

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORTS**

**For the Year Ended
June 30, 2020**

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INTRODUCTORY SECTION

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

ROSTER OF SCHOOL OFFICIALS

Year Ended June 30, 2020

Board Of Education

Eric Larson - President

Jason Bitter - Vice-President

Douglas Arnold – Member

Justin Osborne - Member

Dorothy K. Sallee - Member

Administrative Staff

Alfred B. Lotrich - Superintendent

Michael R. Thomas - Secretary/Treasurer

FOWLER SCHOOL DISTRICT R4J

TABLE OF CONTENTS

Year Ended June 30, 2020

PAGE

INTRODUCTORY SECTION

Roster of School Officials

Table of Contents

FINANCIAL SECTION

MANAGEMENT’S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

M1 – M7

INDEPENDENT AUDITORS’ REPORT

1 – 3

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position

4

Statement of Activities

5

Fund Financial Statements:

Balance Sheet - Governmental Funds

6

Reconciliation of Governmental Fund Balances to Governmental Activities Net Position

7

Statement of Revenues, Expenditures and Changes in Fund Balances
- Governmental Fund

8

Reconciliation of Governmental Change in Fund Balance to Governmental
Activities Change in Net Position

9

Statement of Fiduciary Net Position

10

Notes to Financial Statements

11 – 44

REQUIRED SUPPLEMENTARY INFORMATION – (Pension and OPEB Schedules – Unaudited)

Schedule of the District’s Proportionate Share of the Net Pension Liability

45

Schedule of District Contributions – PERA Pension Plan

46

FOWLER SCHOOL DISTRICT R4J

TABLE OF CONTENTS

Year Ended June 30, 2020

(Continued)

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – (Pension and OPEB Schedules – Unaudited)	
Schedule of the District’s Proportionate Share of the Net OPEB Liability	47
Schedule of District Contributions – OPEB - PERA Health Care Trust Fund	48
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	49 – 52
OTHER SUPPLEMENTARY INFORMATION	
Special Revenue Fund:	
Food Service - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	53
Debt Service Fund:	
Bond Redemption Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	54
Capital Projects Fund:	
Capital Reserve Projects Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	55
Agency Funds	
Combining Statement of Fiduciary Net Position	56
Combining Statement of Changes in fiduciary Net Position	57
Scholarship Agency Fund - Schedule of Receipts and Disbursements - Budget and Actual	58
Pupil Activity Fund - Schedule of Receipts and Disbursements - Budget and Actual	59
COMPLIANCE SECTION	
State Compliance	
Auditors Integrity Report	60
Bolded Balance Sheet Report	61 – 63

FINANCIAL SECTION

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

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, 2019. 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 (\$3,229,041) at the end of the current fiscal year, which is a change of net position of \$961,287 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 is (\$7,827,616). 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 decreased by \$86,614 resulting in an ending fund balance of \$2,297,008.

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-

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

to-year may be used as an indicator of the overall financial position of the District. A summary of the District's net assets is as follows:

	<u>2020</u>	<u>2019</u>
Assets:		
Current Assets	\$ 3,240,558	\$ 2,922,109
Capital Assets – Net	4,453,906	4,469,318
Deferred Outflows of Resources	1,568,125	2,990,200
Capital Assets & Deferred Outflows of Financial Resources	<u>9,262,589</u>	<u>10,381,627</u>
Liabilities:		
Current Liabilities	943,550	538,487
Non-current Liabilities	6,725,568	7,897,216
Deferred Inflows of Resources	4,822,512	6,136,252
Total Liabilities & Deferred Inflows of Financial Resources	<u>12,491,630</u>	<u>14,571,955</u>
Net Position:		
Net Invested in Capital Assets	4,173,906	4,054,318
Restricted	424,669	581,456
Unrestricted Net Position	<u>(7,827,616)</u>	<u>(8,826,102)</u>
Total Net Position(Deficit)	<u>(3,229,041)</u>	<u>(4,190,328)</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 9,262,589</u>	<u>\$ 10,381,627</u>

Significant changes from the prior year include a decrease in capital assets of \$15,412, an increase in current liabilities of \$405,063 due primarily to unearned grant revenue, and a net decrease in noncurrent liabilities of \$1,171,648. Overall net position increased \$961,287 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, decreased by approximately \$26,159 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, 2019

	<u>2020</u>	<u>2019</u>
Program Revenues:		
Charges for Services	\$ 142,930	\$ 125,732
Operating Grants	680,872	729,061
Capital Grants and Contributions	<u>9,173</u>	<u>-</u>
Total Program Revenues	<u>832,975</u>	<u>854,793</u>
General Revenues:		
Taxes	830,743	981,712
State Equalization	3,137,655	3,012,845
Investment Earnings	13,500	13,623
Miscellaneous Revenues	<u>77,458</u>	<u>227,853</u>
Total General Revenues	<u>4,059,356</u>	<u>4,236,033</u>
Total Revenues	<u>4,892,331</u>	<u>5,090,826</u>
Expenses:		
Instruction	2,441,736	2,171,277
Supporting Services	1,489,308	1,484,844
Interest on Long Term Debt	<u>-</u>	<u>4,812</u>
Total Expenses	<u>3,931,044</u>	<u>3,660,933</u>
Change in Net Position	961,287	1,429,893
Net Position - Beginning	<u>(4,190,328)</u>	<u>(5,620,221)</u>
Net Position Ending	<u>\$ (3,229,041)</u>	<u>\$ (4,190,328)</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.

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.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

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.

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.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

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, 2020, the combined general fund shows an ending fund balance of \$1,726,649, which is an increase of \$201,898 from the prior year, the Capital Reserve Fund balance decreased by \$174,911 to \$200,244, the Bond Redemption Fund ending fund balance decreased by \$140,388 to \$291,669 and the Food Service Fund increased by \$26,788 to \$78,446.

General Fund Budgetary Highlights

Fowler School District R-4J began budget development for the 2019-2020 fiscal year in January of 2019 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 2019. The preliminary budget was presented to the Board of Education in May. Adoption of the 2019-2020 District budget occurred in June 2019. A supplemental budget was adopted in January 2020.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$4,453,906. This is a total cost of \$10,152,075 less accumulated depreciation of \$5,816,803.

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	11,054		11,054	-
Total Assets not being depreciated	<u>129,688</u>	<u>-</u>	<u>11,054</u>	<u>118,634</u>
Assets being depreciated:				
Buildings and Improvements	8,256,799	211,690	-	8,468,489
Transportation equipment	508,431	-	-	508,431
Other equipment	1,120,374	33,807	-	1,154,181
Food service equipment	20,974	-	-	20,974
Total Assets being depreciated	<u>9,906,578</u>	<u>245,497</u>	<u>-</u>	<u>10,152,075</u>
Accumulated depreciation:				
Buildings	(4,217,116)	(195,641)	-	(4,412,757)
Transportation equipment	(365,111)	(21,589)	-	(386,700)
Other equipment	(981,335)	(32,026)	-	(1,013,361)
Food service equipment	(3,386)	(599)	-	(3,985)
Total Accumulated depreciation	<u>(5,566,948)</u>	<u>(249,855)</u>	<u>-</u>	<u>(5,816,803)</u>
Net Capital Assets	<u>\$ 4,469,318</u>	<u>\$ (4,358)</u>	<u>\$ 11,054</u>	<u>\$ 4,453,906</u>

At June 30, 2020, Fowler School District R-4J had \$290,033 of bonded debt outstanding, which is a decrease of \$139,838 from the prior year. Additional information on the District's capital assets can be found on page 21 of this report.

	<u>Balance 06/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 06/30/20</u>	<u>Current Portion</u>	<u>Interest Expense</u>
Series 2012 Gen. Oblig. Bonds	\$ 415,000	\$ -	\$ 135,000	\$ 280,000	\$ 140,000	\$ 6,950
Bond Premiums	14,871	-	4,838	10,033	5,017	-
PERA Net Pension Liability	7,046,896	-	981,247	6,065,649	-	-
Net OPEB Liability	351,949	-	53,715	298,234	-	-
Compensated Absences	68,500	13,185	-	81,685	-	-
Total Long-Term Obligations	<u>\$ 7,897,216</u>	<u>\$ 13,185</u>	<u>\$ 1,174,800</u>	<u>\$ 6,735,601</u>	<u>\$ 145,017</u>	<u>\$ 6,950</u>

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2019

Economic Factors and Next Year's Budget

In March of 2020, the coronavirus (COVID-19) began having a major impact on the Fowler School District. As one example, the District instituted remote learning instead of in-person learning through the end of the school year. The federal government distributed funds to districts in the State of Colorado late in the 2019-2020 fiscal year to be used to help defer some of the costs associated with lost instructional time of the students and the purchase of COVID-19 related expenses. Several other grants are expected to help the students regain lost time or allow for the expenditures of COVID-19 related items. The State of Colorado, as well as the rest of the nation, experienced high unemployment during the ongoing quarantine and reduction of revenues. Due to the passing of the Fowler School District \$4.9 million bond issue on November 5, 2019 the Board applied for a CDE BEST grant. The Board was informed in the spring of 2020 that the District was not chosen for a BEST award. There are many, many unknowns for the upcoming fiscal year of 2020-2021. This included pupil counts and State of Colorado revenues being just a few of the topics. The District has a cautious outlook for the upcoming 2020-21 budget year. Student enrollment is expected to stay flat or to slightly decrease because of COVID-19. Based on recommendation from the administration, the Fowler School District R-4J Board of Directors implemented a salary freeze for the 2020-21 school year but the District was able to fund the increase in the health insurance premium as well as the employer PERA increase. However, in these uncertain times, it is imperative to continue to keep a good grasp on the financial condition of the District while financially rewarding our excellent staff to the fullest extent possible.

Given these circumstances, the 2019-20 year was a challenging fiscal year. Continued reserve growth is an ongoing financial goal of the District. The upcoming 2020-21 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. 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

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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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)

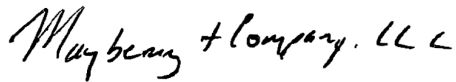
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M7 and pension schedules on pages 45 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial 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 49 – 52 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 53 - 59 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 60 - 63 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.

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, CO
February 24, 2021

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Basic Financial Statements

FOWLER SCHOOL DISTRICT R-4J

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 3,084,523
Cash with Fiscal Agent	17,750
Taxes Receivable	29,681
Other Accounts Receivable	92,143
Inventory	16,461
Capital and Other Assets	
Capital Assets not Being Depreciated	118,634
Capital Assets Being Depreciated	10,152,075
Accumulated Depreciation	(5,816,803)
Total Assets	<u>7,694,464</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	1,539,882
Net OPEB Deferred Outflows	28,243
Total Deferred Outflows of Financial Resources	<u>1,568,125</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 9,262,589</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 22,152
Accrued Salaries & Benefits	392,404
Unearned Revenue	5,656
Unearned Revenue Grants	523,338
Noncurrent Liabilities	
Due Within One Year	140,000
Due In More Than One Year	6,585,568
Total Liabilities	<u>7,669,118</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	4,750,080
Net OPEB Deferred Inflows	62,398
Bond Premiums	10,034
Total Deferred Inflows of Financial Resources	<u>4,822,512</u>
Net Position	
Net Investment in Capital Assets	4,173,906
Restricted Net Position	424,669
Unrestricted Net Position	(7,827,616)
Total Net Position	<u>(3,229,041)</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 9,262,589</u>

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

FOWLER SCHOOL DISTRICT R-4J
 Balance Sheet
 Governmental Funds
 June 30, 2020

	Special			
	Revenue	Debt Service	Capital Projects	
	Food Service	Bond	Capital Reserve	
General Fund	Fund	Redemption	Project Fund	
		Fund		
ASSETS				
Cash and Investments	\$ 2,530,368	\$ 62,242	\$ 291,669	\$ 200,244
Cash with Fiscal Agent	17,750	-	-	-
Taxes Receivable	29,681	-	-	-
Interfund Accounts Receivable	-	-	-	-
Other Accounts Receivable	82,452	9,691	-	-
Inventory	-	16,461	-	-
TOTAL ASSETS	\$ 2,660,251	\$ 88,394	\$ 291,669	\$ 200,244
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	22,057	95	-	-
Accrued Salaries & Benefits	388,207	4,197	-	-
Unearned Revenue	-	5,656	-	-
Unearned Revenue Grants	523,338	-	-	-
Total Liabilities	933,602	9,948	-	-
Deferred Inflows of Financial Resources				
Deferred Inflows	-	-	-	-
Fund Balance				
Nonspendable Fund Balance	-	16,461	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	291,669	-
Restricted for TABOR Emergencies	133,000	-	-	-
Committed Fund Balance	-	61,985	-	200,244
Unassigned Fund Balance	1,593,649	-	-	-
Total Fund Balance	1,726,649	78,446	291,669	200,244
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 2,660,251	\$ 88,394	\$ 291,669	\$ 200,244

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

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FOWLER SCHOOL DISTRICT R-4J

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020**

Fund Balance - Governmental Funds		\$	2,297,008
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		10,152,075	
Accumulated depreciation		<u>(5,816,803)</u>	4,453,906
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		1,539,882	
Net pension liability		(6,065,649)	
Net pension deferred inflows		<u>(4,750,080)</u>	(9,275,847)
OPEB Liability			
Net OPEB deferred outflows		28,243	
Net OPEB liability		(298,234)	
Net OPEB deferred inflows		<u>(62,398)</u>	(332,389)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(280,000)	
Bond premiums		(10,034)	
Accrued compensated absences		<u>(81,685)</u>	<u>(371,719)</u>
Total Net Position - Governmental Activities			<u>\$ (3,229,041)</u>

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

FOWLER SCHOOL DISTRICT R-4J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
		<u>Food Service</u>	<u>Bond</u>	<u>Capital Reserve</u>
			<u>Redemption</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Project Fund</u>	
REVENUES				
Local Sources	\$ 1,081,167	\$ 51,067	\$ 1,837	\$ 11,778
Intermediate Sources	31	-	-	-
State Sources	3,360,678	5,585	-	-
Federal Sources	195,567	184,621	-	-
TOTAL REVENUES	<u>4,637,443</u>	<u>241,273</u>	<u>1,837</u>	<u>11,778</u>
EXPENDITURES				
Current:				
Instruction	2,920,208	-	-	11,480
Pupil Support	146,086	-	-	-
Staff Support	69,876	-	-	-
General Administration	157,856	-	275	-
School Administration	218,163	-	-	-
Business Services	104,671	-	-	-
Operations and Maintenance	484,650	-	-	-
Transportation	173,596	-	-	-
Other Central Support	78,741	-	-	-
Other Supporting Services	(1,534)	-	-	-
Food Service	-	214,485	-	-
Community Support	38,460	-	-	-
Facilities	8,292	-	-	211,690
Debt Service	-	-	141,950	-
TOTAL EXPENDITURES	<u>4,399,065</u>	<u>214,485</u>	<u>142,225</u>	<u>223,170</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>238,378</u>	<u>26,788</u>	<u>(140,388)</u>	<u>(211,392)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Out)	<u>(36,480)</u>	<u>-</u>	<u>-</u>	<u>36,480</u>
CHANGE IN FUND BALANCE	<u>201,898</u>	<u>26,788</u>	<u>(140,388)</u>	<u>(174,912)</u>
BEGINNING FUND BALANCE	<u>1,524,751</u>	<u>51,658</u>	<u>432,057</u>	<u>375,156</u>
ENDING FUND BALANCE	<u>\$ 1,726,649</u>	<u>\$ 78,446</u>	<u>\$ 291,669</u>	<u>\$ 200,244</u>

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

Totals

<u>2020</u>	<u>2019</u>
\$ 1,145,849	\$ 1,409,478
31	36
3,366,263	3,390,584
380,188	290,727
4,892,331	5,090,825
2,931,688	2,754,180
146,086	132,692
69,876	74,754
158,131	150,271
218,163	219,374
104,671	106,537
484,650	482,275
173,596	223,210
78,741	76,855
(1,534)	1,494
214,485	211,303
38,460	41,290
219,982	98,164
141,950	144,650
4,978,945	4,717,049
(86,614)	373,776
-	-
(86,614)	373,776
2,383,622	2,009,846
\$ 2,297,008	\$ 2,383,622

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, 2020**

Change in Fund Balance - Governmental Funds		\$	(86,614)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases		\$	234,443
Depreciation Expense			<u>(249,855)</u>
			(15,412)
Pension and OPEB 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.			
Pension Liability			
Current year change and amortization of deferred outflows - net			(1,428,306)
Change in net pension liability			981,247
Current year change and amortization of deferred inflows - net			<u>1,379,624</u>
			932,565
OPEB Liability			
Current year change and amortization of deferred outflows - net			6,231
Change in OPEB liability			53,715
Current year change and amortization of deferred inflows - net			<u>(55,850)</u>
			4,096
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			135,000
Amortization of bond premiums/deferred charge (gain)			4,837
Change in accrued compensated absences			<u>(13,185)</u>
			<u>126,652</u>
Total Net Position - Governmental Activities		\$	<u>961,287</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, 2020

	<u>Private Purpose Trust Funds</u>		<u>Totals</u>	
	<u>Scholarship Fund</u>	<u>Pupil Activity Agency Fund</u>	<u>2020</u>	<u>2019</u>
ASSETS				
Cash and Investments	\$ 27,359	\$ 233,037	\$ 260,396	\$ 253,130
Other Accounts Receivable	-	25,560	25,560	-
TOTAL ASSETS	<u>\$ 27,359</u>	<u>\$ 258,597</u>	<u>\$ 285,956</u>	<u>\$ 253,130</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Net Position				
Restricted for Scholarship/Activity	<u>\$ 27,359</u>	<u>\$ 258,597</u>	<u>\$ 285,956</u>	<u>\$ 253,130</u>

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

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.

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.

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.

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, 2020, the District paid net assessments totaling \$52,687 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Measurement Focus and Basis of Accounting

Governmental Fund Financial Statements

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2020 property taxes were measurable at June 30, 2020, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2020, but not collected by June 30, 2020.

Unearned Revenue - Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

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 and OPEB liabilities as further described in Notes 8 and 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 and OPEB liabilities as further described in Notes 8 and 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

June 30, 2020

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	\$ 3,319,604
Investments	
Certificates of deposit	25,316
Total Deposits and Investments	<u>\$ 3,344,920</u>
 Reconciliation to Statement of Net Position	
Cash and investments	
Governmental activities	\$ 3,098,079
Fiduciary activities	246,841
Total Cash and Investments	<u>\$ 3,344,920</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, 2020, 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.

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$3,393,823 at June 30, 2020, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

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.

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. At June 30, 2020, 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.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020 of \$16,461 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.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 4: CAPITAL ASSETS

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	11,054		11,054	-
Total Assets not being depreciated	<u>129,688</u>	<u>-</u>	<u>11,054</u>	<u>118,634</u>
Assets being depreciated:				
Buildings and Improvements	8,256,799	211,690	-	8,468,489
Transportation equipment	508,431	-	-	508,431
Other equipment	1,120,374	33,807	-	1,154,181
Food service equipment	20,974	-	-	20,974
Total Assets being depreciated	<u>9,906,578</u>	<u>245,497</u>	<u>-</u>	<u>10,152,075</u>
Accumulated depreciation:				
Buildings	(4,217,116)	(195,641)	-	(4,412,757)
Transportation equipment	(365,111)	(21,589)	-	(386,700)
Other equipment	(981,335)	(32,026)	-	(1,013,361)
Food service equipment	(3,386)	(599)	-	(3,985)
Total Accumulated depreciation	<u>(5,566,948)</u>	<u>(249,855)</u>	<u>-</u>	<u>(5,816,803)</u>
Net Capital Assets	<u>\$ 4,469,318</u>	<u>\$ (4,358)</u>	<u>\$ 11,054</u>	<u>\$ 4,453,906</u>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 151,436
Supporting services	98,419
Total depreciation	<u>\$ 249,855</u>

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, 2020, are \$388,207 and \$4,197, respectively. Accordingly, the accrued compensation is reflected as a liability in the General and Food Service Funds in the accompanying financial statements.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS

At June 30, 2020, the District had the following long-term obligations.

	<u>Balance</u> <u>06/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/20</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
Series 2012 Gen. Oblig. Bonds	\$ 415,000	\$ -	\$ 135,000	\$ 280,000	\$ 140,000	\$ 6,950
Bond Premiums	14,871	-	4,838	10,033	5,017	-
PERA Net Pension Liability	7,046,896	-	981,247	6,065,649	-	-
Net OPEB Liability	351,949	-	53,715	298,234	-	-
Compensated Absences	68,500	13,185	-	81,685	-	-
Total Long-Term Obligations	<u>\$ 7,897,216</u>	<u>\$ 13,185</u>	<u>\$ 1,174,800</u>	<u>\$ 6,735,601</u>	<u>\$ 145,017</u>	<u>\$ 6,950</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 140,000	\$ 4,200	\$ 144,200
2022	140,000	1,400	141,400
Total	<u>\$ 280,000</u>	<u>\$ 5,600</u>	<u>\$ 285,600</u>

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.

NOTE 7: 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: RISK MANAGEMENT

Property and Liability Coverage

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, 2020. 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.

NOTE 8: 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 plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies (Continued)

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

General Information about the Pension Plan

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019: Eligible employees the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through June 30, 2019	July 1, 2020 Through June 30, 2020
Employer contribution rate	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

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

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$459,415 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the District’s contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$6,065,649 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	(6,065,649)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(682,752)
Total	\$	(6,748,401)

At December 31, 2019, the District proportion was 0.04060 percent, which was an increase of 0.00080 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$456,768 and revenue of \$682,752 for support from the State as a nonemployer contributing entity. At June 30, 2020, 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	\$ 332,345	\$ -
Changes of assumptions or other inputs	\$ 194,219	\$ (2,696,868)
Net difference between projected and actual earnings on pension plan investments	\$ 634,886	\$ (1,412,793)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 136,562	\$ (640,419)
Contributions subsequent to the measurement date	\$ 241,870	\$ -
Total	\$ 1,539,882	\$ (4,750,080)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$241,870 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (1,916,809)
2022	(1,326,109)
2023	35,275
2024	(244,425)
Total	\$ (3,452,068)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial 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	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ For 2019, the AI was 0.0%

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	10 Year Expected Geometric 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%.

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

- 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 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include 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 .50 percent every year until they are zero. Additionally, estimated employer contributions included for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial 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. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates 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 of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (8,044,349)	\$ (6,065,649)	\$ (4,404,358)

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

NOTE 9: 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.

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, 2020 program members contributed \$44,869.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$24,335 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$298,234 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.02653 percent, which was an increase of 0.00067 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District's recognized OPEB expense of \$20,946. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 966	\$ (50,104)
Net difference between projected and actual earnings on pension plan investments	\$ 4,682	\$ (9,708)
Changes of assumptions or other inputs	\$ 2,423	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 7,442	\$ (2,586)
Contributions subsequent to the measurement date	\$ 12,730	\$ -
Total	\$ 28,243	\$ (62,398)

\$12,730 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (9,965)
2022	(9,965)
2023	(8,559)
2024	(9,657)
2025	(8,244)
2026	(495)
Total	\$ (46,885)

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, 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%.

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (291,150)	\$ (298,234)	\$ (306,420)

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members
- assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (337,213)	\$ (298,234)	\$ (264,898)

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

NOTE 11: 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, 2020, 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, 2020, the District had reserved \$133,000 for this purpose.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 12: DEFICIT NET POSITION

The Governmental Activities has an overall net position deficit of \$(3,229,041) and an unrestricted net position deficit of \$(7,964,616) primarily due to the PERA net pension liability of \$6,065,649 and related net deferrals, as further described in Note 9 and net OPEB liability of \$298,234 and related net deferrals, further described in Note 11. 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.

NOTE 13: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2020.

General Fund to Capital Reserve \$36,480.

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Required Supplementary Information
Pension and OPEB 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>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.051236%	\$ (6,535,081)	\$ -	\$ (6,535,081)	\$ 2,065,468	316.40%	64.07%
June 30, 2015	0.049083%	\$ (6,652,450)	\$ -	\$ (6,652,450)	\$ 2,056,243	323.52%	62.84%
June 30, 2016	0.047517%	\$ (7,267,320)	\$ -	\$ (7,267,320)	\$ 2,070,760	350.95%	59.16%
June 30, 2017	0.045870%	\$ (13,657,129)	\$ -	\$ (13,657,129)	\$ 2,058,706	663.38%	43.13%
June 30, 2018	0.045537%	\$ (14,725,109)	\$ -	\$ (14,725,109)	\$ 2,100,577	701.00%	43.96%
June 30, 2019	0.039797%	\$ (7,046,896)	\$ (847,660)	\$ (7,894,556)	\$ 2,187,861	322.09%	57.01%
June 30, 2020	0.040601%	\$ (6,065,649)	\$ (682,752)	\$ (6,748,401)	\$ 2,370,562	255.87%	64.52%

Note: All amounts are as of plan calculation dates which are for the calendar 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'S CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 320,767	\$ (320,767)	\$ -	\$ 2,065,468	15.53%
June 30, 2015	\$ 337,841	\$ (337,841)	\$ -	\$ 2,056,243	16.43%
June 30, 2016	\$ 358,863	\$ (358,863)	\$ -	\$ 2,070,760	17.33%
June 30, 2017	\$ 373,243	\$ (373,243)	\$ -	\$ 2,058,706	18.13%
June 30, 2018	\$ 391,337	\$ (391,337)	\$ -	\$ 2,100,577	18.63%
June 30, 2019	\$ 418,538	\$ (418,538)	\$ -	\$ 2,187,861	19.13%
June 30, 2020	\$ 459,415	\$ (459,415)	\$ -	\$ 2,370,562	19.38%

Note: All amounts are as of plan calculation dates which are for the calendar 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 THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.02607%	\$ (338,042)	\$ 2,058,706	16.420%	16.70%
June 30, 2018	0.02587%	\$ (336,259)	\$ 2,100,577	16.008%	17.53%
June 30, 2019	0.02587%	\$ (351,949)	\$ 2,187,861	16.086%	17.03%
June 30, 2020	0.02653%	\$ (298,234)	\$ 2,370,562	12.581%	24.49%

Note: All amounts are as of plan calculation dates which are for the calendar 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'S CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 20,999	\$ (20,999)	\$ -	\$ 2,058,706	1.02%
June 30, 2018	\$ 21,426	\$ (21,426)	\$ -	\$ 2,100,577	1.02%
June 30, 2019	\$ 22,316	\$ (22,316)	\$ -	\$ 2,187,861	1.02%
June 30, 2020	\$ 24,180	\$ (24,180)	\$ -	\$ 2,370,562	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar 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, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 623,483	\$ 687,496	\$ 693,624	\$ 6,128	\$ 645,094
Specific Ownership Taxes	108,586	140,168	135,485	(4,683)	143,955
Delinquent Taxes	-	65	57	(8)	31,004
Investment Earnings	14,000	14,000	12,477	(1,523)	12,397
Rent Revenue	-	-	1,105	1,105	1,408
Donations	-	-	81,219	81,219	46,873
Instructional Materials Fees	-	-	170	170	832
Local BOCES Passthrough	-	-	90,645	90,645	63,773
Insurance Proceeds	-	-	6,321	6,321	5,594
Other Local	122,373	233,124	60,064	(173,060)	58,272
Total Local Sources	<u>868,442</u>	<u>1,074,853</u>	<u>1,081,167</u>	<u>6,314</u>	<u>1,009,202</u>
Intermediate Sources					
Other Intermediate Source Revenue	-	-	31	31	36
Total Intermediate Sources	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>	<u>36</u>
State Sources					
State Share (Equalization)	3,257,553	3,137,659	3,137,655	(4)	3,012,845
State Transportation	33,000	34,450	35,765	1,315	35,840
State Grants from CDE					
State ELPA Prof Dev and Student Support	-	4,700	2,537	(2,163)	1,655
State ELPA	-	-	2,161	2,161	1,629
State Share - Colorado Preschool Program (CPP)	-	719	718	(1)	-
READ Act	-	-	-	-	8,348
State Grants to Libraries	-	-	-	-	3,500
Small Rural Schools Additional Funding	101,588	101,589	57,998	(43,591)	173,503
Additional As- Risk Funding	-	-	2,476	2,476	2,998
Kindergarten Facility Grant	-	-	9,173	9,173	-
READ Act	8,000	7,032	7,031	(1)	-
Other CDE State Grants	48,625	63,810	-	(63,810)	-
State Grants from Other Agencies					
State Vocational Education	33,000	42,145	42,144	(1)	34,589
State PERA Contribution	-	-	58,271	58,271	57,229
SAFER/School Safety Grant	-	-	-	-	49,800
State Grants Provided through BOCES	-	-	4,749	4,749	4,518
Total State Sources	<u>3,481,766</u>	<u>3,392,104</u>	<u>3,360,678</u>	<u>(31,426)</u>	<u>3,386,454</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgrms Oper by Sch	95,718	95,604	95,604	-	96,763
Coronavirus Relief Fund	-	301,044	-	(301,044)	-
NCLB Title II, Part A- Teacher & Principal Trng	15,500	15,846	15,846	-	14,417
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	10,000	-	10,000
Federal Grants from Other State Agencies					
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	25,000	25,000	16,526	(8,474)	7,022
TANF	-	-	29,325	29,325	-
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	24,900	24,900	28,266	3,366	24,977
Total Federal Sources	<u>171,118</u>	<u>472,394</u>	<u>195,567</u>	<u>(276,827)</u>	<u>153,179</u>
TOTAL REVENUES	<u>4,521,326</u>	<u>4,939,351</u>	<u>4,637,443</u>	<u>(301,908)</u>	<u>4,548,871</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, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,689,915	1,699,765	1,796,465	(96,700)	1,691,469
Benefits	750,767	779,146	678,045	101,101	627,971
PS-Property	-	-	8,877	(8,877)	8,695
PS-Other	298,419	313,687	265,990	47,697	262,596
Supplies	228,967	236,612	141,844	94,768	141,511
Property	-	-	17,879	(17,879)	-
Other Expenses	19,590	19,590	11,108	8,482	20,717
Total Instruction	<u>2,987,658</u>	<u>3,048,800</u>	<u>2,920,208</u>	<u>128,592</u>	<u>2,752,959</u>
Supporting Services					
Pupil Support					
Salaries	86,184	86,184	97,966	(11,782)	93,563
Benefits	33,645	33,645	35,512	(1,867)	33,782
PS-Other	-	-	2,650	(2,650)	2,825
Supplies	-	-	5,368	(5,368)	2,093
Other Expenses	-	-	4,590	(4,590)	429
Total Pupil Support	<u>119,829</u>	<u>119,829</u>	<u>146,086</u>	<u>(26,257)</u>	<u>132,692</u>
Staff Support					
Salaries	-	-	38,947	(38,947)	38,417
Benefits	-	-	16,557	(16,557)	15,182
PS-Other	1,000	1,000	10,008	(9,008)	13,804
Supplies	2,000	3,200	3,566	(366)	7,351
Other Expenses	-	-	798	(798)	-
Total Staff Support	<u>3,000</u>	<u>4,200</u>	<u>69,876</u>	<u>(65,676)</u>	<u>74,754</u>
General Administration					
Salaries	71,450	71,450	71,548	(98)	69,099
Benefits	31,073	31,073	30,859	214	29,535
PS- Professional	1,700	1,700	17,232	(15,532)	11,425
PS-Other	56,550	65,151	29,760	35,391	31,921
Supplies	750	750	577	173	779
Other Expenses	-	-	7,880	(7,880)	7,259
Total General Administration	<u>161,523</u>	<u>170,124</u>	<u>157,856</u>	<u>12,268</u>	<u>150,018</u>
School Administration					
Salaries	161,973	161,973	161,640	333	160,547
Benefits	54,482	54,482	51,324	3,158	49,468
PS-Other	-	-	2,753	(2,753)	6,874
Supplies	2,000	2,000	1,686	314	1,477
Other Expenses	95,817	87,550	760	86,790	1,008
Total School Administration	<u>314,272</u>	<u>306,005</u>	<u>218,163</u>	<u>87,842</u>	<u>219,374</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, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	75,840	75,840	75,840	-	73,840
Benefits	22,097	23,047	22,627	420	21,683
PS- Professional	4,975	4,975	-	4,975	-
PS-Other	550	550	5,121	(4,571)	9,522
Supplies	2,000	2,000	563	1,437	972
Other Expenses	-	-	520	(520)	520
Total Business Services	<u>105,462</u>	<u>106,412</u>	<u>104,671</u>	<u>1,741</u>	<u>106,537</u>
Operations and Maintenance					
Salaries	156,391	156,391	152,196	4,195	132,830
Benefits	58,575	61,775	60,235	1,540	52,760
PS- Property	59,850	59,850	42,794	17,056	46,518
PS-Other	72,296	72,296	70,267	2,029	47,971
Supplies	169,750	169,750	159,158	10,592	156,887
Other Expenses	-	-	-	-	315
Total Operations and Maintenance	<u>516,862</u>	<u>520,062</u>	<u>484,650</u>	<u>35,412</u>	<u>437,281</u>
Transportation					
Salaries	104,975	104,975	97,235	7,740	99,234
Benefits	37,487	37,487	37,238	249	35,697
PS- Property	13,650	13,650	2,380	11,270	821
PS-Other	(18,070)	(18,070)	18,885	(36,955)	22,487
Supplies	50,550	50,550	26,885	23,665	41,725
Other Expenses	-	-	(9,027)	9,027	(17,952)
Total Transportation	<u>188,592</u>	<u>188,592</u>	<u>173,596</u>	<u>14,996</u>	<u>182,012</u>
Other Central Support					
Salaries	23,000	31,475	29,432	2,043	24,333
Benefits	9,550	10,750	9,169	1,581	6,836
PS-Other	35,578	35,578	40,140	(4,562)	45,686
Supplies	1,000	1,000	-	1,000	-
Total Other Central Support	<u>69,128</u>	<u>78,803</u>	<u>78,741</u>	<u>62</u>	<u>76,855</u>
Other Supporting Services					
Salaries	-	-	500	(500)	500
Benefits	-	-	109	(109)	107
Supplies	-	-	(2,143)	2,143	887
Total Other Supporting Services	<u>-</u>	<u>-</u>	<u>(1,534)</u>	<u>1,534</u>	<u>1,494</u>
Community Support					
Other Expenses	40,000	44,000	38,460	5,540	41,290
Total Supporting Services	<u>1,518,668</u>	<u>1,538,027</u>	<u>1,470,565</u>	<u>67,462</u>	<u>1,422,307</u>
Facilities/Capital Outlay					
PS- Professional	-	-	8,292	(8,292)	98,164

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, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES (Continued)					
Contingency	1,552,952	1,681,795	-	1,681,795	-
TOTAL EXPENDITURES	<u>6,059,278</u>	<u>6,268,622</u>	<u>4,399,065</u>	<u>1,869,557</u>	<u>4,273,430</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,537,952)	(1,329,271)	238,378	1,567,649	275,441
OTHER FINANCING SOURCES (USES)					
Transfers	(15,000)	(51,480)	(36,480)	15,000	(93,775)
CHANGE IN FUND BALANCE	(1,552,952)	(1,380,751)	201,898	1,582,649	181,666
BEGINNING FUND BALANCE	1,552,952	1,380,751	1,524,751	144,000	1,343,085
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,726,649</u>	<u>\$ 1,726,649</u>	<u>\$ 1,524,751</u>

See accompanying Independent Auditors' Report.

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Special Revenue Fund

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, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Investment Earnings	\$ -	\$ -	\$ 57	\$ 57	\$ 54
Food Service Revenue	58,921	66,921	51,010	(15,911)	59,720
Total Local Sources	<u>58,921</u>	<u>66,921</u>	<u>51,067</u>	<u>(15,854)</u>	<u>59,774</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	-	-	1,965	1,965	1,860
Start Smart Nutrition	-	-	731	731	565
School Lunch Protection: F&R for Pre-K thru 2nd	-	-	2,263	2,263	1,541
State Grants from Other Agencies					
Other Agency State Grants	136,109	136,109	626	(135,483)	164
Total State Sources	<u>136,109</u>	<u>136,109</u>	<u>5,585</u>	<u>(130,524)</u>	<u>4,130</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	-	-	21,769	21,769	30,475
National School Lunch Program	-	-	152,407	152,407	97,643
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	16,000	16,000	10,445	(5,555)	9,430
Total Federal Sources	<u>16,000</u>	<u>16,000</u>	<u>184,621</u>	<u>168,621</u>	<u>137,548</u>
TOTAL REVENUES	<u>211,030</u>	<u>219,030</u>	<u>241,273</u>	<u>22,243</u>	<u>201,452</u>
EXPENDITURES					
Supporting Services					
Food Service					
Salaries	58,815	67,015	64,798	2,217	62,975
Benefits	36,100	37,200	29,134	8,066	34,760
PS- Property	-	-	769	(769)	199
PS-Other	4,325	4,325	1,813	2,512	3,900
Supplies	106,125	109,490	4,410	105,080	5,404
Food	-	-	98,467	(98,467)	93,150
Commodities	16,000	16,000	15,094	906	10,915
Total Supporting Services	<u>221,365</u>	<u>234,030</u>	<u>214,485</u>	<u>19,545</u>	<u>211,303</u>
Contingency	<u>51,257</u>	<u>51,658</u>	<u>-</u>	<u>51,658</u>	<u>-</u>
TOTAL EXPENDITURES	<u>272,622</u>	<u>285,688</u>	<u>214,485</u>	<u>71,203</u>	<u>211,303</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(61,592)</u>	<u>(66,658)</u>	<u>26,788</u>	<u>93,446</u>	<u>(9,851)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	15,000	15,000	-	(15,000)	18,000
CHANGE IN FUND BALANCE	<u>(46,592)</u>	<u>(51,658)</u>	<u>26,788</u>	<u>78,446</u>	<u>8,149</u>
BEGINNING FUND BALANCE	<u>46,592</u>	<u>51,658</u>	<u>51,658</u>	<u>-</u>	<u>43,509</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,446</u>	<u>\$ 78,446</u>	<u>\$ 51,658</u>

See accompanying Independent Auditors' Report.

Other Supplementary Information

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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, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ -	\$ 8,600	\$ 1,563	\$ (7,037)	\$ 161,281
Delinquent Taxes	-	20	14	(6)	378
Investment Earnings	60	450	260	(190)	284
TOTAL REVENUES	<u>60</u>	<u>9,070</u>	<u>1,837</u>	<u>(7,233)</u>	<u>161,943</u>
EXPENDITURES					
Supporting Services					
General Administration					
PS- Professional	<u>300</u>	<u>300</u>	<u>275</u>	<u>25</u>	<u>253</u>
Debt Service					
Interest	6,950	6,950	6,950	-	9,650
Principal	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Total Debt Service	<u>141,950</u>	<u>141,950</u>	<u>141,950</u>	<u>-</u>	<u>144,650</u>
Contingency	<u>295,090</u>	<u>304,100</u>	<u>-</u>	<u>304,100</u>	<u>-</u>
TOTAL EXPENDITURES	<u>437,340</u>	<u>446,350</u>	<u>142,225</u>	<u>304,125</u>	<u>144,903</u>
CHANGE IN FUND BALANCE	<u>(437,280)</u>	<u>(437,280)</u>	<u>(140,388)</u>	<u>296,892</u>	<u>17,040</u>
BEGINNING FUND BALANCE	<u>437,280</u>	<u>437,280</u>	<u>432,057</u>	<u>(5,223)</u>	<u>415,017</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,669</u>	<u>\$ 291,669</u>	<u>\$ 432,057</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, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 400	\$ 650	\$ 707	\$ 57	\$ 888
Donations	-	-	-	-	3,623
Sale of Fixed Asser/ Insurance Proceeds	-	-	-	-	1,300
Insurance Proceeds	-	12,000	11,072	(928)	172,750
TOTAL REVENUES	<u>400</u>	<u>12,650</u>	<u>11,779</u>	<u>(871)</u>	<u>178,561</u>
EXPENDITURES					
Instruction					
Property	-	5,000	11,480	(6,480)	1,222
Supporting Services					
Operations and Maintenance					
Property	-	212,619	-	212,619	44,994
Transportation					
Property	-	40,000	-	40,000	41,198
Total Supporting Services	<u>-</u>	<u>252,619</u>	<u>-</u>	<u>252,619</u>	<u>86,192</u>
Facilities/Capital Outlay					
Buildings	-	-	211,690	(211,690)	-
Contingency	<u>213,262</u>	<u>166,667</u>	<u>-</u>	<u>166,667</u>	<u>-</u>
TOTAL EXPENDITURES	<u>213,262</u>	<u>424,286</u>	<u>223,170</u>	<u>201,116</u>	<u>87,414</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(212,862)	(411,636)	(211,391)	200,245	91,147
OTHER FINANCING SOURCES (USES)					
Transfers	-	36,480	36,480	-	75,775
CHANGE IN FUND BALANCE	(212,862)	(375,156)	(174,911)	200,245	166,922
BEGINNING FUND BALANCE	212,262	375,156	375,156	-	208,234
ENDING FUND BALANCE	<u>\$ (600)</u>	<u>\$ -</u>	<u>\$ 200,245</u>	<u>\$ 200,245</u>	<u>\$ 375,156</u>

See accompanying Independent Auditors' Report.

Agency Funds

FOWLER SCHOOL DISTRICT R-4J
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>		<u>Totals</u>	
	<u>Scholarship Fund</u>	<u>Pupil Activity Agency Fund</u>	<u>2020</u>	<u>2019</u>
ASSETS				
Cash and Investments	\$ 27,359	\$ 233,038	\$ 260,397	\$ 253,130
Other Accounts Receivable	-	25,559	25,559	-
TOTAL ASSETS	<u>\$ 27,359</u>	<u>\$ 258,597</u>	<u>\$ 285,956</u>	<u>\$ 253,130</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Liabilities				
Net Position				
Restricted for Student Activity/Scholarship	27,359	258,597	285,956	253,130
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 27,359</u>	<u>\$ 258,597</u>	<u>\$ 285,956</u>	<u>\$ 253,130</u>

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	Agency Funds		Totals	
	Scholarship Fund	Pupil Activity Agency Fund	2020	2019
ADDITIONS				
Local Sources	\$ 3,914	\$ 217,963	\$ 221,877	\$ 238,890
DEDUCTIONS				
Instruction	8,000	181,051	189,051	242,107
CHANGE IN FIDUCIARY NET POSITION	(4,086)	36,912	32,826	(3,217)
BEGINNING NET POSITION	31,445	221,685	253,130	256,347
ENDING NET POSITION	<u>\$ 27,359</u>	<u>\$ 258,597</u>	<u>\$ 285,956</u>	<u>\$ 253,130</u>

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Statement of Changes in Fiduciary Net Position
Budget and Actual
Scholarship Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020			2019	
	Original & Final		Variance with Final		
	Budget	Actual	Budget		Actual
ADDITIONS					
Local Sources	\$ 8,150	\$ 3,914	\$ (4,236)	\$ 4,923	
DEDUCTIONS					
Instruction	8,000	8,000	-	1,500	
Contingency	31,595	-	31,595	-	
TOTAL DEDUCTIONS	<u>39,595</u>	<u>8,000</u>	<u>31,595</u>	<u>1,500</u>	
CHANGE IN FIDUCIARY NET POSITION	(31,445)	(4,086)	27,359	3,423	
BEGINNING NET POSITION	<u>31,445</u>	<u>31,445</u>	<u>-</u>	<u>28,022</u>	
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 27,359</u>	<u>\$ 27,359</u>	<u>\$ 31,445</u>	

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Statement of Changes in Fiduciary Net Position
Budget and Actual
Pupil Activity Agency Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		2019
	Original & Final Budget	Actual	
ADDITIONS			
Local Sources	\$ 290,500	\$ 217,963	\$ (72,537)
DEDUCTIONS			
Instruction	290,500	181,051	109,449
Contingency	228,325	-	228,325
TOTAL DEDUCTIONS	<u>518,825</u>	<u>181,051</u>	<u>337,774</u>
CHANGE IN FIDUCIARY NET POSITION	(228,325)	36,912	265,237
BEGINNING NET POSITION	<u>228,325</u>	<u>221,685</u>	<u>(6,640)</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 258,597</u>	<u>\$ 258,597</u>

See the accompanying Independent Auditors' Report

COMPLIANCE SECTION

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 2540 - Fowler R-4J
 Fiscal Year 2019-20
 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	1,524,751	4,414,542	4,212,644	1,726,649
18 Risk Mgmt Sub-Fund of General Fund	0	100,147	100,147	0
19 Colorado Preschool Program Fund	0	86,273	86,273	0
Sub- Total	1,524,751	4,600,962	4,399,064	1,726,649
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	51,658	241,274	214,485	78,446
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	432,057	1,836	142,225	291,669
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	375,156	48,258	223,170	200,244
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,383,622	4,892,331	4,978,945	2,297,009
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	31,445	3,914	8,000	27,359
74 Pupil Activity Agency Fund	221,685	217,963	181,051	258,598
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	253,130	221,878	189,051	285,957

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 2540 - Fowler R-4J
 Fiscal Year 2019-20
 Colorado School District/BOCES

	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	Total Program Reserve Fund 07	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		
ASSETS																		
Cash and Investments (8100-8104,8111)	2,530,368	0	0	0	0	0	62,242	291,669	200,244	0	0	0	0	0	0	3,344,920		
Cash with Fiscal Agent (8105)	17,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,750		
Taxes Receivable (8121,8122)	29,681	0	0	0	0	0	0	0	0	0	0	0	0	0	0	29,681		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Grants Accounts Receivable (8142)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Receivables (8151-8154,8161)	82,452	0	0	0	0	0	9,691	0	0	0	0	0	25,560	0	0	117,703		
Inventories (8171,8172,8173)	0	0	0	0	0	0	16,461	0	0	0	0	0	0	0	0	16,461		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	2,660,252	0	0	0	0	0	88,394	291,669	200,244	0	0	0	0	0	0	3,526,516		

See accompanying Independent Auditors' 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	Total Program Reserve Fund 07	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	0
Other Payables (7421-7423)	22,058	0	0	0	0	0	95	0	0	0	0	0	0	0	0	22,153
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	388,207	0	0	0	0	0	4,197	0	0	0	0	0	0	0	0	392,404
Unearned Revenue (7481)	0	0	0	0	0	0	5,656	0	0	0	0	0	0	0	0	5,656
Grants Deferred Revenue (7482)	523,338	0	0	0	0	0	0	0	0	0	0	0	0	0	0	523,338
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	933,602	0	0	0	0	0	9,948	0	0	0	0	0	0	0	0	943,550

See accompanying Independent Auditors' 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	Total Program Reserve Fund 07	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	0	16,461	0	0	0	0	0	0	0	0	16,461
Restricted Fund Balance 6720	0	0	0	0	0	0	0	291,669	0	0	0	0	0	0	0	291,669
TABOR 3% Emergency Reserve 6721	133,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	133,000
TABOR Multi-Year 6722	0	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	0
Colorado Preschool Program (CPP) Reserve 6724	0	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	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	61,985	0	0	0	0	0	0	0	0	61,985
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	200,244	0	0	0	0	0	0	200,244
Unassigned Fund Balance 6770	1,593,649	0	0	0	0	0	0	0	0	0	0	0	0	285,957	0	1,879,606
Invested in Capital Assets, Net of Related Debt 6790	0	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	0
Unrestricted Net Assets 6792	0	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	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,726,649	0	0	0	0	0	78,446	291,669	200,244	0	0	0	0	285,957	0	2,582,966

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	2,660,252	0	0	0	0	0	88,394	291,669	200,244	0	0	0	0	285,957	0	3,526,516

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	Yes