

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORTS**

**For the Year Ended
June 30, 2021**

INTRODUCTORY SECTION

**FOWLER SCHOOL DISTRICT R4J
FOWLER, COLORADO**

ROSTER OF SCHOOL OFFICIALS

Year Ended June 30, 2021

Board Of Education

Eric Larson - President

Jason Bitter - Vice-President

Douglas Arnold – Member

Justin Osborne - Member

Dorothy K. Sallee - Member

Administrative Staff

Alfred B. Lotrich - Superintendent

Michael R. Thomas - Secretary/Treasurer

FOWLER SCHOOL DISTRICT R4J

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FINANCIAL SECTION

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Management's Discussion and Analysis

As management of the Fowler School District R-4J, we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information provided in the Independent Auditor's report.

Financial Highlights

- The primary government has government-wide Statement of Activities net position totaling (\$810,093) at the end of the current fiscal year, which is a change of net position of \$2,418,948 from the prior year. The negative amount is primarily due to the requirement to report pension liabilities from the Public Employees Retirement Association (PERA).
- Governmental activities unrestricted net position is (\$5,430,994). This is a change of \$2,396,622. Again, this is due primarily to the reporting requirement of the Public Employees Retirement Association (PERA) pension liability,
- Fund balance of the District's governmental funds increased by \$673,895 resulting in an ending fund balance of \$2,970,903.

Overview of the Financial Statements

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

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

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

Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets and liabilities. The difference between the two is reported as net position. Changes in net position from year-

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

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

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2021	2020
Assets:		
Current Assets	\$ 3,556,101	\$ 3,240,558
Capital Assets – Net	4,344,519	4,453,906
Deferred Outflows of Resources	2,556,169	1,568,125
Capital Assets & Deferred Outflows of Financial Resources	10,456,789	9,262,589
Liabilities:		
Current Liabilities	585,198	943,550
Non-current Liabilities	7,429,693	6,725,568
Deferred Inflows of Resources	3,251,991	4,822,512
Total Liabilities & Deferred Inflows of Financial Resources	11,266,882	12,491,630
Net Position:		
Net Invested in Capital Assets	4,344,519	4,173,906
Restricted	276,382	424,669
Unrestricted Net Position	(5,430,994)	(7,827,616)
Total Net Position(Deficit)	(810,093)	(3,229,041)
Total Liabilities, Deferred Outflows and Net Position	\$ 10,456,789	\$ 9,262,589

Significant changes from the prior year include a decrease in capital assets of \$109,387, a decrease in current liabilities of \$358,353 due primarily to unearned grant revenue, and an increase in noncurrent liabilities of \$704,125. Overall net position increased \$2,418,948 for governmental activities.

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

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Revenue in the form of property and specific ownership taxes, as well as State Equalization received, decreased by approximately \$195,647 for governmental activities. A summary of the District's activities is as follows:

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2021	2020
Program Revenues:		
Charges for Services	\$ 97,995	\$ 142,930
Operating Grants	1,392,851	680,872
Capital Grants and Contributions	<u>-</u>	<u>9,173</u>
Total Program Revenues	<u>1,490,846</u>	<u>832,975</u>
General Revenues:		
Taxes	833,309	830,743
State Equalization	2,939,442	3,137,655
Investment Earnings	7,043	13,500
Gain (Loss) on Capital Asset Disposals	-	-
Miscellaneous Revenues	<u>131,373</u>	<u>77,458</u>
Total General Revenues	<u>3,911,167</u>	<u>4,059,356</u>
Total Revenues	<u>5,402,013</u>	<u>4,892,331</u>
Expenses:		
Instruction	1,947,580	2,441,736
Supporting Services	<u>1,294,083</u>	<u>1,489,308</u>
Total Expenses	<u>3,241,663</u>	<u>3,931,044</u>
Change in Net Position	<u>2,160,350</u>	<u>961,287</u>
Net Position - Beginning	(3,229,041)	(4,190,328)
Prior Period Restatement	<u>258,598</u>	<u>-</u>
Net Position - Beginning (Restated)	<u>(2,970,443)</u>	<u>(4,190,328)</u>
Net Position Ending	<u>\$ (810,093)</u>	<u>\$ (3,229,041)</u>

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

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Fund Financial Statements

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

Governmental Funds

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

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

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

Fiduciary Funds

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

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Notes to the Financial Statements

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

Other Information

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

Financial Analysis of the Government's Funds

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

The combined general fund is the largest governmental fund of Fowler School District R-4J. The combined general fund under GASB 34 reporting requirements includes the general fund, insurance reserve fund and preschool fund. As of June 30, 2021, the combined general fund shows an ending fund balance of \$2,177,952, which is an increase of \$451,303 from the prior year, the Capital Reserve Fund balance decreased by \$1,244 to \$199,000, the Bond Redemption Fund ending fund balance decreased by \$144,287 to \$147,382 and the Food Service Fund increased by \$107,930 to \$186,378.

General Fund Budgetary Highlights

Fowler School District R-4J began budget development for the 2020-2021 fiscal year in January of 2020 with preliminary analysis of salary requirements. After reviewing enrollment projections and the most current revenue assumptions, the superintendent and his senior staff prepared a preliminary budget by prioritizing the needs expressed in the February hearings' process. The District Accountability Committee reviewed the budget in April 2020. The preliminary budget was presented to the Board of Education in May. Adoption of the 2020-2021 District budget occurred in June 2020. A supplemental budget was adopted in January 2021.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$4,344,519. This is a total cost of \$10,412,311 less accumulated depreciation of \$6,067,792.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	-	-	-	-
Total Assets not being depreciated	<u>118,634</u>	<u>-</u>	<u>-</u>	<u>118,634</u>
Assets being depreciated:				
Buildings and Improvements	8,468,489	37,798	-	8,506,287
Transportation equipment	508,431	80,677	-	589,108
Other equipment	1,154,181	8,550	-	1,162,731
Food service equipment	20,974	14,577	-	35,551
Total Assets being depreciated	<u>10,152,075</u>	<u>141,602</u>	<u>-</u>	<u>10,293,677</u>
Accumulated depreciation:				
Buildings	(4,412,757)	(194,445)	-	(4,607,202)
Transportation equipment	(386,700)	(26,218)	-	(412,918)
Other equipment	(1,013,361)	(28,755)	-	(1,042,116)
Food service equipment	(3,985)	(1,571)	-	(5,556)
Total Accumulated depreciation	<u>(5,816,803)</u>	<u>(250,989)</u>	<u>-</u>	<u>(6,067,792)</u>
Net Capital Assets	\$ 4,453,906	\$ (109,387)	\$ -	\$ 4,344,519

At June 30, 2021, Fowler School District R-4J had \$145,017 of bonded debt outstanding, which is a decrease of \$145,016 from the prior year. Additional information on the District's capital assets can be found on page 21 of this report.

	Balance 06/30/20	Advances	Payments	Balance 06/30/21	Due Within One Year	Interest Expense
Series 2012 Gen. Oblig. Bonds	\$ 280,000	\$ -	\$ 140,000	\$ 140,000	\$ 140,000	\$ 4,200
Bond Premiums	10,034	-	5,017	5,017	5,017	-
Compensated Absences	81,685	39,696	-	121,381	-	-
Total Long-Term Obligations	\$ 371,719	\$ 39,696	\$ 145,017	\$ 266,398	\$ 145,017	\$ 4,200

Economic Factors and Next Year's Budget

There have been several economic factors that have impacted the Fowler School District R-4J during the 2020-21 fiscal year. The first is the ongoing COVID-19 pandemic. This has created many challenges for the district. One aspect is that the federal government has financially helped the school districts in the state with grants. These grants have helped the districts but there are many challenges in using these grants. These grants are for those situations that have been impacted by the COVID-19 virus. The COVID-19 virus has also impacted the workforce in that the number of workers that are willing to work has decreased.

FOWLER SCHOOL DISTRICT R-4J

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

An economic factor that will impact next year's budget is that the Fowler School District R-4J was informed in May 2021 that it has been awarded a Building Excellent Schools Today (BEST) grant. This grant will be used to help fund a new secondary (7-12) building. In 2019, the voters of the Fowler School District R-4J approved a \$4,900,000.00 bond that will be used to pay the district's portion of this new building. The district's amount is the maximum bonded indebtedness allowed by law. The remaining \$31,958,947.38 will be paid by the approved BEST grant. Due to escalating prices for materials due to COVID-19 and supply chain issues, the district has discussed the option of applying for a supplemental BEST grant to help offset these costs.

Student enrollment is expected to stay flat for the 2021-2022 year. The legislature apportioned to small, rural districts through the passage of Proposition EE additional grant monies. The Fowler School District R-4J grant for the 2020-21 which equated to \$126,920.39. The final year of this grant will be in the 2022-23 fiscal year. The Fowler School District R-4J Board of Directors had a salary schedule freeze for 2020-21. In these uncertain times, it will be imperative to continue to keep a good grasp on the financial condition of the district.

Given these circumstances, the 2020-21 year was a challenging fiscal year. Continued reserve growth is an ongoing financial goal of the District. The upcoming 2021-22 fiscal year will continue to be a challenge in balancing the needs of the students and staff of Fowler School District R-4J and the needs for fiscal stewardship. Teamwork is the key to continued financial stability.

Requests for Information

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

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

or

Alfred B. Lotrich, Superintendent/Elementary Principal
600 W. Eugene
P.O. Box 218
Fowler, CO 81039

Mayberry & Company, LLC

Certified Public Accountants

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

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

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fowler School District R-4J, Colorado, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Independent Auditors' Report

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fowler School District R-4J, Colorado, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Fowler School District R-4J's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M7 and pension schedules on pages 45 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 49 – 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund financial schedules on pages 52 - 59 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

FOWLER SCHOOL DISTRICT R4J

Independent Auditors' Report

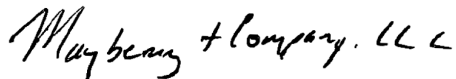
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Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 60 - 63 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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



Englewood, CO
February 25, 2022

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Basic Financial Statements

FOWLER SCHOOL DISTRICT R-4J
Statement of Net Position
June 30, 2021

	Governmental
	Activities
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 3,205,672
Cash with Fiscal Agent	70,798
Taxes Receivable	18,748
Grants Receivable	198,342
Other Accounts Receivable	48,321
Inventory	14,220
Capital and Other Assets	
Capital Assets not Being Depreciated	118,634
Capital Assets Being Depreciated	10,293,677
Accumulated Depreciation	<u>(6,067,792)</u>
Total Assets	<u>7,900,620</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	2,532,058
Net OPEB Deferred Outflows	<u>24,111</u>
Total Deferred Outflows of Financial Resources	<u>2,556,169</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 10,456,789</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 22,293
Accrued Salaries & Benefits	388,939
Unearned Revenue	9,521
Unearned Revenue Grants	164,445
Noncurrent Liabilities	
Due Within One Year	140,000
Due In More Than One Year	<u>7,289,693</u>
Total Liabilities	<u>8,014,891</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	3,160,235
Net OPEB Deferred Inflows	86,739
Bond Premiums	<u>5,017</u>
Total Deferred Inflows of Financial Resources	<u>3,251,991</u>
Net Position	
Net Investment in Capital Assets	4,344,519
Restricted Net Position	276,382
Unrestricted Net Position	<u>(5,430,994)</u>
Total Net Position	<u>(810,093)</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 10,456,789</u>

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

FOWLER SCHOOL DISTRICT R-4J
Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government				
Governmental Activities				
Instruction	\$ 1,947,580	\$ 245	\$ 208,867	\$ -
Supporting Services	1,294,083	97,750	1,183,984	-
Total Primary Government	<u>\$ 3,241,663</u>	<u>\$ 97,995</u>	<u>\$ 1,392,851</u>	<u>\$ -</u>
General Revenues				
Property Taxes				712,214
Specific Ownership Taxes				121,095
State Equalization				2,939,442
Investment Earnings				7,043
Insurance Proceeds				7,749
Other Revenues				123,624
Total General Revenues				<u>3,911,167</u>
Change in Net Position				<u>2,160,350</u>
Beginning Net Position				(3,229,041)
Prior Period Restatement				258,598
Beginning Net Position (As Restated)				<u>(2,970,443)</u>
Ending Net Position				<u>\$ (810,093)</u>

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

FOWLER SCHOOL DISTRICT R-4J
Balance Sheet
Governmental Funds
June 30, 2021

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
ASSETS			
Cash and Investments	\$ 2,513,284	\$ 85,815	\$ 260,191
Cash with Fiscal Agent	70,798	-	-
Taxes Receivable	18,748	-	-
Grants Receivable	108,080	90,262	-
Other Accounts Receivable	34,362	13,959	-
Inventory	-	14,220	-
TOTAL ASSETS	<u>\$ 2,745,272</u>	<u>\$ 204,256</u>	<u>\$ 260,191</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Accounts Payable	20,569	1,724	-
Accrued Salaries & Benefits	382,306	6,633	-
Unearned Revenue	-	9,521	-
Unearned Revenue Grants	164,445	-	-
Total Liabilities	<u>567,320</u>	<u>17,878</u>	<u>-</u>
Deferred Inflows of Financial Resources			
Fund Balance			
Nonspendable Fund Balance	-	14,220	-
Restricted Fund Balance			
Restricted for Debt Service	-	-	-
Restricted for TABOR Emergencies	129,000	-	-
Committed Fund Balance	-	172,158	260,191
Unassigned Fund Balance	2,048,952	-	-
Total Fund Balance	<u>2,177,952</u>	<u>186,378</u>	<u>260,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 2,745,272</u>	<u>\$ 204,256</u>	<u>\$ 260,191</u>

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

Debt Service	Capital Projects	Totals	
Bond			
Redemption	Capital Reserve		
Fund	Project Fund	2021	2020
\$ 147,382	\$ 199,000	\$ 3,205,672	\$ 3,084,523
-	-	70,798	17,750
-	-	18,748	29,681
-	-	198,342	-
-	-	48,321	92,143
-	-	14,220	16,461
<u>\$ 147,382</u>	<u>\$ 199,000</u>	<u>\$ 3,556,101</u>	<u>\$ 3,240,558</u>
-	-	22,293	22,152
-	-	388,939	392,404
-	-	9,521	5,656
-	-	164,445	523,338
-	-	585,198	943,550
-	-	14,220	16,461
147,382	-	147,382	291,669
-	-	129,000	133,000
-	199,000	631,349	262,229
-	-	2,048,952	1,593,649
<u>147,382</u>	<u>199,000</u>	<u>2,970,903</u>	<u>2,297,008</u>
<u>\$ 147,382</u>	<u>\$ 199,000</u>	<u>\$ 3,556,101</u>	<u>\$ 3,240,558</u>

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FOWLER SCHOOL DISTRICT R-4J
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2021

Fund Balance - Governmental Funds		\$	2,970,903
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	118,634	
Capital assets, being depreciated		10,293,677	
Accumulated depreciation		<u>(6,067,792)</u>	4,344,519
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		2,532,058	
Net pension liability		(6,916,817)	
Net pension deferred inflows		<u>(3,160,235)</u>	(7,544,994)
OPEB Liability			
Net OPEB deferred outflows		24,111	
Net OPEB liability		(251,495)	
Net OPEB deferred inflows		<u>(86,739)</u>	(314,123)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(140,000)	
Bond premiums		<u>(5,017)</u>	
Accrued compensated absences		<u>(121,381)</u>	(266,398)
Total Net Position - Governmental Activities			\$ <u>(810,093)</u>

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

FOWLER SCHOOL DISTRICT R-4J
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	General Fund	Special Revenue		Debt Service	Capital Projects
		Food Service Fund	Pupil Activity Fund	Bond	Capital Reserve Project Fund
				Redemption Fund	
REVENUES					
Local Sources	\$ 1,047,921	\$ 14,085	\$ 106,872	\$ 188	\$ 256
Intermediate Sources	60	-	-	-	-
State Sources	3,183,408	3,017	-	-	-
Federal Sources	678,057	368,149	-	-	-
TOTAL REVENUES	<u>4,909,446</u>	<u>385,251</u>	<u>106,872</u>	<u>188</u>	<u>256</u>
EXPENDITURES					
Current:					
Instruction	2,829,137	-	126,979	-	-
Pupil Support	187,297	-	-	-	-
Staff Support	97,185	-	-	-	-
General Administration	149,794	-	-	275	-
School Administration	204,463	-	-	-	-
Business Services	109,588	-	-	-	-
Operations and Maintenance	512,078	-	-	-	39,298
Transportation	145,868	-	-	-	79,177
Other Central Support	79,618	-	-	-	-
Other Supporting Services	5,140	-	-	-	-
Food Service	-	277,319	-	-	-
Community Support	(700)	-	-	-	-
Facilities	-	-	-	-	-
Debt Service	-	-	-	144,200	-
TOTAL EXPENDITURES	<u>4,319,468</u>	<u>277,319</u>	<u>126,979</u>	<u>144,475</u>	<u>118,475</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	589,978	107,932	(20,107)	(144,287)	(118,219)
OTHER FINANCING SOURCES (USES)					
Transfers in (Out)	(138,675)	-	21,700	-	116,975
CHANGE IN FUND BALANCE	<u>451,303</u>	<u>107,932</u>	<u>1,593</u>	<u>(144,287)</u>	<u>(1,244)</u>
BEGINNING FUND BALANCE	1,726,649	78,446	-	291,669	200,244
Prior Period Adjustment	-	-	258,598	-	-
BEGINNING FUND BALANCE (As Restated)	<u>1,726,649</u>	<u>78,446</u>	<u>258,598</u>	<u>291,669</u>	<u>200,244</u>
ENDING FUND BALANCE	<u>\$ 2,177,952</u>	<u>\$ 186,378</u>	<u>\$ 260,191</u>	<u>\$ 147,382</u>	<u>\$ 199,000</u>

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

Totals

<u>2021</u>	<u>2020</u>
\$ 1,169,322	\$ 1,145,850
60	31
3,186,425	3,366,263
1,046,206	380,187
5,402,013	4,892,331
2,956,116	2,931,688
187,297	146,086
97,185	69,876
150,069	158,131
204,463	218,163
109,588	104,671
551,376	484,650
225,045	173,596
79,618	78,741
5,140	(1,534)
277,319	214,485
(700)	38,460
-	219,982
144,200	141,950
4,986,716	4,978,945
415,297	(86,614)
-	-
415,297	(86,614)
2,297,008	2,383,622
258,598	-
2,555,606	2,383,622
\$ 2,970,903	\$ 2,297,008

FOWLER SCHOOL DISTRICT R-4J
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2021

Change in Fund Balance - Governmental Funds	\$	415,297
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Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$ 141,602	
Depreciation Expense	<u>(250,989)</u>	(109,387)

Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Pension Liability

Current year change and amortization of deferred outflows - net	992,176	
Change in net pension liability	(851,168)	
Current year change and amortization of deferred inflows - net	<u>1,589,845</u>	1,730,853

OPEB Liability

Current year change and amortization of deferred outflows - net	(4,132)	
Change in OPEB liability	46,739	
Current year change and amortization of deferred inflows - net	<u>(24,341)</u>	18,266

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.

Principal payments on bonds payable	140,000	
Amortization of bond premiums/deferred charge (gain)	5,017	
Change in accrued compensated absences	<u>(39,696)</u>	<u>105,321</u>

Total Net Position - Governmental Activities	\$	<u><u>2,160,350</u></u>
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The accompanying footnotes are an integral part of these financial statements.

FOWLER SCHOOL DISTRICT R-4J
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Private Purpose Trust Funds</u>		<u>Totals</u>	
	<u>Scholarship Fund</u>	<u>Pupil Activity Agency Fund</u>	<u>2021</u>	<u>2020</u>
ASSETS				
Cash and Investments	\$ 28,350	\$ -	\$ 28,350	\$ 260,397
Other Accounts Receivable	-	-	-	25,560
TOTAL ASSETS	<u>\$ 28,350</u>	<u>\$ -</u>	<u>\$ 28,350</u>	<u>\$ 285,957</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Net Position				
Restricted for Scholarship/Activities	<u>\$ 28,350</u>	<u>\$ -</u>	<u>\$ 28,350</u>	<u>\$ 285,957</u>

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

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

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

Jointly Governed Organization

BOCES The District, in conjunction with other surrounding districts, participates in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. For the fiscal year ended June 30, 2021, the District paid net assessments totaling \$47,658 to the BOCES. Financial statements for the South Central BOCES can be obtained from the BOCES Administrative offices at 323 S Purcell Blvd., Pueblo West, CO 81007-0504.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental fund:

Special Revenue Fund (Food Service and Pupil Activity Funds): These funds are used to account for the District's food service operation and student organizations.

The District reports the following fiduciary funds:

Agency Fund (Pupil Activity and Scholarship Agency Funds): These funds are used to account for the money and property held in trust by the District for student organizations. These funds are purely custodial and do not involve the measurement of results of operations. The Pupil Activity Fund was moved to Special Revenue Funds for they year end June 30, 2021.

Measurement Focus and Basis of Accounting

Governmental Fund Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Budgets and Budgetary Accounting

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

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

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

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

Taxes Receivable - Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. As uncollected 2021 property taxes were measurable at June 30, 2021, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2021, but not collected by June 30, 2021.

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has several items that qualify for reporting in this category, all related to pension and OPEB liabilities as further described in Notes 8 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District is reporting deferred inflows related to pension and OPEB liabilities as further described in Notes 8 and 10 as well as prepaid student balances and unearned grant revenue.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

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

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

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

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

Comparative Data

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

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 2: CASH AND INVESTMENTS

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

<u>Type</u>	<u>Carrying Value</u>
Deposits	
Demand deposits	\$ 3,208,700
Investments	
Certificates of deposit	<u>25,322</u>
Total Deposits and Investments	<u>\$ 3,234,022</u>
 Reconciliation to Statement of Net Position	
Cash and investments	
Governmental activities	\$ 3,205,672
Fiduciary activities	<u>28,350</u>
Total Cash and Investments	<u>\$ 3,234,022</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

Custodial Credit Risk

Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$3,315,152 at June 30, 2021, which was fully insured by depository insurance or secured with collateral held by the District's agent not in the District's name. All investments, evidenced by individual securities, are registered in the name of the District.

Investment Interest Rate Risk

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

Investment Credit Risk

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

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

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. At June 30, 2021, the District had no concentration of credit risk. The District invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2021 of \$14,220 consisted of purchased food and non-food supplies. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 4: CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	-	-	-	-
Total Assets not being depreciated	<u>118,634</u>	<u>-</u>	<u>-</u>	<u>118,634</u>
Assets being depreciated:				
Buildings and Improvements	8,468,489	37,798	-	8,506,287
Transportation equipment	508,431	80,677	-	589,108
Other equipment	1,154,181	8,550	-	1,162,731
Food service equipment	20,974	14,577	-	35,551
Total Assets being depreciated	<u>10,152,075</u>	<u>141,602</u>	<u>-</u>	<u>10,293,677</u>
Accumulated depreciation:				
Buildings	(4,412,757)	(194,445)	-	(4,607,202)
Transportation equipment	(386,700)	(26,218)	-	(412,918)
Other equipment	(1,013,361)	(28,755)	-	(1,042,116)
Food service equipment	(3,985)	(1,571)	-	(5,556)
Total Accumulated depreciation	<u>(5,816,803)</u>	<u>(250,989)</u>	<u>-</u>	<u>(6,067,792)</u>
Net Capital Assets	<u>\$ 4,453,906</u>	<u>\$ (109,387)</u>	<u>\$ -</u>	<u>\$ 4,344,519</u>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 153,225
Supporting services	97,764
Total depreciation	<u>\$ 250,989</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, in the General and Food Service Funds as of June 30, 2021, are \$382,306 and \$6,633, respectively. Accordingly, the accrued compensation is reflected as a liability in the General and Food Service Funds in the accompanying financial statements.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 6: LONG-TERM OBLIGATIONS

At June 30, 2021, the District had the following long-term obligations.

	<u>Balance</u> <u>06/30/20</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/21</u>	<u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Expense</u>
Series 2012 Gen. Oblig. Bonds	\$ 280,000	\$ -	\$ 140,000	\$ 140,000	\$ 140,000	\$ 4,200
Bond Premiums	10,034	-	5,017	5,017	5,017	-
Compensated Absences	81,685	39,696	-	121,381	-	-
Total Long-Term Obligations	<u>\$ 371,719</u>	<u>\$ 39,696</u>	<u>\$ 145,017</u>	<u>\$ 266,398</u>	<u>\$ 145,017</u>	<u>\$ 4,200</u>

Series 2012 General Obligation Bonds Payable

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 140,000</u>	<u>\$ 1,400</u>	<u>\$ 141,400</u>

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

NOTE 7: RISK MANAGEMENT

Property and Liability Coverage

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

The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 7: RISK MANAGEMENT

Property and Liability Coverage

Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 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.

Workers Compensation

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

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

General Information about the Pension Plan

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive 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 disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of June 30, 2021: Eligible employees of, 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 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	9.88%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) 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 District were \$480,325 for the year ended June 30, 2021.

The net pension liability for the SCHDTF was measured as of 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 District contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the 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.

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

At June 30, 2021, the District reported a liability of \$6,916,817 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's proportionate share of the net pension liability	\$ (6,916,817)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ -
Total	\$ (6,916,817)

At December 31, 2020, the District proportion was 0.04575 percent, which was an increase of 0.00515 from its proportion measured as of December 31, 2019.

NOTES TO THE 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)

For the year ended June 30, 2021, the District recognized pension expense of \$1,311,176 and revenue of \$0 for support from the State as a nonemployer contributing entity. 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	Deferred Inflows
Difference between expected and actual experience	\$ 358,757	\$ -
Changes of assumptions or other inputs	\$ 665,377	\$ (1,011,326)
Net difference between projected and actual earnings on pension plan investments	\$ 420,221	\$ (1,911,581)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 906,482	\$ (237,328)
Contributions subsequent to the measurement date	\$ 244,027	\$ -
Total	\$ 2,594,864	\$ (3,160,235)

\$244,027 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2022	\$ (910,027)
2023	451,358
2024	(110,539)
2025	(240,190)
Total	\$ (809,398)

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

NOTES TO THE 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 cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.25%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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, 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.

NOTES TO THE 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 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 PERA's Board during the November 18, 2016, Board meeting.

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	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

NOTES TO THE 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)

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.
- **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:

NOTES TO THE 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)

- 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 in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric 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 ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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.

NOTES TO THE 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)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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.
- 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 current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions 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.

NOTES TO THE 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 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 position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the 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 rate 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (9,435,105)	\$ (6,916,817)	\$ (4,818,253)

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 9: DEFINED CONTRIBUTION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2021 program members contributed \$42,758.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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 C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$24,965 for the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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 \$251,495 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of 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 proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.02647 percent, which was a decrease of 0.00007 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$6,489. 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	Deferred Inflows
Difference between expected and actual experience	\$ 653	\$ (55,383)
Net difference between projected and actual earnings on pension plan investments	\$ 3,121	\$ (13,450)
Changes of assumptions or other inputs	\$ 1,846	\$ (15,421)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 5,971	\$ (2,485)
Contributions subsequent to the measurement date	\$ 12,520	\$ -
Total	\$ 24,111	\$ (86,739)

\$12,520 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2022	\$ (17,868)
2023	(16,461)
2024	(17,560)
2025	(16,146)
2026	(6,680)
2027	(433)
Total	\$ (75,148)

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	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Medicare Plan	Cost for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/ Self-Insured Prescription	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$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.

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.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4..50%	4.50%

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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.

FOWLER SCHOOL DISTRICT R4J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The 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.

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	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree 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.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

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:

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- 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 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 ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's Name changed to Alternatives, effective January 1, 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (244,994)	\$ (251,495)	\$ (259,062)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 percent.
- 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.

Required Supplementary Information
Pension and OPEB Schedules (Unaudited)

FOWLER SCHOOL DISTRICT R-4J

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

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.051236%	\$ (6,535,081)	\$ -	\$ (6,535,081)	\$ 2,065,468	316.40%	64.07%
June 30, 2015	0.049083%	\$ (6,652,450)	\$ -	\$ (6,652,450)	\$ 2,056,243	323.52%	62.84%
June 30, 2016	0.047517%	\$ (7,267,320)	\$ -	\$ (7,267,320)	\$ 2,070,760	350.95%	59.16%
June 30, 2017	0.045870%	\$ (13,657,129)	\$ -	\$ (13,657,129)	\$ 2,058,706	663.38%	43.13%
June 30, 2018	0.045537%	\$ (14,725,109)	\$ -	\$ (14,725,109)	\$ 2,100,577	701.00%	43.96%
June 30, 2019	0.039797%	\$ (7,046,896)	\$ (847,660)	\$ (7,894,556)	\$ 2,187,861	322.09%	57.01%
June 30, 2020	0.040601%	\$ (6,065,649)	\$ (682,752)	\$ (6,748,401)	\$ 2,370,562	255.87%	64.52%
June 30, 2021	0.045752%	\$ (6,916,817)	\$ -	\$ (6,916,817)	\$ 2,478,457	279.08%	66.99%

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

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

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

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

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 320,767	\$ (320,767)	\$ -	\$ 2,065,468	15.53%
June 30, 2015	\$ 337,841	\$ (337,841)	\$ -	\$ 2,056,243	16.43%
June 30, 2016	\$ 358,863	\$ (358,863)	\$ -	\$ 2,070,760	17.33%
June 30, 2017	\$ 373,243	\$ (373,243)	\$ -	\$ 2,058,706	18.13%
June 30, 2018	\$ 391,337	\$ (391,337)	\$ -	\$ 2,100,577	18.63%
June 30, 2019	\$ 418,538	\$ (418,538)	\$ -	\$ 2,187,861	19.13%
June 30, 2020	\$ 459,415	\$ (459,415)	\$ -	\$ 2,370,562	19.38%
June 30, 2021	\$ 480,325	\$ (480,325)	\$ -	\$ 2,478,457	19.38%

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

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

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year Ended</u>	<u>District's proportion of the net OPEB asset (liability)</u>	<u>District's proportionate share of the net OPEB asset (liability)</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2017	0.02607%	\$ (338,042)	\$ 2,058,706	16.420%	16.70%
June 30, 2018	0.02587%	\$ (336,259)	\$ 2,100,577	16.008%	17.53%
June 30, 2019	0.02587%	\$ (351,949)	\$ 2,187,861	16.086%	17.03%
June 30, 2020	0.02653%	\$ (298,234)	\$ 2,370,562	12.581%	24.49%
June 30, 2021	0.02647%	\$ (251,495)	\$ 2,478,457	10.147%	32.78%

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

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

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 20,999	\$ (20,999)	\$ -	\$ 2,058,706	1.02%
June 30, 2018	\$ 21,426	\$ (21,426)	\$ -	\$ 2,100,577	1.02%
June 30, 2019	\$ 22,316	\$ (22,316)	\$ -	\$ 2,187,861	1.02%
June 30, 2020	\$ 24,180	\$ (24,180)	\$ -	\$ 2,370,562	1.02%
June 30, 2021	\$ 25,280	\$ (25,280)	\$ -	\$ 2,478,457	1.02%

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

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

See the accompanying Independent Auditors' Report.

Required Supplementary Information
(Budgetary Comparison Schedules)

FOWLER SCHOOL DISTRICT R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2021

	2021					2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget		
REVENUES						
Local Sources						
Property Taxes	\$ 680,035	\$ 710,990	\$ 711,029	\$ 39	\$ 693,624	
Specific Ownership Taxes	116,251	116,251	121,095	4,844	135,485	
Delinquent Taxes	-	222	997	775	57	
Investment Earnings	10,800	10,800	6,339	(4,461)	12,477	
Local Sources	1,030	1,030	1,030	-	1,105	
Donations	99,601	99,601	99,601	-	81,219	
Instructional Materials Fees	245	245	245	-	170	
Local BOCES Passthrough	82,688	82,688	82,688	-	90,645	
Insurance Proceeds	-	-	7,749	7,749	6,321	
Other Local	21,748	21,748	17,148	(4,600)	60,064	
Total Local Sources	<u>1,012,398</u>	<u>1,043,575</u>	<u>1,047,921</u>	<u>4,346</u>	<u>1,081,167</u>	
Intermediate Sources						
Other Intermediate Source Revenue	-	-	60	60	31	
State Sources						
State Share (Equalization)	2,902,801	2,876,159	2,939,442	63,283	3,137,655	
State Transportation	30,000	34,315	36,222	1,907	35,765	
State Grants from CDE						
State ELPA Prof Dev and Student Support	1,793	1,793	1,793	-	2,537	
State ELPA	1,601	1,601	1,601	-	2,161	
State Share - Colorado Preschool Program (CPP)	-	-	-	-	718	
State Grants to Libraries	7,856	7,856	7,856	-	-	
Small Rural Schools Additional Funding	170,057	170,057	118,475	(51,582)	57,998	
Additional As- Risk Funding	2,979	2,979	2,979	-	2,476	
Kindergarten Facility Grant	-	-	-	-	9,173	
READ Act	7,032	7,032	7,050	18	7,031	
State Grants from Other Agencies						
State Vocational Education	54,000	38,442	38,441	(1)	42,144	
State PERA Contribution	-	-	-	-	58,271	
Other Agency State Grants	-	-	24,662	24,662	-	
State Grants Provided through BOCES	5,561	5,561	4,887	(674)	4,749	
Total State Sources	<u>3,183,680</u>	<u>3,145,795</u>	<u>3,183,408</u>	<u>37,613</u>	<u>3,360,678</u>	
Federal Sources						
Federal Grants from CDE						
NCLB Title I, Part A- Imp Basic Prgrms Oper by Sch	95,173	95,173	94,652	(521)	95,604	
Coronavirus Relief Fund	301,044	301,044	301,044	-	-	
NCLB Title II, Part A- Teacher & Principal Trng	16,803	16,803	16,639	(164)	15,846	
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	10,000	-	10,000	
Ed Stab Fd - Elem Sec Emer Relief Formula	77,173	77,173	77,173	-	-	
Coronavirus Relief Fund - At-Risk	-	18,359	18,359	-	-	
Coronavirus Relief Fund - School Prep/Mitigation	-	75,000	75,000	-	-	
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	10,500	25,628	25,628	-	16,526	
TANF Grant	-	12,658	27,786	15,128	29,325	
Direct Federal Revenue						
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	28,266	28,266	31,776	3,510	28,266	
Total Federal Sources	<u>538,959</u>	<u>660,104</u>	<u>678,057</u>	<u>17,953</u>	<u>195,567</u>	
TOTAL REVENUES	<u>4,735,037</u>	<u>4,849,474</u>	<u>4,909,446</u>	<u>59,972</u>	<u>4,637,443</u>	

See the accompanying Independent Auditors' Report

(Continued)

FOWLER SCHOOL DISTRICT R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2021

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,915,346	1,930,315	1,729,663	200,652	1,796,465
Benefits	522,596	636,405	625,404	11,001	678,045
PS-Property	7,200	7,200	7,244	(44)	8,877
PS-Other	240,264	240,264	247,897	(7,633)	265,990
Supplies	227,251	294,928	188,853	106,075	141,844
Property	27,000	27,000	22,687	4,313	17,879
Other Expenses	20,000	20,000	7,389	12,611	11,108
Total Instruction	<u>2,959,657</u>	<u>3,156,112</u>	<u>2,829,137</u>	<u>326,975</u>	<u>2,920,208</u>
Supporting Services					
Pupil Support					
Salaries	129,855	129,855	134,537	(4,682)	97,964
Benefits	41,482	41,482	39,675	1,807	35,512
PS-Other	133,124	133,124	7,765	125,359	2,652
Supplies	9,000	9,000	5,270	3,730	5,368
Other Expenses	180	180	50	130	4,590
Total Pupil Support	<u>313,641</u>	<u>313,641</u>	<u>187,297</u>	<u>126,344</u>	<u>146,086</u>
Staff Support					
Salaries	34,860	34,860	29,861	4,999	38,946
Benefits	15,484	15,484	13,041	2,443	16,557
PS-Other	29,550	29,550	44,963	(15,413)	10,009
Supplies	10,350	17,350	9,320	8,030	3,566
Other Expenses	-	-	-	-	798
Total Staff Support	<u>90,244</u>	<u>97,244</u>	<u>97,185</u>	<u>59</u>	<u>69,876</u>
General Administration					
Salaries	71,550	71,550	71,988	(438)	71,548
Benefits	34,905	34,905	31,800	3,105	30,859
PS- Professional	14,200	14,200	11,421	2,779	17,232
PS-Other	37,311	37,311	27,323	9,988	29,760
Supplies	750	750	362	388	577
Other Expenses	8,100	8,100	6,900	1,200	7,880
Total General Administration	<u>166,816</u>	<u>166,816</u>	<u>149,794</u>	<u>17,022</u>	<u>157,856</u>
School Administration					
Salaries	144,443	144,443	146,905	(2,462)	161,640
Benefits	57,883	57,883	52,901	4,982	51,324
PS-Other	3,500	3,500	2,279	1,221	2,754
Supplies	2,000	2,000	1,618	382	1,685
Other Expenses	5,871	5,871	760	5,111	760
Total School Administration	<u>213,697</u>	<u>213,697</u>	<u>204,463</u>	<u>9,234</u>	<u>218,163</u>

See the accompanying Independent Auditors' Report

(Continued)

FOWLER SCHOOL DISTRICT R-4J
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2021

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	75,840	75,840	78,241	(2,401)	75,840
Benefits	24,188	23,735	23,677	58	22,627
PS-Other	5,250	5,250	5,675	(425)	5,121
Supplies	2,000	2,000	1,475	525	563
Other Expenses	575	575	520	55	520
Total Business Services	107,853	107,400	109,588	(2,188)	104,671
Operations and Maintenance					
Salaries	160,166	166,416	163,081	3,335	152,197
Benefits	64,303	65,863	61,853	4,010	60,235
PS- Property	44,050	44,050	38,002	6,048	42,794
PS-Other	88,616	88,616	87,091	1,525	70,267
Supplies	173,307	173,630	162,051	11,579	159,157
Property	50,672	50,672	-	50,672	-
Other Expenses	350	350	-	350	-
Total Operations and Maintenance	581,464	589,597	512,078	77,519	484,650
Transportation					
Salaries	99,975	87,925	79,075	8,850	97,235
Benefits	39,719	39,719	24,176	15,543	37,238
PS- Property	-	-	-	-	2,380
PS-Other	23,450	23,450	20,809	2,641	18,885
Supplies	48,750	48,750	26,660	22,090	26,885
Other Expenses	(19,990)	(19,990)	(4,852)	(15,138)	(9,027)
Total Transportation	191,904	179,854	145,868	33,986	173,596
Other Central Support					
Salaries	20,930	32,680	30,434	2,246	29,432
Benefits	8,003	11,253	9,329	1,924	9,169
PS-Other	43,400	46,400	39,068	7,332	40,140
Supplies	1,000	1,000	787	213	-
Total Other Central Support	73,333	91,333	79,618	11,715	78,741
Other Supporting Services					
Salaries	500	500	500	-	500
Benefits	112	112	111	1	109
Supplies	-	-	4,529	(4,529)	(2,143)
Total Other Supporting Services	612	612	5,140	(4,528)	(1,534)
Community Support					
Other Expenses	88,000	116,920	(700)	117,620	38,460
Total Supporting Services	1,827,564	1,877,114	1,490,331	386,783	1,470,565
Facilities/Capital Outlay					
PS- Professional	-	-	-	-	8,292
Contingency	1,484,023	1,338,651	-	1,338,651	-
TOTAL EXPENDITURES	6,271,244	6,371,877	4,319,468	2,052,409	4,399,065
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,536,207)	(1,522,403)	589,978	2,112,381	238,378
OTHER FINANCING SOURCES (USES)					
Transfers	(1,500)	(39,298)	(138,675)	(99,377)	(36,480)
CHANGE IN FUND BALANCE	(1,537,707)	(1,561,701)	451,303	2,013,004	201,898
BEGINNING FUND BALANCE	1,857,724	1,857,724	1,726,649	(131,075)	1,524,751
ENDING FUND BALANCE	\$ 320,017	\$ 296,023	\$ 2,177,952	\$ 1,881,929	\$ 1,726,649

See accompanying Independent Auditors' Report.

Special Revenue Fund

FOWLER SCHOOL DISTRICT R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2021

	2021		Variance with Final Budget	2020 Actual
	Original & Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 54	\$ 54	\$ 57
Food Service Revenue	60,650	14,031	(46,619)	51,011
Total Local Sources	60,650	14,085	(46,565)	51,068
State Sources				
State Grants from CDE				
State Matching Child Nutrition	-	1,981	1,981	1,965
Start Smart Nutrition	-	-	-	731
School Lunch Protection: F&R for Pre-K thru 2nd	-	-	-	2,263
State Grants from Other Agencies				
Other Agency State Grants	-	1,036	1,036	627
Total State Sources	-	3,017	3,017	5,586
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	-	-	-	21,769
National School Lunch Program	-	-	-	152,407
Summer Food Service Program for Children	138,309	345,893	207,584	-
Federal Grants from Other State Agencies				
National School Lunch Program- Commodities	16,000	11,288	(4,712)	10,445
Child and Adult Care Food Program	-	10,968	10,968	-
Total Federal Sources	154,309	368,149	213,840	184,621
TOTAL REVENUES	214,959	385,251	170,292	241,275
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	70,125	80,773	(10,648)	64,798
Benefits	35,984	35,028	956	29,134
PS- Property	-	356	(356)	769
PS-Other	4,325	2,082	2,243	1,813
Supplies	-	2,959	(2,959)	4,410
Food	119,525	128,427	(8,902)	98,467
Commodities	-	11,288	(11,288)	15,094
Property	-	16,406	(16,406)	-
Total Food Service	229,959	277,319	(47,360)	214,485
Contingency	58,200	-	58,200	-
TOTAL EXPENDITURES	288,159	277,319	10,840	214,485
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(73,200)	107,932	181,132	26,790
OTHER FINANCING SOURCES (USES)				
Transfers	15,000	-	(15,000)	-
CHANGE IN FUND BALANCE	(58,200)	107,932	166,132	26,790
BEGINNING FUND BALANCE	58,200	78,446	20,246	51,658
ENDING FUND BALANCE	\$ -	\$ 186,378	\$ 186,378	\$ 78,448

See accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2021

	2021		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
Investment Earnings	\$ 500	\$ 395	\$ (105)
Other Local	290,000	106,477	(183,523)
TOTAL REVENUES	290,500	106,872	(183,628)
EXPENDITURES			
Instruction			
PS-Other	290,500	126,979	163,521
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	(20,107)	(20,107)
OTHER FINANCING SOURCES (USES)			
Transfers	-	21,700	21,700
CHANGE IN FUND BALANCE	-	1,593	1,593
BEGINNING FUND BALANCE	-	-	-
PRIOR PERIOD RESTATEMENT	-	258,598	258,598
BEGINNING FUND BALANCE (As Restated)	-	258,598	258,598
ENDING FUND BALANCE	\$ -	\$ 260,191	\$ 260,191

See accompanying Independent Auditors' Report.

Other Supplementary Information

Debt Service Fund

FOWLER SCHOOL DISTRICT R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021		Variance with Final Budget	2020
	Final Budget	Actual		Actual
REVENUES				
Local Sources				
Property Taxes	\$ -	\$ -	\$ -	\$ 1,563
Delinquent Taxes	48	188	140	14
Investment Earnings	2	-	(2)	260
TOTAL REVENUES	<u>50</u>	<u>188</u>	<u>138</u>	<u>1,837</u>
EXPENDITURES				
Supporting Services				
General Administration				
PS- Professional	300	275	25	275
Debt Service				
Interest	4,200	4,200	-	6,950
Principal	140,000	140,000	-	135,000
Total Debt Service	<u>144,200</u>	<u>144,200</u>	<u>-</u>	<u>141,950</u>
TOTAL EXPENDITURES	<u>144,500</u>	<u>144,475</u>	<u>25</u>	<u>142,225</u>
CHANGE IN FUND BALANCE	(144,450)	(144,287)	163	(140,388)
BEGINNING FUND BALANCE	-	291,669	291,669	432,057
ENDING FUND BALANCE	<u>\$ (144,450)</u>	<u>\$ 147,382</u>	<u>\$ 291,832</u>	<u>\$ 291,669</u>

See accompanying Independent Auditors' Report.

Capital Projects Fund

FOWLER SCHOOL DISTRICT R-4J
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021			2020 Actual
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 300	\$ 256	\$ (44)	\$ 706
Insurance Proceeds	-	-	-	11,072
Total Local Sources	<u>300</u>	<u>256</u>	<u>(44)</u>	<u>11,778</u>
EXPENDITURES				
Instruction				
Property	-	-	-	11,480
Supporting Services				
Operations and Maintenance				
Property	39,298	39,298	-	-
Transportation				
Property	-	79,177	(79,177)	-
Facilities/Capital Outlay				
Buildings	-	-	-	211,690
TOTAL EXPENDITURES	<u>39,298</u>	<u>118,475</u>	<u>(79,177)</u>	<u>223,170</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(38,998)	(118,219)	(79,221)	(211,392)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>39,298</u>	<u>116,975</u>	<u>77,677</u>	<u>36,480</u>
CHANGE IN FUND BALANCE	300	(1,244)	(1,544)	(174,912)
BEGINNING FUND BALANCE	-	200,244	200,244	375,156
ENDING FUND BALANCE	<u>\$ 300</u>	<u>\$ 199,000</u>	<u>\$ 198,700</u>	<u>\$ 200,244</u>

See accompanying Independent Auditors' Report.

Agency Funds

FOWLER SCHOOL DISTRICT R-4J
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021
(With Comparative Totals for June 30, 2020)

	Agency Funds		Totals	
	Scholarship Fund	Pupil Activity Agency Fund	2021	2020
ASSETS				
Cash and Investments	\$ 28,350	\$ -	\$ 28,350	\$ 260,397
Other Accounts Receivable	-	-	-	25,560
TOTAL ASSETS	<u>\$ 28,350</u>	<u>\$ -</u>	<u>\$ 28,350</u>	<u>\$ 285,957</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Net Position				
Restricted for Student Activity/Scholarship	<u>\$ 28,350</u>	<u>\$ -</u>	<u>\$ 28,350</u>	<u>\$ 285,957</u>

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Agency Funds		Totals	
	Scholarship Fund	Pupil Activity Agency Fund	2021	2020
ADDITIONS				
Local Sources	\$ 3,491	\$ -	\$ 3,491	\$ 221,878
DEDUCTIONS				
Instruction	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>189,051</u>
CHANGE IN FIDUCIARY NET POSITION	<u>991</u>	<u>-</u>	<u>991</u>	<u>32,827</u>
BEGINNING NET POSITION	27,359	258,598	285,957	253,130
Prior Period Adjustment	<u>-</u>	<u>(258,598)</u>	<u>(258,598)</u>	<u>-</u>
BEGINNING NET POSITION (As Restated)	<u>27,359</u>	<u>-</u>	<u>27,359</u>	<u>253,130</u>
ENDING NET POSITION	<u>\$ 28,350</u>	<u>\$ -</u>	<u>\$ 28,350</u>	<u>\$ 285,957</u>

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Statement of Changes in Fiduciary Net Position
Budget and Actual
Scholarship Fund
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021			2020
	Original & Final Budget	Actual	Variance with Final Budget	
ADDITIONS				
Local Sources	\$ 3,400	\$ 3,491	\$ 91	\$ 3,914
DEDUCTIONS				
Instruction	3,250	2,500	750	8,000
CHANGE IN FIDUCIARY NET POSITION	150	991	841	(4,086)
BEGINNING NET POSITION	-	27,359	27,359	31,445
ENDING NET POSITION	<u>\$ 150</u>	<u>\$ 28,350</u>	<u>\$ 28,200</u>	<u>\$ 27,359</u>

See the accompanying Independent Auditors' Report

FOWLER SCHOOL DISTRICT R-4J
Statement of Changes in Fiduciary Net Position
Budget and Actual
Pupil Activity Agency Fund
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021		Variance with Final Budget	2020
	Original & Final Budget	Actual		Actual
ADDITIONS				
Local Sources	\$ -	\$ -	\$ -	\$ 217,964
DEDUCTIONS				
Instruction	-	-	-	181,051
CHANGE IN FIDUCIARY NET POSITION	-	-	-	36,913
BEGINNING NET POSITION	-	258,598	258,598	221,685
Prior Period Adjustment	-	(258,598)	(258,598)	-
BEGINNING NET POSITION (As Restated)	-	-	-	221,685
ENDING NET POSITION	\$ -	\$ -	\$ -	\$ 258,598

See the accompanying Independent Auditors' Report

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COMPLIANCE SECTION

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 2540 - Fowler R-4J
 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	1,726,650	4,565,385	4,114,082	2,177,953
18 Risk Mgmt Sub-Fund of General Fund	0	112,661	112,661	0
19 Colorado Preschool Program Fund	0	92,725	92,725	0
Sub- Total	1,726,650	4,770,772	4,319,469	2,177,953
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	78,446	385,251	277,319	186,379
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	258,598	128,572	126,979	260,191
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	291,669	188	144,475	147,382
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	200,244	117,231	118,475	199,000
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,555,607	5,402,013	4,986,716	2,970,904
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	27,359	3,491	2,500	28,350
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	27,359	3,491	2,500	28,350

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 2540 - Fowler R-4J
 Fiscal Year 2020-21

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	2,513,285	0	0	260,191	0	0	85,815	147,382	199,000	0	0	0	0	0	0	3,234,022		
Cash with Fiscal Agent (8105)	70,798	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,798		
Taxes Receivable (8121,8122)	18,748	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,748		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Grants Accounts Receivable (8142)	108,080	0	0	0	0	0	90,262	0	0	0	0	0	0	0	0	198,342		
Other Receivables (8151-8154,8161)	34,362	0	0	0	0	0	13,959	0	0	0	0	0	0	0	0	48,321		
Inventories (8171,8172,8173)	0	0	0	0	0	0	14,220	0	0	0	0	0	0	0	0	14,220		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	2,745,273	0	0	260,191	0	0	204,255	147,382	199,000	0	0	0	0	0	0	3,584,451		

See accompanying Independent Auditors' Report.

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	20,568	0	0	0	0	0	1,723	0	0	0	0	0	0	0	0	22,291
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	382,306	0	0	0	0	0	6,633	0	0	0	0	0	0	0	0	388,939
Unearned Revenue (7481)	0	0	0	0	0	0	9,521	0	0	0	0	0	0	0	0	9,521
Grants Deferred Revenue (7482)	164,445	0	0	0	0	0	0	0	0	0	0	0	0	0	0	164,445
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	567,320	0	0	0	0	0	17,877	0	0	0	0	0	0	0	0	585,197

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	14,220	0	0	0	0	0	0	0	0	14,220
Restricted Fund Balance 6720	0	0	0	0	0	0	0	147,382	0	0	0	0	0	0	0	147,382
TABOR 3% Emergency Reserve 6721	129,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	129,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	172,159	0	0	0	0	0	0	0	0	172,159
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	199,000	0	0	0	0	0	0	199,000
Unassigned Fund Balance 6770	2,048,953	0	0	1,593	0	0	0	0	0	0	0	0	0	286,948	0	2,337,494
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	258,598	0	0	0	0	0	0	0	0	0	-258,598	0	0
Total Fund Equity	2,177,953	0	0	260,191	0	0	186,379	147,382	199,000	0	0	0	0	28,350	0	2,999,254

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,745,273	0	0	260,191	0	0	204,255	147,382	199,000	0	0	0	0	28,350	0	3,584,451

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

See accompanying Independent Auditors' Report.