>Agency Fund</u>	<u>2017</u>	<u>2016</u>
ASSETS				
Cash and Investments	\$ 26,436	\$ 217,863	\$ 244,299	\$ 270,531
NET POSITION				
Restricted Net Position	<u>\$ 26,436</u>	<u>\$ 217,863</u>	<u>\$ 244,299</u>	<u>\$ 270,531</u>

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Fowler School District R-4J (the District) conform to generally accepted accounting principles, as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity* and as subsequently amended.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

Debt Service Fund (Bond Redemption Fund): This fund accounts for the repayment of the District's bonded debt.

Capital Projects Fund (Capital Reserve Project Fund): This fund is used to account for the District's major capital outlay activity.

The District reports the following nonmajor governmental fund:

Special Revenue Fund (Food Service Fund): This fund is used to account for the District's food service operation.

The District reports the following fiduciary funds:

Agency Fund (Pupil Activity and Scholarship Agency Funds): These funds are used to account for the money and property held in trust by the District for student organizations. These funds are purely custodial and do not involve the measurement of results of operations.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

The District considers all revenues reported in the governmental funds to be available, as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year-end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

Cash The District invests cash resources in interest-bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized.

Cash and Cash Equivalents The government'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.

Receivables All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories Inventory of proprietary funds is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund, making the purchased and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds. Property and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

The District capitalizes all assets with an individual original value of \$5,000 or more and a useful life in excess of one year.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	35-50 years
Vehicles	10-15 years
Other Equipment	15 years

Taxes Receivable Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. As uncollected 2017 property taxes were measurable at June 30, 2017, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2017, but not collected by June 30, 2017.

Unearned Revenue Unearned revenues represent revenues received which are not recognized until qualifying expenditures are incurred.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has several items that qualify for reporting in this category, all related to pension liabilities as further described in Note 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District is reporting deferred inflows related to pension liabilities as further described in Note 10 as well as prepaid student balances and unearned grant revenue.

Long-Term Debt Long-term obligations of the District are reported in the government-wide presentation.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balance In the government-wide financial statements, net position is either shown as net investment in capital assets with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

E. Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues Property taxes are levied on December 15, based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15.

The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Vacation, Sick Leave, and Other Compensated Absences Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. As most employees are contracted to work a set number of days during a year, no vacation accrual accumulates. For those employees that earn vacation, all unused vacation at the end of each fiscal year is forfeited. Sick leave is payable upon PERA retirement at a maximum of 80 days. An accrual is shown on the Government-Wide financial statements for retirement eligible employees.

G. Comparative Data

Comparative total data for the prior year have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits	
Demand deposits	\$2,359,560
Investments	
Certificates of deposit	<u>25,282</u>
Total Deposits and Investments	<u>\$2,384,842</u>
 Reconciliation to Statement of Net Position	
Cash and investments	
Governmental activities	\$2,140,543
Fiduciary activities	<u>244,299</u>
Total Cash and Investments	<u>\$2,384,842</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2017, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

A. Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$2,391,610 at June 30, 2017, which was fully insured by depository insurance or secured with collateral held by the District's agent not in the District's name. All investments, evidenced by individual securities, are registered in the name of the District.

B. Investment Interest Rate Risk

The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

C. Investment Credit Risk

The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Direct obligations of the US government, its agencies, and instrumentalities to which the full faith and credit of the US government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged;
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out of state financial institutions;
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations;
4. County, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district;
5. Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association; and
6. Money market funds regulated by the Securities and Exchange Commission (SEC) in which investments consist of the investments mentioned in 1, 2, 3, and 4 above.

D. Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. At June 30, 2017, the District had no concentration of credit risk.

The District invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2017 of \$13,420 consisted of purchased food and non-food supplies. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: CAPITAL ASSETS

Activity for capital assets which are recorded by the District is summarized below.

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Assets being depreciated:				
Buildings and Improvements	8,030,628	218,732	-	8,249,360
Transportation equipment	571,121	-	-	571,121
Other equipment	1,032,253	35,547	-	1,067,800
Food Service equipment	55,289	-	-	55,289
Total Assets being depreciated	<u>9,689,291</u>	<u>254,279</u>	<u>-</u>	<u>9,943,570</u>
Accumulated depreciation:				
Buildings	(3,662,812)	(184,148)	-	(3,846,960)
Transportation equipment	(424,427)	(24,503)	-	(448,930)
Other equipment	(899,390)	(24,963)	-	(924,353)
Food Service equipment	(35,903)	(600)	-	(36,503)
Total Accumulated depreciation	<u>(5,022,532)</u>	<u>(234,214)</u>	<u>-</u>	<u>(5,256,746)</u>
Net Capital Assets	<u>\$ 4,785,393</u>	<u>\$ 20,065</u>	<u>\$ -</u>	<u>\$ 4,805,458</u>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 134,891
Supporting services	99,323
Total depreciation	<u>\$ 234,214</u>

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 5: 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, in the General and Food Service Funds as of June 30, 2017, are \$333,145 and \$4,037, respectively. Accordingly, the accrued compensation is reflected as a liability in the General and Food Service Funds in the accompanying financial statements.

NOTE 6: LONG-TERM OBLIGATIONS

At June 30, 2017, the District had the following long-term obligations.

	Balance July 1, 2016			Balance June 30, 2017		
		Advances	Payments		Current Portion	Interest Expense
Series 2012 Gen. Oblig. Bonds	\$ 800,000	\$ -	\$ 125,000	\$ 675,000	\$ 125,000	\$ 14,750
Bond Premiums	28,668	-	4,479	24,189	4,479	-
PERA Net Pension Liability	7,267,320	6,389,809	-	13,657,129	-	-
Compensated Absences	46,409	10,288	-	56,697	-	-
Total Long-Term Obligations	\$ 8,142,397	\$ 6,400,097	\$ 129,479	\$ 14,413,015	\$ 129,479	\$ 14,750

Series 2012 General Obligation Bonds Payable

In 2012, the District issued \$1,320,000 of general obligation bonds to refund their 2002 general obligation bonds. The issuance bears interest at rates not to exceed 3.25 percent. Interest is payable semi-annually on December 15th and June 15th of each year. Principal is payable over a period of ten years and is payable annually on December 15th of each year. Principal and interest is payable on the outstanding obligations as follows:

Year	Principal	Interest	Total
2018	\$ 125,000	\$ 12,250	\$ 137,250
2019	135,000	9,650	144,650
2020	135,000	6,950	141,950
2021	140,000	4,200	144,200
2022	140,000	1,400	141,400
Total	\$ 675,000	\$ 34,450	\$ 709,450

Bond premiums totaling \$47,301 will be amortized through December 15, 2021. The District recognized a net present value savings of \$210,129 on the refunding.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 7: JOINTLY GOVERNED ORGANIZATIONS

BOCES The District, in conjunction with other surrounding districts, participates in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. For the fiscal year ended June 30, 2017, the District paid net assessments totaling \$29,627 to the BOCES. Financial statements for the South Central BOCES can be obtained from the BOCES Administrative offices at 323 S Purcell Blvd., Pueblo West, CO 81007-0504.

NOTE 8: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function.

The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2017. CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (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 comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

- Highest average salary multiplied by 2.5 percent 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (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) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

January 1st through December 31st	2014¹	2015¹	2016¹
Employer contribution rate	10.15%	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$365,476 for the plan year ended December 31, 2016 and \$381,619 for the fiscal year ended June 30, 2017.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2017, the District reported a liability of \$13,657,129 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the District's proportion was .04587%, which was a decrease of .0054% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017 the District recognized pension expense of \$2,607,077. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 170,735	\$ (120)
Changes of assumptions or other inputs	\$ 4,431,454	\$ (61,586)
Net difference between projected and actual earnings on pension plan investments	\$ 456,666	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (309,488)
Contributions subsequent to the measurement date	\$ 196,400	\$ -
Total	\$ 5,255,255	\$ (371,194)

\$196,400 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2018	\$ (1,824,608)
2019	(1,898,068)
2020	(960,429)
2021	(4,556)
Total	\$ (4,687,661)

Actuarial assumptions. The total pension liability as of December 31, 2016 was determined based on the December 31, 2015 actuarial valuation using the following rollforward assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.7%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA’s Board on November 13, 2012, and an economic assumption study, adopted by PERA’s Board on November 15, 2013 and January 17, 2014.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

The SCHDTF's long-term expected rate of return on pension plan investments was determined using 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.

As of the most recent analysis of the long-term expected rate of return, adopted by the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 16, 2016.
- 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 3.5%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED, and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included 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.
- Employer contributions and the amount of total service costs for future plan members were based on a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increase financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e. the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer Federal Obligation 20-year Municipal bond Index published weekly by the board of Governors of the Federal Reserve System was applied to periods on or after 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the GASB Statement No. 67 projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate and the discount rate was 7.50 percent.

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 5.26%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension asset (liability)	\$ (17,173,401)	\$ (13,657,129)	\$ (10,793,528)

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

NOTE 10: DEFINED CONTRIBUTION PLAN

Voluntary Investment Program

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 11: DEFINED CONTRIBUTION PLAN (Continued)

Voluntary Investment Program (Continued)

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2017 program members contributed \$39,473.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016 and 2015, the District contributions to the HCTF were \$21,138, 21,023, and \$21,087 respectively, equal to their required contributions for each year.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 13: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

A. Claims and Judgments

The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

B. Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment. However, in November 1995, District voters approved a ballot question allowing the District to collect, retain, and expend all revenues notwithstanding the limitations of the Tabor Amendment. The Amendment requires the District to reserve 3 percent of fiscal year spending for emergencies. At June 30, 2017, the District had reserved \$114,000 for this purpose.

NOTE 14: DEFICIT NET POSITION

The Governmental Activities has an overall net position deficit of \$2,821,309 and an unrestricted net position deficit of \$7,454,423 primarily due to the PERA net pension liability of \$13,657,129, as further described in Note 10. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

Required Supplementary Information
Pension Schedules (Unaudited)

FOWLER SCHOOL DISTRICT R-4J

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
District's proportion of the net pension asset (liability)	0.045870%	0.047517%	0.049083%	0.051236%
District's proportionate share of the net pension asset (liability)	\$ (13,657,129)	\$ (7,267,320)	\$ (6,652,450)	\$ (6,535,081)
District's covered-employee payroll	\$ 2,058,706	\$ 2,070,760	\$ 2,056,243	\$ 2,065,468
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	62.84%	64.07%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
Contractually required contributions	\$ 373,243	\$ 358,863	\$ 337,841	\$ 320,767
Actual contributions	<u>(373,243)</u>	<u>(358,863)</u>	<u>(337,841)</u>	<u>(320,767)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,058,706	\$ 2,070,760	\$ 2,056,243	\$ 2,065,468
Contributions as a percentage of covered-employee payroll	18.13%	17.33%	16.43%	15.53%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information
(Budgetary Comparison Schedules)

Fowler School District R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 634,626	\$ 649,503	\$ 653,749	\$ 4,246	\$ 647,278
Specific Ownership Taxes	115,722	115,722	127,559	11,837	124,246
Delinquent Taxes	-	260	720	460	612
Investment Earnings	5,000	5,000	5,567	567	5,174
Rent Revenue	-	-	842	842	3,961
Donations	-	-	16,012	16,012	9,706
Instructional Materials Fees	-	-	2,452	2,452	2,153
Local BOCES Passthrough	75,000	75,000	58,642	(16,358)	52,743
Other Local	-	-	13,281	13,281	8,169
Total Local Sources	<u>830,348</u>	<u>845,485</u>	<u>878,824</u>	<u>33,339</u>	<u>854,042</u>
Intermediate Sources					
Other Intermediate Source Revenue	-	2,025	2,026	1	58
State Sources					
State Equalization	2,766,945	2,744,192	2,746,536	2,344	2,703,969
Transportation	32,000	33,286	37,888	4,602	35,170
State Grants from CDE					
State ELPA	-	-	497	497	1,058
Small Rural Schools Funding	-	-	8,490	8,490	97,069
Additional At-Risk Funding	-	-	2,878	2,878	2,932
READ Act Grant	-	10,165	10,165	-	11,776
Library Grant	-	-	6,187	6,187	3,621
State Vocational Education	21,000	32,782	32,780	(2)	20,141
State Grants Provided through BOCES	10,500	11,165	5,970	(5,195)	10,323
Total State Sources	<u>2,830,445</u>	<u>2,831,590</u>	<u>2,851,391</u>	<u>19,801</u>	<u>2,886,059</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	105,542	104,570	104,570	-	91,106
NCLB Title II, Part A - Teacher & Principal Training	20,956	20,884	20,884	-	21,195
Race to the Top Early Childhood	25,000	25,000	295	(24,705)	-
Other Federal Grants	-	-	17,315	17,315	-
Federal Grants from Other State Agencies					
Carl Perkins Vocational Education	10,500	34,456	17,842	(16,614)	10,686
Direct Federal Revenue					
NCLB Title VI, Part B - REAP/Rural Education	21,195	21,195	19,966	(1,229)	20,023
Total Federal Sources	<u>183,193</u>	<u>206,105</u>	<u>180,872</u>	<u>(25,233)</u>	<u>143,010</u>
TOTAL REVENUES	<u>3,843,986</u>	<u>3,885,205</u>	<u>3,913,113</u>	<u>27,908</u>	<u>3,883,169</u>

See the accompanying Independent Auditors' Report

Fowler School District R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,530,542	1,499,591	1,512,351	(12,760)	1,455,419
Benefits	554,219	539,888	505,534	34,354	493,844
PS - Property	-	-	9,980	(9,980)	7,946
PS - Other	291,343	252,405	253,554	(1,149)	244,459
Supplies	119,773	153,223	113,620	39,603	75,311
Property	-	10,250	6,773	3,477	35,776
Other Expenses	1,500	2,000	18,295	(16,295)	16,519
Total Instruction	<u>2,497,377</u>	<u>2,457,357</u>	<u>2,420,107</u>	<u>37,250</u>	<u>2,329,274</u>
Supporting Services					
Pupil Support					
Salaries	75,100	75,100	77,141	(2,041)	75,065
Benefits	29,976	29,976	30,082	(106)	27,675
PS - Other	1,850	1,850	1,230	620	1,378
Supplies	1,350	1,350	1,146	204	968
Other Expenses	165	165	-	165	30
Total Pupil Support	<u>108,441</u>	<u>108,441</u>	<u>109,599</u>	<u>(1,158)</u>	<u>105,116</u>
Staff Support					
Salaries	34,375	34,375	33,481	894	33,144
Benefits	14,633	14,633	13,600	1,033	13,979
PS - Other	3,000	3,000	2,821	179	4,377
Supplies	5,500	5,500	7,416	(1,916)	6,144
Other Expenses	600	600	-	600	-
Total Staff Support	<u>58,108</u>	<u>58,108</u>	<u>57,318</u>	<u>790</u>	<u>57,644</u>
General Administration					
Salaries	78,804	74,050	72,914	1,136	77,508
Benefits	24,666	22,602	23,980	(1,378)	22,918
PS - Professional	1,500	1,500	12,343	(10,843)	10,642
PS - Other	39,465	56,690	44,789	11,901	34,546
Supplies	2,000	2,000	468	1,532	537
Other Expenses	7,000	7,000	6,386	614	6,217
Total General Administration	<u>153,435</u>	<u>163,842</u>	<u>160,880</u>	<u>2,962</u>	<u>152,368</u>
School Administration					
Salaries	157,259	159,984	153,494	6,490	154,687
Benefits	45,755	48,830	46,163	2,667	43,424
PS - Other	3,150	3,150	3,060	90	3,157
Supplies	2,750	2,750	2,410	340	1,381
Other Expenses	1,200	1,200	5,110	(3,910)	5,103
Total School Administration	<u>210,114</u>	<u>215,914</u>	<u>210,237</u>	<u>5,677</u>	<u>207,752</u>

See the accompanying Independent Auditors' Report

(Continued)

Fowler School District R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	70,590	70,590	70,590	-	69,590
Benefits	20,901	20,901	20,747	154	19,996
PS - Other	4,350	4,350	4,213	137	4,112
Supplies	2,000	2,000	1,341	659	459
Other Expenses	550	550	520	30	460
Total Business Services	<u>98,391</u>	<u>98,391</u>	<u>97,411</u>	<u>980</u>	<u>94,617</u>
Operations and Maintenance					
Salaries	145,750	147,210	130,947	16,263	139,409
Benefits	60,053	60,053	49,939	10,114	54,365
PS - Property	-	-	36,435	(36,435)	32,396
PS - Other	60,829	60,829	19,336	41,493	14,059
Supplies	181,916	181,916	166,288	15,628	174,678
Property	350	350	6,379	(6,029)	5,069
Other Expenses	-	-	315	(315)	315
Total Operations and Maintenance	<u>448,898</u>	<u>450,358</u>	<u>409,639</u>	<u>40,719</u>	<u>420,291</u>
Transportation					
Salaries	85,532	91,607	91,782	(175)	89,256
Benefits	31,206	32,506	29,562	2,944	31,212
PS - Property	18,000	18,000	-	18,000	1,160
PS - Other	-	-	19,245	(19,245)	18,151
Supplies	55,000	55,000	34,249	20,751	40,052
Other Expenses	-	-	(16,582)	16,582	(14,328)
Total Transportation	<u>189,738</u>	<u>197,113</u>	<u>158,256</u>	<u>38,857</u>	<u>165,503</u>
Other Central Support					
Salaries	18,450	18,961	18,808	153	18,521
Benefits	6,428	6,538	5,745	793	5,547
PS - Other	5,800	5,800	5,400	400	5,400
Supplies	1,265	1,265	-	1,265	-
Total Other Central Support	<u>31,943</u>	<u>32,564</u>	<u>29,953</u>	<u>2,611</u>	<u>29,468</u>
Risk Management					
PS - Other	72,314	72,467	59,673	12,794	67,304
Other Supporting Services					
Salaries	-	-	500	(500)	499
Benefits	-	-	104	(104)	101
Supplies	-	-	1,460	(1,460)	2,293
Total Other Supporting Services	<u>-</u>	<u>-</u>	<u>2,064</u>	<u>(2,064)</u>	<u>2,893</u>
Community Support					
Other Expenses	40,000	40,000	33,230	6,770	34,580
Contingency					
	1,052,061	1,052,061	-	1,052,061	-
TOTAL EXPENDITURES	<u>4,960,820</u>	<u>4,946,616</u>	<u>3,748,367</u>	<u>1,198,249</u>	<u>3,666,810</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,116,834)	(1,061,411)	164,746	1,226,157	216,359
OTHER FINANCING SOURCES (USES)					
Transfers	74,062	(5,000)	(5,000)	-	(192,720)
CHANGE IN FUND BALANCE	(1,042,772)	(1,066,411)	159,746	1,226,157	23,639
BEGINNING FUND BALANCE	1,042,772	1,066,411	1,066,411	-	1,042,772
ENDING FUND BALANCE	\$ -	\$ -	\$ 1,226,157	\$ 1,226,157	\$ 1,066,411

See accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R4J

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund, which budgets on a non-GAAP basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools 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. All budgets lapse at year-end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

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Other Supplementary Information

Fowler School District R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 23	\$ 23	\$ 32
Food Service Revenue	54,906	45,212	(9,694)	48,288
Other Local	500	242	(258)	-
Total Local Sources	<u>55,406</u>	<u>45,477</u>	<u>(9,929)</u>	<u>48,320</u>
State Sources				
State Grants from CDE				
State Match - Child Nutrition	-	1,882	1,882	1,863
Smart Start Nutrition	-	984	984	843
State K-2 Reduced Lunch	-	1,098	1,098	1,147
Other CDE State Grants	-	34	34	-
Total State Sources	<u>-</u>	<u>3,998</u>	<u>3,998</u>	<u>3,853</u>
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	-	28,690	28,690	29,489
National School Lunch Program	131,642	96,557	(35,085)	95,546
Federal Grants from Other State Agencies				
Commodities	16,000	15,223	(777)	14,640
Total Federal Sources	<u>147,642</u>	<u>140,470</u>	<u>(7,172)</u>	<u>139,675</u>
TOTAL REVENUES	<u>203,048</u>	<u>189,945</u>	<u>(13,103)</u>	<u>191,848</u>
EXPENDITURES				
Food Service				
Salaries	54,815	53,649	1,166	53,740
Benefits	32,396	31,665	731	31,241
PS - Property	4,325	189	4,136	1,251
PS - Other	-	1,915	(1,915)	2,069
Supplies	100,512	(3,681)	104,193	3,371
Food	16,000	100,227	(84,227)	90,465
Commodities	-	15,222	(15,222)	15,050
Total Food Service	<u>208,048</u>	<u>199,186</u>	<u>8,862</u>	<u>197,187</u>
Contingency	<u>47,833</u>	<u>-</u>	<u>47,833</u>	<u>-</u>
TOTAL EXPENDITURES	<u>255,881</u>	<u>199,186</u>	<u>56,695</u>	<u>197,187</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(52,833)</u>	<u>(9,241)</u>	<u>43,592</u>	<u>(5,339)</u>
OTHER FINANCING SOURCES (USES)				
Transfers	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>2,000</u>
CHANGE IN FUND BALANCE	<u>(47,833)</u>	<u>(4,241)</u>	<u>43,592</u>	<u>(3,339)</u>
BEGINNING FUND BALANCE	<u>47,833</u>	<u>47,833</u>	<u>-</u>	<u>51,172</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 43,592</u>	<u>\$ 43,592</u>	<u>\$ 47,833</u>

See accompanying Independent Auditors' Report.

Debt Service Fund

Fowler School District R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Bond Redemption Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 156,122	\$ 156,158	\$ 36	\$ 158,023
Delinquent Taxes	125	131	6	190
Investment Earnings	500	289	(211)	299
TOTAL REVENUES	<u>156,747</u>	<u>156,578</u>	<u>(169)</u>	<u>158,512</u>
EXPENDITURES				
Supporting Services				
General Administration				
PS - Professional	500	240	260	260
Debt Service				
Principal	125,000	125,000	-	125,000
Interest	14,750	14,750	-	17,250
Total Debt Service	<u>139,750</u>	<u>139,750</u>	<u>-</u>	<u>142,250</u>
Contingency	393,000	-	393,000	-
TOTAL EXPENDITURES	<u>533,250</u>	<u>139,990</u>	<u>393,260</u>	<u>142,510</u>
CHANGE IN FUND BALANCE	(376,503)	16,588	393,091	16,002
BEGINNING FUND BALANCE	376,503	372,068	(4,435)	356,066
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 388,656</u>	<u>\$ 388,656</u>	<u>\$ 372,068</u>

See accompanying Independent Auditors' Report.

Capital Projects Fund

Fowler School District R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Capital Reserve Project Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 400	\$ 449	\$ 49	\$ 491
Donations	115,000	120,463	5,463	106,940
Sale of Fixed Assets	-	-	-	2,600
Insurance Proceeds	-	-	-	198,827
TOTAL REVENUES	<u>115,400</u>	<u>120,912</u>	<u>5,512</u>	<u>308,858</u>
EXPENDITURES				
Instruction				
Property	-	-	-	5,675
Supporting Services				
Operations and Maintenance				
Property	-	12,208	(12,208)	206,999
Transportation				
Property	-	-	-	64,595
Facilities/Capital Outlay				
Land and Improvements	232,500	216,836	15,664	-
Buildings	-	16,889	(16,889)	-
Equipment	-	8,346	(8,346)	13,063
Contingency	<u>260,048</u>	<u>-</u>	<u>260,048</u>	<u>-</u>
TOTAL EXPENDITURES	<u>492,548</u>	<u>254,279</u>	<u>238,269</u>	<u>290,332</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(377,148)	(133,367)	243,781	18,526
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	190,720
CHANGE IN FUND BALANCE	<u>(377,148)</u>	<u>(133,367)</u>	<u>243,781</u>	<u>209,246</u>
BEGINNING FUND BALANCE	<u>377,148</u>	<u>377,148</u>	<u>-</u>	<u>167,902</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 243,781</u>	<u>\$ 243,781</u>	<u>\$ 377,148</u>

See accompanying Independent Auditors' Report.

Special Revenue Fund

Fowler School District R-4J
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Scholarship Agency Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016
	Final		Variance	
	Budget	Actual	with Final	
			Budget	Actual
ADDITIONS				
Local Sources	\$ 3,100	\$ 3,385	\$ 285	\$ 3,570
DEDUCTIONS				
Instruction	3,000	750	2,250	1,750
Contingency	23,901	-	23,901	-
TOTAL DEDUCTIONS	<u>26,901</u>	<u>750</u>	<u>26,151</u>	<u>1,750</u>
CHANGE IN NET POSITION	(23,801)	2,635	26,436	1,820
BEGINNING NET POSITION	<u>23,801</u>	<u>23,801</u>	<u>-</u>	<u>21,981</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 26,436</u>	<u>\$ 26,436</u>	<u>\$ 23,801</u>

See accompanying Independent Auditors' Report.

Agency Funds

Fowler School District R-4J
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Pupil Activity Agency Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016
	Final		Variance	
	Budget	Actual	with Final	
			Budget	Actual
ADDITIONS				
Local Sources	\$ 290,500	\$ 201,898	\$ (88,602)	\$ 209,904
DEDUCTIONS				
Instruction	290,500	230,765	59,735	202,604
Contingency	246,730	-	246,730	-
TOTAL DEDUCTIONS	<u>537,230</u>	<u>230,765</u>	<u>306,465</u>	<u>202,604</u>
CHANGE IN NET POSITION	(246,730)	(28,867)	217,863	7,300
BEGINNING NET POSITION	<u>246,730</u>	<u>246,730</u>	-	<u>239,430</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 217,863</u>	<u>\$ 217,863</u>	<u>\$ 246,730</u>

See accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 2540 - FOWLER R-4J
 Fiscal Year 2016-17
 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	1,066,411	3,757,748	3,598,004	1,226,156
18 Risk Mgmt Sub-Fund of General Fund	0	67,352	67,352	0
19 Colorado Preschool Program Fund	0	83,012	83,012	0
Sub- Total	1,066,411	3,908,113	3,748,368	1,226,156
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	47,833	194,945	199,187	43,592
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	372,068	156,578	139,990	388,656
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	377,148	120,912	254,279	243,781
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,863,461	4,380,548	4,341,824	1,902,185
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	23,801	3,385	750	26,436
74 Pupil Activity Agency Fund	246,730	201,898	230,765	217,863
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	270,531	205,283	231,515	244,299

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 2540 - FOWLER R-4J

Fiscal Year 2016-17

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85		
Cash and Investments (8100-8104,8111)	1,486,690	0	0	0	0	30,578	379,493	243,781	0	0	0	244,299	0	2,384,842		
Cash with Fiscal Agent (8105)	21,230	0	0	0	0	0	2,660	0	0	0	0	0	0	23,890		
Taxes Receivable (8121,8122)	20,637	0	0	0	0	0	6,502	0	0	0	0	0	0	27,139		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Grants Accounts Receivable (8142)	17,573	0	0	0	0	0	0	0	0	0	0	0	0	17,573		
Other Receivables (8151-8154,8161)	33,557	0	0	0	0	6,685	0	0	0	0	0	0	0	40,242		
Inventories (8171,8172,8173)	0	0	0	0	0	13,420	0	0	0	0	0	0	0	13,420		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	1,579,687	0	0	0	0	50,683	388,656	243,781	0	0	0	244,299	0	2,507,107		

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	20,195	0	0	0	0	0	0	0	0	0	0	0	0	0	20,195
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	333,145	0	0	0	0	4,037	0	0	0	0	0	0	0	0	337,182
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	0	0	3,054	0	0	0	0	0	0	0	0	3,054
Deferred Inflow Grants (7801)	192	0	0	0	0	0	0	0	0	0	0	0	0	0	192
Total Liabilities	353,531	0	0	0	0	7,091	0	0	0	0	0	0	0	0	360,623

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	13,420	0	0	0	0	0	0	0	0	13,420
Restricted Fund Balance 6720	0	0	0	0	0	0	388,656	0	0	0	0	0	0	0	388,656
TABOR 3% Emergency Reserve 6721	114,000	0	0	0	0	0	0	0	0	0	0	0	0	0	114,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	30,172	0	0	0	0	0	0	0	0	30,172
Assigned Fund Balance 6760	0	0	0	0	0	0	0	243,781	0	0	0	0	0	0	243,781
Unassigned Fund Balance 6770	1,112,156	0	0	0	0	0	0	0	0	0	0	0	244,299	0	1,356,455
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,226,156	0	0	0	0	43,592	388,656	243,781	0	0	0	0	244,299	0	2,146,484

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,579,687	0	0	0	0	50,683	388,656	243,781	0	0	0	0	244,299	0	2,507,107

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes