

North Park School District R-1

Financial Statements
with Independent Auditors' Report

June 30, 2021



North Park School District R-1

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June 30, 2021

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

Independent Auditors' Report

Board of Education
North Park School District R-1
Walden, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the North Park School District R-1 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the North Park School District R-1, 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 internal control. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the North Park School District R-1 as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 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.

Other Information

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

Hick & Company, PC

Englewood, Colorado
February 9, 2022



North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

This discussion and analysis of North Park School District R-1's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

For the year ended June 30, 2021, the District's ending net position increased from a deficit of \$(1,263,847) to \$1,414,892. The surplus was caused by a decrease in the deferred inflows of resources and an increase in deferred outflows of resources related with pension and OPEB obligations. The District's total expenses were down \$767,458 from the prior year. The District's total assets increased \$319,001 while liabilities decreased \$37,301 in 2021 compared to 2020. The District budgets sufficient contingencies to cover any unanticipated operational needs. The Capital Reserve ending fund balance decreased by \$256,451 due to the BEST Grant project expenses which came in over the allocated amount for the year.

Using the Basic Financial Statements

The basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's current instructional costs are being covered by its current revenue sources.

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, food service, operations and maintenance of plant, pupil transportation and extracurricular activities.

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

A condensed summary of the District's Net Position is as follows:

Assets:	2021	2020	Variance
Current Assets	\$ 3,579,829	\$ 3,572,299	\$ 7,530
Capital Assets	\$ 3,122,879	\$ 2,811,408	\$ 311,471
Deferred Outflows of Revenue	\$ 1,320,826	\$ 892,915	\$ 427,911
Capital Assets & Deferred Outflows of Financial Resources	<u>\$ 8,023,534</u>	<u>\$ 7,276,622</u>	<u>\$ 746,912</u>
Liabilities:			
Current Liabilities	\$ 383,960	\$ 937,827	\$ (553,867)
Non-current Liabilities	\$ 4,022,624	\$ 3,506,058	\$ 516,566
Deferred Inflows of Resources	\$ 2,202,058	\$ 4,096,584	\$ (1,894,526)
Total Liabilities & Deferred Inflows of Financial Resources	<u>\$ 6,608,642</u>	<u>\$ 8,540,469</u>	<u>\$ (1,931,827)</u>
Net Position:			
Net Invested in Capital Assets	\$ 3,059,922	\$ 2,762,815	\$ 297,107
Restricted Net Position	\$ 102,725	\$ 134,182	\$ (31,457)
Unrestricted Net Position	\$ (1,747,755)	\$ (4,160,844)	\$ 2,413,089
Total Net Position (Deficit)	<u>\$ 1,414,892</u>	<u>\$ (1,263,847)</u>	<u>\$ 2,678,739</u>
Total Liabilities , Deferred Outflows and Net Position	<u>\$ 8,023,534</u>	<u>\$ 7,276,622</u>	<u>\$ 746,912</u>

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted net position represents amounts set aside for emergencies as required by statute. The unrestricted net position deficit is due to outstanding PERA pension and OPEB obligations that are only reported at the activity level.

A condensed Statement of Activities and Changes in Net Position is as follows:

	2021	2020	Variance
Program Revenues:			
Charges for Services	\$ 76,217	\$ 45,713	\$ 30,504
Operating Grants and Contributions	\$ 471,487	\$ 824,584	\$ (353,097)
Capital Grants and Contributions	\$ 235,021	\$ 11,594	\$ 223,427
Total Program Revenues	\$ 782,725	\$ 881,891	\$ (99,166)
General Revenues:			
Property Taxes	\$ 2,398,746	\$ 2,309,241	\$ 89,505
Specific Ownership/Other Taxes	\$ 390,006	\$ 339,812	\$ 50,194
Investment Earnings	\$ 3,599	\$ 11,646	\$ (8,047)
Other Revenue	\$ 475,840	\$ 60,178	\$ 415,662
Total General Revenues	\$ 3,268,191	\$ 2,720,877	\$ 547,314
Total Revenues	\$ 4,050,916	\$ 3,602,768	\$ 448,148
Expenses:			
Instruction	\$ 657,785	\$ 1,068,601	\$ (410,816)
Supporting Services	\$ 745,309	\$ 1,104,105	\$ (358,796)
Interest on Long Term Debt	\$ 2,154	\$ -	\$ 2,154
Total Expenses	\$ 1,405,248	\$ 2,172,706	\$ (767,458)
Change in Net Position	\$ 2,645,668	\$ 1,430,062	\$ 1,215,606
Net Position - Beginning	\$ (1,263,847)	\$ (2,693,909)	\$ 1,430,062
Prior Period Restatement	\$ 33,071		\$ 33,071
Net Position - Beginning (Restated)	\$ (1,230,776)	\$ (2,693,909)	\$ 1,463,133
Net Position Ending	\$ 1,414,892	\$ (1,263,847)	\$ 2,678,739

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 5. Fund financial reports provide detailed information about the District's major funds. The General Fund in fiscal year ending June 30, 2021 is a major fund. Non-major funds include Food Service, Designated Grants, Pupil Activity and Capital Reserve Funds.

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Food Service, Designated Grants, Pupil Activity and Capital Reserve Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Capital Reserve Fund accounts for the District's capital needs and the Designated Grants Fund accounts for the majority of the District's grant funding.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's only fiduciary fund is the Scholarship Fund. The Scholarship Fund accounts for donations and related investment earnings used to provide scholarships to the District's students.

Fund Financial Statements

As of June 30, 2021, the District's governmental funds reported a combined fund balance of \$2,923,473 which is an increase of \$289,001 from the June 30, 2020 balance. This balance includes General Fund, Food Service, Grants, Pupil Activity and Capital Reserve funds.

General Fund. Although revenues in the general fund remained relatively consistent with a decrease of \$95,980, expenditures increased by \$176,044. Overall, our change in fund balance for the year was \$446,164. This change brought the District's ending fund from \$2,431,204 to \$2,877,368.

Capital Reserve Fund. The Capital Reserve balance decreased by \$256,451 leaving a (\$71,539) deficit at year end. This was solely due to boiler project invoices being budgeted in the wrong fiscal year, and the budgeted transfer not covering the full costs. The deficit will balance out in FY22.

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

Capital Assets

As of June 30, 2021 the District had \$3,122,879 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions and depreciation) of \$311,471 from the prior year. This includes our capital asset depreciation and the boiler construction project in progress.

Capital assets activity for the year ended June 30,2021, is summarized below:

	<u>Balance 06/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/21</u>
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 67,595	\$ -	\$ -	\$ 67,595
Construction in Progress	-	491,594	-	491,594
Total Capital Assets, Not Being Depreciated	<u>67,595</u>	<u>491,594</u>	<u>-</u>	<u>559,189</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings & Improvements	5,187,583	-	-	5,187,583
Food Service Equipment	6,163	-	-	6,163
Vehicles	690,673	-	-	690,673
Other Equipment	323,594	-	-	323,594
Total Capital Assets, Being Depreciated	<u>6,208,013</u>	<u>-</u>	<u>-</u>	<u>6,208,013</u>
<i>Less Accumulated Depreciation</i>				
Buildings & Improvements	(2,832,072)	(118,441)	-	(2,950,513)
Food Service Equipment	(6,163)	-	-	(6,163)
Vehicles	(391,196)	(35,148)	-	(426,344)
Other Equipment	(234,769)	(26,534)	-	(261,303)
Total Accumulated Depreciation	<u>(3,464,200)</u>	<u>(180,123)</u>	<u>-</u>	<u>(3,644,323)</u>
Total Capital Assets, Being Depreciated, net	<u>2,743,813</u>	<u>(180,123)</u>	<u>-</u>	<u>2,563,690</u>
Governmental Activities Capital Assets, net	<u>\$ 2,811,408</u>	<u>\$ 311,471</u>	<u>\$ -</u>	<u>\$ 3,122,879</u>

North Park School District R-1
Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in December once student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The Designated Purpose Grants budget is revised as final allocations become known. Revenues generated from the District's Program Funding (Colorado School Finance Act) change throughout the year. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax and Specific Ownership Tax. The District did not receive State Share in this fiscal year. Because exact factors are not known in June when the budget is adopted, the portion of revenue from each source is not known until the following January.

Economic Factors and Next Year's Budget

Although the District continues to experience declining enrollment, it is in very good financial condition. The District continually looks to supplement the budget through grant opportunities. In fiscal year 2022, the district will continue work on our capital boiler and security projects funded by the BEST Grant, DOLA Grant, North Park Education Fund, and the remaining district match. The carry forward in the General Fund total more than five months of operating expenses.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the North Park School District R-1 finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Manager, P.O. Box 798, 910 4th Street, Walden, CO 80480.

Basic Financial Statements

North Park School District R-1
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and Investments	\$ 2,374,407
Taxes Receivable	989,340
Grants Receivable	212,927
Other Accounts Receivable	1,916
Inventories	1,239
Capital Assets, <i>Not Being Depreciated</i>	559,189
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>2,563,690</u>
Total Assets	<u>6,702,708</u>
Deferred Outflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	1,306,752
OPEB, <i>Net of Accumulated Amortization</i>	<u>14,074</u>
Total Deferred Outflows of Resources	<u>1,320,826</u>
Liabilities	
Accounts Payable	152,734
Accrued Salaries and Benefits	231,226
Noncurrent Liabilities	
Due Within One Year	11,510
Due in More Than One Year	51,447
Net Pension Liability	3,820,704
Net OPEB Liability	<u>138,963</u>
Total Liabilities	<u>4,406,584</u>
Deferred Inflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	2,116,332
OPEB, <i>Net of Accumulated Amortization</i>	<u>85,726</u>
Total Deferred Inflows of Resources	<u>2,202,058</u>
Net Position	
Net Investment in Capital Assets	3,059,922
Restricted for:	
Emergencies	89,000
Colorado Preschool Program	13,725
Unrestricted	<u>(1,747,755)</u>
Total Net Position	<u>\$ 1,414,892</u>

North Park School District R-1
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government					
<i>Governmental Activities</i>					
Instruction	\$ 657,785	\$ 62,330	\$ 288,554	\$ -	\$ (306,901)
Supporting Services	575,875	3,509	182,933	235,021	(154,412)
Food Services	169,434	10,378	-	-	(159,056)
Interest on Long-Term Debt	2,154	-	-	-	(2,154)
Total Primary Government	\$ 1,405,248	\$ 76,217	\$ 471,487	\$ 235,021	(622,523)
General Revenues					
Local Property Taxes					2,398,746
Specific Ownership Taxes					324,473
Other Taxes					65,533
Intermediate Sources					125,375
State Share Mitigation					52,428
Grants and Contributions not Restricted to Specific Programs					210,738
Investment Income					3,599
Other					87,299
Total General Revenues					3,268,191
Change in Net Position					2,645,668
Net Position, Beginning of year (As previously stated)					(1,263,847)
Adjustment to net position for adoption of new accounting principle					33,071
Net Position, Beginning of year (As restated)					(1,230,776)
Net Position, End of year					\$ 1,414,892

North Park School District R-1
 Balance Sheet
 Governmental Funds
 June 30, 2021

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 2,135,038	\$ 239,369	\$ 2,374,407
Taxes Receivable	989,340	-	989,340
Grants Receivable	24,710	188,217	212,927
Interfund Accounts Receivable	445,610	127,000	572,610
Other Accounts Receivable	1,771	145	1,916
Inventories	-	1,239	1,239
	<hr/>	<hr/>	<hr/>
Total Assets	<u>3,596,469</u>	<u>555,970</u>	<u>4,152,439</u>
Liabilities			
Accounts Payable	117,766	34,968	152,734
Interfund Accounts Payable	127,000	445,610	572,610
Accrued Salaries and Benefits	219,315	11,911	231,226
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>464,081</u>	<u>492,489</u>	<u>956,570</u>
Deferred Inflows of Resources			
Unearned Revenue	109,442	3,720	113,162
Grants	145,578	13,656	159,234
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	<u>255,020</u>	<u>17,376</u>	<u>272,396</u>
Fund Balances			
Nonspendable Inventories	-	1,239	1,239
Restricted for:			
Emergencies	89,000	-	89,000
Colorado Preschool Program	13,725	-	13,725
Committed to:			
Food Services	-	58,704	58,704
Assigned to:			
Capital Projects	-	10,085	10,085
Unassigned	2,774,643	(23,923)	2,750,720
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,877,368</u>	<u>46,105</u>	<u>2,923,473</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances			
	<u>\$ 3,596,469</u>	<u>\$ 555,970</u>	<u>\$ 4,152,439</u>

North Park School District R-1
 Reconciliation of the Balance Sheet of Governmental
 Funds to the Statement of Net Position
 June 30, 2021

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

Total Fund Balances of Governmental Funds	\$	2,923,473
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		3,122,879
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes and grant revenue earned but not available as current financial resources.		272,396
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Lease		(48,592)
Accrued compensated absences		(14,365)
Net pension liability		(3,820,704)
Pension-related deferred outflows of resources		1,306,752
Pension-related deferred inflows of resources		(2,116,332)
Net OPEB liability		(138,963)
OPEB-related deferred outflows of resources		14,074
OPEB-related deferred inflows of resources		(85,726)

Total Net Position of Governmental Activities	\$	1,414,892

North Park School District R-1
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Nonmajor Governmental Funds	Total
Revenues			
Local Sources	\$ 3,002,614	\$ 48,955	\$ 3,051,569
Intermediate Sources	125,375	-	125,375
State Sources	46,782	247,808	294,590
Federal Sources	215,259	91,727	306,986
	<u>3,390,030</u>	<u>388,490</u>	<u>3,778,520</u>
Total Revenues			
Expenditures			
Instruction	1,536,904	69,979	1,606,883
Student Support	90,063	-	90,063
General Administration	198,471	-	198,471
School Administration	279,338	-	279,338
Business Services	70,834	-	70,834
Operations and Maintenance	457,499	6,344	463,843
Student Transportation	51,393	-	51,393
Risk Management	87,473	-	87,473
Food Service	-	169,434	169,434
Facilities	-	491,594	491,594
Debt Service	13,264	-	13,264
	<u>2,785,239</u>	<u>737,351</u>	<u>3,522,590</u>
Total Expenditures			
Excess Revenues Over (Under) Expenditures	<u>604,791</u>	<u>(348,861)</u>	<u>255,930</u>
Other Financing Sources (Uses)			
Transfers In	101,999	158,627	260,626
Transfers Out	(260,626)	-	(260,626)
	<u>(158,627)</u>	<u>158,627</u>	<u>-</u>
Total Other Financial Sources (Uses)			
Net Change in Fund Balances	446,164	(190,234)	255,930
Fund Balances, Beginning of year (As previously stated)	<u>2,431,204</u>	<u>203,268</u>	<u>2,634,472</u>
Adjustment to net position for adoption of new accounting principle	-	33,071	33,071
Fund Balances, Beginning of year (As restated)	<u>2,431,204</u>	<u>236,339</u>	<u>2,667,543</u>
Fund Balances, End of year	<u>\$ 2,877,368</u>	<u>\$ 46,105</u>	<u>\$ 2,923,473</u>

North Park School District R-1
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2021

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

Net Change in Fund Balances of Governmental Funds	\$	255,930
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Depreciation expense		(180,123)
Capital outlay		491,594
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.</p>		
		272,396
<p>The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Principal payments on capital lease		11,109
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:</p>		
Net pension liability		(549,503)
Pension-related deferred outflows of resources		426,292
Pension-related deferred inflows of resources		1,893,893
Net OPEB liability		21,827
OPEB-related deferred outflows of resources		1,619
OPEB-related deferred inflows of resources		634
		634
Change in Net Position	\$	2,645,668

North Park School District R-1
Balance Sheet
Fiduciary Funds
June 30, 2021

	<u>Scholarship Fund</u>
Assets	
Cash and Investments	\$ 38,224
Fund Balances	
Assigned to:	
Scholarships	15,060
Unassigned	<u>23,164</u>
Total Fund Balances	<u>38,224</u>

North Park School District R-1
Statement of Revenues, Expenditures and Changes in Fund Balances
Fiduciary Funds
For the Year Ended June 30, 2021

	Scholarship Fund
Revenues	
Local Sources	\$ <u>26,197</u>
Total Revenues	<u>26,197</u>
Expenditures	
Instruction	<u>589</u>
Total Expenditures	<u>589</u>
Excess of Revenues Over (Under) Expenditures	25,608
Net Change in Fund Balances	25,608
Fund Balances, <i>Beginning of year</i>	<u>12,616</u>
Fund Balances, <i>End of year</i>	\$ <u><u>38,224</u></u>

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of the North Park School District (the District) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the District's more significant policies.

Reporting Entity

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the District reports the following fund types:

The *Fiduciary Fund* accounts for assets held by the District in a trustee capacity or as an agent for students group.

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

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

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

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

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

Assets, Liabilities and Fund Balances/Net Position

Cash Equivalents - The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized. Investments are stated at fair value. Cash equivalents include investments with original maturities of three months or less.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Fund Balances/Net Position (Continued)

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

Inventories - Food Services Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at average cost and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

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

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

Buildings and Improvements	10 - 75 years
Transportation Vehicles and Other Equipment	5 - 30 years

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

Deferred Inflows of Resources - Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Compensated Absences - Employees are allowed to accumulate unused leave time at a rate of one day per month for actual number of months worked during the year. Employees may redeem unused leave days at one-half the substitute rate. Leave days not cashed out or taken during the year are rolled into accumulated leave up to a maximum of 20 days. Accumulated accrued leave time is paid to eligible employees upon termination of employment.

These compensated absences are recognized as expenditures in the governmental funds when due. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned.

Pensions - The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP), and additions to and deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. 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. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of 2021.

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

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Property Taxes

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

Subsequent Events

The District has evaluated subsequent events through February 9, 2022, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At June 30, 2021, the District had the following cash and investments:

Cash	\$	6,818
Deposits		2,336,714
Investments		<u>30,875</u>
Total	\$	<u><u>2,374,407</u></u>

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 2: Cash and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2021, the District had bank deposits of \$2,532,686 collateralized with securities held by the financial institution's agent but not in the District's name.

Investments

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

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

Fair Value Measurements - At June 30, 2021, the District's investments in a money market fund are reported at the net asset value per share.

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

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

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

Custodial Credit Risk - At June 30, 2021, the District did not have any investments requiring safekeeping. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

North Park School District R-1
Notes to Financial Statements
June 30, 2021

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2021, is summarized below.

	<u>Balance</u> <u>06/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/21</u>
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 67,595	\$ -	\$ -	\$ 67,595
Construction in Progress	-	491,594	-	491,594
Total Capital Assets, Not Being Depreciated	<u>67,595</u>	<u>491,594</u>	<u>-</u>	<u>559,189</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings & Improvements	5,187,583	-	-	5,187,583
Food Service Equipment	6,163	-	-	6,163
Vehicles	690,673	-	-	690,673
Other Equipment	323,594	-	-	323,594
Total Capital Assets, Being Depreciated	<u>6,208,013</u>	<u>-</u>	<u>-</u>	<u>6,208,013</u>
<i>Less Accumulated Depreciation</i>				
Buildings & Improvements	(2,832,072)	(118,441)	-	(2,950,513)
Food Service Equipment	(6,163)	-	-	(6,163)
Vehicles	(391,196)	(35,148)	-	(426,344)
Other Equipment	(234,769)	(26,534)	-	(261,303)
Total Accumulated Depreciation	<u>(3,464,200)</u>	<u>(180,123)</u>	<u>-</u>	<u>(3,644,323)</u>
Total Capital Assets, Being Depreciated, net	<u>2,743,813</u>	<u>(180,123)</u>	<u>-</u>	<u>2,563,690</u>
Governmental Activities Capital Assets, net	<u>\$ 2,811,408</u>	<u>\$ 311,471</u>	<u>\$ -</u>	<u>\$ 3,122,879</u>

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

Instruction	\$ 91,863
Supporting Services	<u>88,260</u>
Total	<u>\$ 180,123</u>

North Park School District R-1
Notes to Financial Statements
June 30, 2021

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2021:

	Balance 06/30/20	Additions	Payments	Balance 06/30/21	Due Within One Year
Capital Leases	\$ 59,701	\$ -	\$ (11,109)	\$ 48,592	\$ 11,510
Compensated Absences	14,365	-	-	14,365	-
Total	\$ 74,066	\$ -	\$ (11,109)	\$ 62,957	\$ 11,510

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Bus Capital Lease

In 2020, the District entered into a master lease agreement for \$66,335 to purchase a school bus. The lease required a down payment of \$6,634 and five annual payments of \$13,264 at an interest rate of 3.61%.

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 11,510	\$ 1,754	\$ 13,264
2023	11,925	1,339	13,264
2024	12,356	908	13,264
2025	12,801	462	13,263
Total	\$ 48,592	4,463	53,055

Note 5: Interfund Transactions

During the year ended June 30, 2021, the General Fund subsidized the activities of the Food Services, Capital Reserve, Preschool and Student Activity Funds through interfund transfers of \$87,849, \$10, \$101,999 and \$70,768, respectively.

Note 6: Jointly Governed Organization

The District, in conjunction with other surrounding districts, created the South-Central Colorado 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. The District paid \$37,874 to the BOCES during the year ended June 30, 2021. The BOCES' financial statements are available at www.ecboces.org.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 7: Risk Management

The District belongs to the Colorado School District Self Insurance Pool (CSDSIP) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2021.

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.

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

Note 8: Defined Benefit Pension Plan

General Information

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

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

- a) Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- b) 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 annualized into a monthly benefit based on life expectancy and other actuarial factors.

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

- a) Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- b) \$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.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible 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 of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions Provisions as of 2021 - 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 10.00% of their PERA-includable salary during the period of July 01, 2020 through June 30, 2021. The District's contribution rate was 20.90% of covered salaries for July 01, 2020 through June 30, 2021. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 9). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-208(1)(f).

As specified in C.R.S. § 24-51-414, 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. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 \$276,900 for the year ended June 30, 2021.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 8: Defined Benefit Pension Plan (Continued)

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

The net pension liability for the SCHDTF was measured at December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the District reported a liability of \$3,820,704, for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District Proportionate share of net pension liability	\$ 3,820,704
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the District	<u>-</u>
Proportionate share of the net pension liability	<u>\$ 3,820,704</u>

At December 31, 2020, the District's proportion was 0.0252725762%, which was an increase of 0.0033766708% from its proportion measured at December 31, 2019.

For the year ended June 30, 2021, the District recognized pension benefit of \$1,150,111. There was no support from the State as a nonemployer contributing entity.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

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, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 209,930	\$ -
Changes of assumptions and other inputs	367,540	642,229
Net difference between projected and actual earnings on plan investments	-	841,024
Changes in proportion	540,745	633,079
Contributions subsequent to the measurement date	<u>188,537</u>	<u>-</u>
Total	<u>\$ 1,306,752</u>	<u>\$ 2,116,332</u>

District contributions subsequent to the measurement date of \$188,537 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (944,695)
2023	138,585
2024	(59,332)
2025	<u>(132,675)</u>
Total	<u>\$ (998,117)</u>

North Park School District R-1

Notes to Financial Statements

June 30, 2021

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)

Actuarial Assumptions - The actuarial valuation as of December 31, 2019, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry Age
Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.25%
Hired after 12/31/2006	Financed by AIR

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.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments, 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.

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

The actuarial assumptions used in the December 31, 2019, valuation 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.

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Notes to Financial Statements

June 30, 2021

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)

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

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

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

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

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

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

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

North Park School District R-1

Notes to Financial Statements

June 30, 2021

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)

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

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

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 8: Defined Benefit Pension Plan (Continued)

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	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%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

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. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 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 index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 8: Defined Benefit Pension Plan (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 5,211,753	\$ 3,820,704	\$ 2,661,502

Pension Plan Fiduciary Net Position - Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 9: Postemployment Healthcare Benefits

General Information

Plan Description - Eligible employees of the District are provided with postemployment benefits other than pensions (OPEB) through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), 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. PERA issues a publicly available comprehensive annual financial report (Annual report) that can be obtained at www.copera.org/investments/pera-financial-reports.

North Park School District R-1
Notes to Financial Statements
June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

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

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

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

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 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.

North Park School District R-1
Notes to Financial Statements
June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

DPS Benefit Structure - The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 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.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District was \$14,207, for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$138,963 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2020, relative to the contributions of all participating employers to the HCTF. At December 31, 2020, the District's proportion was 0.0146241738%, which was an increase of 0.0003190298% from its proportion measured at December 31, 2019.

North Park School District R-1
Notes to Financial Statements
June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

For the year ended June 30, 2021, the District recognized OPEB benefit of \$9,012. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 367	\$ 30,550
Changes of assumptions and other inputs	1,039	8,521
Net difference between projected and actual earnings on plan investments	-	5,679
Changes in proportion	2,995	40,976
Contributions subsequent to the measurement date	<u>9,673</u>	<u>-</u>
Total	<u>\$ 14,074</u>	<u>\$ 85,726</u>

District contributions subsequent to the measurement date of \$9,673 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (22,445)
2023	(21,649)
2024	(18,754)
2025	(14,881)
2026	(3,405)
Thereafter	<u>(191)</u>
Total	<u>\$ (81,325)</u>

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

Actuarial Assumptions - The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
<i>PERA Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
8.1% in 2020, gradually decreasing to 4.5% in 2029	
Medicare Part A premiums:	
3.5% in 2020, gradually increasing to 4.5% in 2029	
<i>DPS Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums:	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

- Medicare Advantage/Self-Insured Rx - Monthly Cost of \$558, Monthly Premium of \$227, Monthly Costs Adjusted to Age 65 of \$550.
- Kaiser Permanente Medicare Advantage HMO - Monthly Cost of \$621, Monthly Premium of \$232, Monthly Costs Adjusted to Age 65 of \$586.

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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.

Mortality assumptions used in the December 31, 2019, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the 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.

Post-retirement non-disabled 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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

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

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 8).

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions 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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 9: Postemployment Healthcare Benefits (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 159,184	\$ 138,963	\$ 121,685

Sensitivity of the District's proportionate share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates, ranging from 2.5% to 9.1%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ 135,371	\$ 138,963	\$ 143,144

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's Annual report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 10: Commitments and Contingencies

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2021, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

North Park School District R-1

Notes to Financial Statements

June 30, 2021

Note 10: Commitments and Contingencies (Continued)

TABOR Amendment

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

In November 1996, voters within the District authorized the District to collect and to expend the full revenues received by the District from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2021, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$89,000.

Current Economic Conditions

During the year ended June 30, 2021, the United States of America and State of Colorado declared an emergency associated with the COVID-19 pandemic. Along with significant declines in financial markets, the public health emergency creates uncertain economic conditions. The District has adapted and made changes to operations due to potential impacts on health and safety. Should these conditions persist, the District could be negatively impacted.

Note 11: Change in Fund Classification

In January 2017, GASB issued Statement No. 84, Fiduciary Activities (GASB 84). GASB 84 improves guidance regarding the recognition and reporting of fiduciary activities. GASB 84 identifies four types of reportable fiduciary fund types, including 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds. GASB 84 outlines the accounting and disclosure requirements for operating structures that qualify as a fiduciary activity. The District adopted GASB 84 effective July 1, 2020, for the June 30, 2021, reporting year. Due to the implementation of GASB 84, the Student Activity fund is considered an agency fund held by the District in a custodial capacity. The fund was included in the District as a governmental Special Revenue Fund.

Required Supplementary Information

North Park School District R-1
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2021

	12/31/20	12/31/19
Proportionate Share of the Net Pension Liability		
District's Proportion of the Net Pension Liability	0.02527%	0.02592%
District's Proportionate Share of the Net Pension Liability	\$ 3,820,704	\$ 4,590,311
State's Proportionate Share of the Net Pension Liability	\$ -	\$ 552,161
Total Proportionate Share of the Net Pension Liability	\$ 3,820,704	\$ 5,142,472
District's Covered Payroll	\$ 1,352,147	\$ 1,425,159
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	283%	322%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	57%
	06/30/21	06/30/20
District Contributions		
Statutorily Required Contribution	\$ 276,900	\$ 265,279
Contributions in Relation to the Statutorily Required Contribution	(276,900)	(265,279)
Contribution Deficiency (Excess)	\$ -	\$ -
District's Covered Payroll	\$ 1,392,855	\$ 1,352,147
Contributions as a Percentage of Covered Payroll	19.88%	19.62%

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

(Continued)

North Park School District R-1
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2021
(Continued)

	<u>12/31/2018</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
Proportionate Share of the Net Pension Liability					
District's Proportion of the Net Pension Liability	0.03200%	0.03557%	0.03573%	0.03626%	0.03634%
District's Proportionate Share of the Net Pension Liability	\$ 10,348,767	\$ 10,590,861	\$ 5,464,964	\$ 4,914,666	\$ 4,635,450
State's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Total Proportionate Share of the Net Pension Liability	\$ 10,348,767	\$ 10,590,861	\$ 5,464,964	\$ 4,914,666	\$ 4,635,450
District's Covered Payroll	\$ 1,476,280	\$ 1,596,492	\$ 1,557,196	\$ 1,519,099	\$ 1,465,074
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	701%	663%	351%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44%	43%	59%	63%	64%
	<u>6/30/2019</u>	<u>6/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
District Contributions					
Statutorily Required Contribution	\$ 272,633	\$ 275,031	\$ 289,444	\$ 269,862	\$ 249,588
Contributions in Relation to the Statutorily Required Contribution	<u>(272,633)</u>	<u>(275,031)</u>	<u>(289,444)</u>	<u>(249,588)</u>	<u>(249,588)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,274</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,425,159	\$ 1,476,280	\$ 1,596,492	\$ 1,557,196	\$ 1,519,099
Contributions as a Percentage of Covered Payroll	19.13%	18.63%	18.13%	17.33%	16.43%

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

North Park School District R-1
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2021

	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
Proportionate Share of the Net OPEB Liability				
District's Proportion of the Net OPEB Liability	0.01462%	0.01685%	0.01818%	0.02022%
District's Proportionate Share of the Net OPEB Liability	\$ 138,963	\$ 229,258	\$ 236,322	\$ 262,146
District's Covered Payroll	\$ 1,352,147	\$ 1,425,159	\$ 1,476,280	\$ 1,596,492
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	10%	16%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33%	17%	18%	17%
	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
District's Contributions				
Statutorily Required Contribution	\$ 14,207	\$ 13,792	\$ 14,537	\$ 15,058
Contributions in Relation to the Statutorily Required Contribution	<u>(14,207)</u>	<u>(13,792)</u>	<u>(14,537)</u>	<u>(15,058)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,392,855	\$ 1,352,147	\$ 1,425,159	\$ 1,476,280
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

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

North Park School District R-1
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
Property Taxes	\$ 2,216,326	\$ 2,215,056	\$ 2,314,304	\$ 99,248
Specific Ownership Taxes	320,667	311,327	324,473	13,146
Other Taxes	3,239	3,239	65,533	62,294
Per Pupil Allocation	81,798	81,798	-	(81,798)
Contributions and Donations	197,715	197,715	204,734	7,019
Investment Income	3,230	3,230	3,487	257
Rental Income	6,642	6,642	3,509	(3,133)
Other	40,214	40,214	86,574	46,360
Total Local Sources	<u>2,869,831</u>	<u>2,859,221</u>	<u>3,002,614</u>	<u>143,393</u>
<i>Intermediate Sources</i>				
Mineral Leases	3,872	3,872	17,764	13,892
Payments in Lieu of Taxes	21,653	21,653	37,535	15,882
Impact Fee	1,856	1,856	70,076	68,220
Total Intermediate Sources	<u>27,381</u>	<u>27,381</u>	<u>125,375</u>	<u>97,994</u>
<i>State Sources</i>				
Small Rural Schools Funding	-	55,826	25,922	(29,904)
State Share Mitigation	-	52,428	52,428	-
ELPA	2,684	2,684	294	(2,390)
BOCES	-	2,998	(27,293)	(30,291)
Others	2,981	20,300	(4,569)	(24,869)
Total State Sources	<u>5,665</u>	<u>134,236</u>	<u>46,782</u>	<u>(87,454)</u>
<i>Federal Sources</i>				
Grants	62,027	62,027	215,259	153,232
Total Federal Sources	<u>62,027</u>	<u>62,027</u>	<u>215,259</u>	<u>153,232</u>
Total Revenues	<u>\$ 2,964,904</u>	<u>\$ 3,082,865</u>	<u>\$ 3,390,030</u>	<u>\$ 307,165</u>

(Continued)

North Park School District R-1
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2021
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Instruction	\$ 1,642,854	\$ 1,923,255	\$ 1,536,904	\$ 386,351
Supporting Services				
Student Support	39,468	81,538	90,063	(8,525)
General Administration	264,653	217,220	198,471	18,749
School Administration	253,139	247,389	279,338	(31,949)
Business Services	76,225	77,537	70,834	6,703
Operations and Maintenance	414,437	406,104	457,499	(51,395)
Student Transportation	115,220	103,735	51,393	52,342
Risk Management	111,595	113,848	87,473	26,375
Total Supporting Services	<u>1,274,737</u>	<u>1,247,371</u>	<u>1,235,071</u>	<u>12,300</u>
Debt Service				
Principal	-	-	11,510	(11,510)
Interest and Fiscal Charges	-	-	1,754	(1,754)
Total Debt Service	<u>-</u>	<u>-</u>	<u>13,264</u>	<u>(13,264)</u>
Reserves	<u>102,582</u>	<u>106,120</u>	<u>-</u>	<u>106,120</u>
Total Expenditures and Reserves	<u>3,020,173</u>	<u>3,276,746</u>	<u>2,785,239</u>	<u>491,507</u>
Excess of Revenues Over (Under) Expenditures	(55,269)	(193,881)	604,791	798,672
Other Financing Sources (Uses)				
Transfers	<u>(278,137)</u>	<u>(278,137)</u>	<u>(158,627)</u>	<u>119,510</u>
Net Change In Fund Balance	(333,406)	(472,018)	446,164	918,182
Fund Balance, Beginning of year	<u>1,184,935</u>	<u>1,184,935</u>	<u>2,431,204</u>	<u>1,246,269</u>
Fund Balance, End of year	<u>\$ 851,529</u>	<u>\$ 712,917</u>	<u>\$ 2,877,368</u>	<u>\$ 2,164,451</u>

North Park School District R-1
Notes to Required Supplementary Information
June 30, 2021

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

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

Changes in Assumptions and Other Inputs

For the year ended 2021, the total pension liability was determined by an actuarial valuation as of December 31, 2019. The following revised economic and demographic assumptions were effective as of December 31, 2019.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.4% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from prior year.
- Wage inflation assumption of 3.5% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

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

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

North Park School District R-1
Notes to Required Supplementary Information
June 30, 2021

Note 2: Stewardship, Compliance and Accountability (Continued)

Legal Compliance

For the year ended June 30, 2021 the expenditure of the Capital Reserve fund exceeded the amounts budgeted by \$151,594. This may be a violation of State statutes.

Combining and Individual Fund Statements and Schedules

North Park School District R-1
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue		Pupil Activity	Capital Reserve	Total
	Food Service	Grants			
Assets					
Cash and Investments	\$ 22,780	\$ 22,743	\$ 101,557	\$ 92,289	\$ 239,369
Grants Receivable	8,198	6,056	-	173,963	188,217
Interfund Accounts Receivable	-	-	-	127,000	127,000
Other Accounts Receivable	145	-	-	-	145
Inventories	1,239	-	-	-	1,239
	<u>32,362</u>	<u>28,799</u>	<u>101,557</u>	<u>393,252</u>	<u>555,970</u>
Total Assets					
Liabilities and Fund Balances					
<i>Liabilities</i>					
Accounts Payable	644	69	-	34,255	34,968
Interfund Accounts Payable	-	15,074	-	430,536	445,610
Accrued Salaries and Benefits	11,911	-	-	-	11,911
	<u>12,555</u>	<u>15,143</u>	<u>-</u>	<u>464,791</u>	<u>492,489</u>
Total Liabilities					
Deferred Inflows of Resources					
Unearned Revenue	3,720	-	-	-	3,720
Unearned Revenue Grants	-	13,656	-	-	13,656
	<u>3,720</u>	<u>13,656</u>	<u>-</u>	<u>-</u>	<u>17,376</u>
Total Deferred Inflows of Resources					
Fund Balances					
Nonspendable Inventories	1,239	-	-	-	1,239
Committed to:					
Food Services	58,704	-	-	-	58,704
Assigned to:					
Capital Projects	-	-	-	10,085	10,085
Unassigned	(43,856)	-	101,557	(81,624)	(23,923)
	<u>16,087</u>	<u>-</u>	<u>101,557</u>	<u>(71,539)</u>	<u>46,105</u>
Total Fund Balances					
Total Liabilities and Fund Balances	<u>\$ 32,362</u>	<u>\$ 28,799</u>	<u>\$ 101,557</u>	<u>\$ 393,252</u>	<u>\$ 555,970</u>

North Park School District R-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue		Pupil Activity	Capital Reserve	Total
	Food Services	Grants			
Revenues					
Local Sources	\$ 11,513	\$ -	\$ 37,330	\$ 112	\$ 48,955
State Sources	674	12,113	-	235,021	247,808
Federal Sources	67,129	24,598	-	-	91,727
	<u>79,316</u>	<u>36,711</u>	<u>37,330</u>	<u>235,133</u>	<u>388,490</u>
Total Revenues					
	<u>79,316</u>	<u>36,711</u>	<u>37,330</u>	<u>235,133</u>	<u>388,490</u>
Expenditures					
Instruction	-	30,367	39,612	-	69,979
Operations and Maintenance	-	6,344	-	-	6,344
Student Transportation	-	-	-	-	-
Risk Management	-	-	-	-	-
Food Service	169,434	-	-	-	169,434
Facilities	-	-	-	491,594	491,594
Debt Service	-	-	-	-	-
	<u>169,434</u>	<u>36,711</u>	<u>39,612</u>	<u>491,594</u>	<u>737,351</u>
Total Expenditures					
	<u>169,434</u>	<u>36,711</u>	<u>39,612</u>	<u>491,594</u>	<u>737,351</u>
Excess of Revenues Over (Under) Expenditures	(90,118)	-	(2,282)	(256,461)	(348,861)
Other Financing Sources (Uses)					
Transfers In	87,849	-	70,768	10	158,627
	<u>87,849</u>	<u>-</u>	<u>70,768</u>	<u>10</u>	<u>158,627</u>
Total Other Financing Sources (Uses)					
	<u>87,849</u>	<u>-</u>	<u>70,768</u>	<u>10</u>	<u>158,627</u>
Net Change in Fund Balances	(2,269)	-	68,486	(256,451)	(190,234)
Fund Balances, Beginning of year <i>(As previously stated)</i>	18,356	-	-	184,912	203,268
Adjustment to net position for adoption of new accounting principle	-	-	33,071	-	33,071
Fund Balances, Beginning of year <i>(As restated)</i>	18,356	-	33,071	184,912	236,339
Fund Balances, End of year	<u>\$ 16,087</u>	<u>\$ -</u>	<u>\$ 101,557</u>	<u>\$ (71,539)</u>	<u>\$ 46,105</u>

North Park School District R-1
 Budgetary Comparison Schedule
 Food Services Fund
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources				
Charges for Services	\$ 33,645	\$ 53,847	\$ 10,378	\$ (43,469)
Contributions and Others	763	763	1,135	372
State Sources				
Grants	1,170	1,170	674	(496)
Federal Sources				
National School Lunch and Breakfast Programs	41,651	41,651	67,129	25,478
Total Revenues	<u>77,229</u>	<u>97,431</u>	<u>79,316</u>	<u>(18,115)</u>
Expenditures				
Salaries	60,569	72,914	83,238	(10,324)
Benefits	33,307	35,636	38,914	(3,278)
Purchased Services	4,500	4,500	-	4,500
Supplies and Materials	53,197	53,196	43,417	9,779
Others	2,120	2,120	3,865	(1,745)
Reserves	15,369	16,837	-	16,837
Total Expenditures and Reserves	<u>169,062</u>	<u>185,203</u>	<u>169,434</u>	<u>15,769</u>
Over Excess of Revenues (Under) Expenditures	(91,833)	(87,772)	(90,118)	(2,346)
Other Financing Sources				
Transfers In	84,446	84,446	87,849	3,403
Net Change in Fund Balance	(7,387)	(3,326)	(2,269)	1,057
Fund Balance, Beginning of year	<u>8,800</u>	<u>8,800</u>	<u>18,356</u>	<u>9,556</u>
Fund Balance, Ending of year	<u>\$ 1,413</u>	<u>\$ 5,474</u>	<u>\$ 16,087</u>	<u>\$ 10,613</u>

North Park School District R-1
 Budgetary Comparison Schedule
 Grants Fund
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
State Grants	\$ 5,753	\$ 5,753	\$ 12,113	\$ 6,360
Federal Grants	26,040	26,040	24,598	(1,442)
Total Revenues	<u>31,793</u>	<u>31,793</u>	<u>36,711</u>	<u>4,918</u>
Expenditures				
Salaries	16,391	16,391	16,820	(429)
Benefits	3,402	3,402	3,507	(105)
Purchased Services	1,300	1,300	7,197	(5,897)
Supplies and Materials	5,200	5,200	1,850	3,350
Other	5,500	11,500	7,337	4,163
Total Expenditures	<u>31,793</u>	<u>37,793</u>	<u>36,711</u>	<u>1,082</u>
Net Change in Fund Balance	-	(6,000)	-	6,000
Fund Balance, Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ 6,000</u>

North Park School District R-1
 Budgetary Comparison Schedule
 Pupil Activity Fund
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 140,000	\$ 140,000	\$ 37,330	\$ (102,670)
Expenses				
Pupil Activity Expenses	140,000	140,000	39,612	100,388
Other Financing Sources				
Transfers In	-	-	70,768	(70,768)
Change in Net Position	-	-	68,486	68,486
Net Position, Beginning of year	47,476	47,476	33,071	(14,405)
Net Position, End of year	<u>\$ 47,476</u>	<u>\$ 47,476</u>	<u>\$ 101,557</u>	<u>\$ 54,081</u>

North Park School District R-1
 Budgetary Comparison Schedule
 Capital Reserve Fund
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
State Capital Grants	\$ -	\$ 102,000	\$ 235,021	\$ 133,021
Investment Income	50	50	112	62
Total Revenues	<u>50</u>	<u>102,050</u>	<u>235,133</u>	<u>133,083</u>
Expenditures				
Property	50,000	260,000	491,594	(231,594)
Other	80,000	80,000	-	80,000
Total Expenditures	<u>130,000</u>	<u>340,000</u>	<u>491,594</u>	<u>(151,594)</u>
Excess of Revenues Over (Under) Expenditures	(129,950)	(237,950)	(256,461)	(18,511)
Other Financing Sources				
Transfers In	120,000	102,050	10	(102,040)
Net Change in Fund Balance	(9,950)	(135,900)	(256,451)	(120,551)
Fund Balance, Beginning of year	<u>10,085</u>	<u>10,085</u>	<u>184,912</u>	<u>174,827</u>
Fund Balance, End of year	<u>\$ 135</u>	<u>\$ (125,815)</u>	<u>\$ (71,539)</u>	<u>\$ 54,276</u>

North Park School District R-1
 Budgetary Comparison Schedule
 Scholarship Fund
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources	\$ 14,000	\$ 14,000	\$ 26,197	\$ 12,197
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>26,197</u>	<u>12,197</u>
Expenditures				
Instruction	<u>12,000</u>	<u>12,000</u>	<u>589</u>	<u>11,411</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>589</u>	<u>11,411</u>
Net Change in Fund Balance	2,000	2,000	25,608	23,608
Fund Balance, Beginning of year	<u>13,828</u>	<u>13,828</u>	<u>12,616</u>	<u>(1,212)</u>
Fund Balance, End of year	<u>\$ 15,828</u>	<u>\$ 15,828</u>	<u>\$ 38,224</u>	<u>\$ 22,396</u>

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 1410 - North Park R-1
 Fiscal Year 2020-21
 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	2,385,022	3,126,107	2,679,843	2,831,286
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	46,182	105,299	105,299	46,182
Sub- Total	2,431,204	3,231,406	2,785,142	2,877,468
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	18,356	167,163	169,433	16,085
22 Govt Designated-Purpose Grants Fund	0	36,710	36,710	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	0	0	0	0
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	184,912	235,143	491,594	-71,539
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,634,472	3,670,422	3,482,879	2,822,014
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	12,616	26,197	589	38,224
74 Pupil Activity Agency Fund	33,071	108,098	39,612	101,558
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	45,687	134,295	40,201	139,782

FINAL

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