

**North Park School District R-1**

Walden, Colorado

**Financial Statements**

**June 30, 2022**



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

# North Park School District R-1

## Table of Contents

June 30, 2022

<b>Independent Auditor's Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	i
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	4
Statement of Activities.....	5
<i>Governmental Funds Financial Statements</i>	
Balance Sheet.....	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	7
Statement of Revenues, Expenditures and Changes in Fund Balances .....	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	9
<i>Fiduciary Funds Financial Statements</i>	
Balance Sheet.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances .....	11
<i>Notes to Financial Statements</i> .....	12
<b>Required Supplementary Information</b>	
Schedule of Proportionate Share of the Net Pension Liability and Contributions .....	38
Schedule of Proportionate Share of the Net OPEB Liability and Contributions .....	40
Budgetary Comparison Schedule - General Fund .....	41
<i>Notes to Required Supplementary Information</i> .....	43
<b>Combining and Individual Fund Statements and Schedules</b>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	45
<i>Budgetary Comparison Schedules</i>	
Food Services Fund.....	46
Grants Fund.....	47
Pupil Activity Fund .....	48
Capital Reserve Fund .....	49
Scholarship Fund.....	50
<b>State Compliance</b>	
Auditors Integrity Report .....	51



**HINKLE &  
COMPANY**  
Strategic PC  
Business Advisors

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the North Park School District R-1 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Tulsa, OK

#### Denver Office:

750 W. Hampden Avenue  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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



***Required Supplementary Information***

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

***Other Information***

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

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

*Hick & Company, PC*

Englewood, Colorado  
December 28, 2022



**North Park School District R-1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2022

This discussion and analysis of North Park School District R-1's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

### **Financial Highlights**

For the year ended June 30, 2022, the District's ending net position increased from \$1,414,892 to \$3,200,457. The surplus was caused by an increase in district assets and a decrease in district liabilities. The PERA deferred inflows and outflows both decreased compared to the prior year. The District's total revenues and expenses increased \$712,247 and \$918,731 respectively. The District's total current and capital assets increased \$632,926 while current and non-current liabilities decreased \$656,293 in 2022 compared to 2021. The District budgets sufficient contingencies to cover any unanticipated operational needs. The Capital Reserve ending fund balance increased \$303,935 due to clearing some interfund payables to the general fund which had been rolling forward over several years.

### **Using the Basic Financial Statements**

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

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

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

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

### **Financial Analysis of the District as a Whole**

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

**North Park School District R-1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2022**

**Government-Wide Financial Statements**

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

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

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

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

A condensed summary of the Districts Net Position is as follows:

<b>Assets:</b>	2022	2021	Variance
Current Assets	\$ 3,519,513	\$ 3,579,829	\$ (60,316)
Capital Assets	\$ 3,701,013	\$ 3,122,879	\$ 578,134
Deferred Outflows of Revenue	\$ 310,280	\$ 1,320,826	\$ (1,010,546)
Capital Asserts & Deferred Outflows of Financial Resources	<u>\$ 7,530,806</u>	<u>\$ 8,023,534</u>	<u>\$ (492,728)</u>
<b>Liabilities:</b>			
Current Liabilities	\$ 300,277	\$ 383,960	\$ (83,683)
Non-current Liabilities	\$ 2,828,393	\$ 4,022,624	\$ (1,194,231)
Deferred Inflows of Resources	\$ 1,201,679	\$ 2,202,058	\$ (1,000,379)
Total Liabilities & Deferred Inflows of Financial Resources	<u>\$ 4,330,349</u>	<u>\$ 6,608,642</u>	<u>\$ (2,278,293)</u>
<b>Net Position:</b>			
Net Invested in Capital Assets	\$ 3,649,565	\$ 3,059,922	\$ 589,643
Restricted Net Position	\$ 133,218	\$ 102,725	\$ 30,493
Unrestricted Net Position	\$ (582,326)	\$ (1,747,755)	\$ 1,165,429
Total Net Position (Deficit)	<u>\$ 3,200,457</u>	<u>\$ 1,414,892</u>	<u>\$ 1,785,565</u>
Total Liabilities , Deferred Outflows and Net Position	<u>\$ 7,530,806</u>	<u>\$ 8,023,534</u>	<u>\$ (492,728)</u>

**North Park School District R-1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2022**

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

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

	<b>2022</b>	<b>2021</b>	<b>Variance</b>
<b>Program Revenues:</b>			
Charges for Services	\$ 85,267	\$ 76,217	\$ 9,050
Operating Grants and Contributions	\$ 406,223	\$ 471,487	\$ (65,264)
Capital Grants and Contributions	\$ 499,979	\$ 235,021	\$ 264,958
Total Program Revenues	\$ 991,469	\$ 782,725	\$ 208,744
<b>General Revenues:</b>			
Property Taxes	\$ 1,892,421	\$ 2,398,746	\$ (506,325)
Specific Ownership/Other Taxes	\$ 335,675	\$ 390,006	\$ (54,331)
Investment Earnings	\$ 10,527	\$ 3,599	\$ 6,928
Other Revenue	\$ 1,205,511	\$ 475,840	\$ 729,671
Total General Revenues	\$ 3,444,134	\$ 3,268,191	\$ 175,943
<b>Total Revenues</b>	<b>\$ 4,435,603</b>	<b>\$ 4,050,916</b>	<b>\$ 384,687</b>
<b>Expenses:</b>			
Instruction	\$ 1,152,008	\$ 657,785	\$ 494,223
Supporting Services	\$ 1,496,275	\$ 745,309	\$ 750,966
Interest on Long Term Debt	\$ 1,755	\$ 2,154	\$ (399)
<b>Total Expenses</b>	<b>\$ 2,650,038</b>	<b>\$ 1,405,248</b>	<b>\$ 1,244,790</b>
Change in Net Position	\$ 1,785,565	\$ 2,645,668	\$ (860,103)
Net Position - Beginning	\$ 1,414,892	\$ (1,263,847)	\$ 2,678,739
Prior Period Restatement	\$ -	\$ 33,071	\$ (33,071)
Net Position - Beginning (Restated)	\$ 1,414,892	\$ (1,230,776)	\$ 2,645,668
<b>Net Position Ending</b>	<b>\$ 3,200,457</b>	<b>\$ 1,414,892</b>	<b>\$ 1,785,565</b>

**Reporting the District's Most Significant Funds**

The analysis of the District's major funds begins on page iv. Fund financial reports provide detailed information about the District's major funds. In the fiscal year ending June 30, 2022 the district's only major fund is the General Fund. The district's non-major funds include Food Service, Grants, Pupil Activity, and Capital Reserve funds.

**North Park School District R-1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2022

**Governmental Funds**

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

**Fiduciary Funds**

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

**Fund Financial Statements**

As of June 30, 2022, the District's governmental funds reported a combined fund balance of \$2,972,919, which is an increase of \$49,446 from the June 30, 2020 balance. This balance includes General Fund, Food Service, Grants, Pupil Activity and Capital Reserve fund.

**General Fund**

Revenues in the general fund increased \$256,105 and expenditures increased \$180,674. Overall, our change in general fund balance for the year was (\$247,788). This change brought the District's ending fund from \$2,877,368 to \$2,629,580. The cause for the decrease in this fiscal year is the prior mentioned clearing of interfund payables and receivables between the general, grants, and capital reserve funds using transfer accounts.

**Capital Reserve Fund**

The Capital Reserve balance increased by \$303,935 leaving a \$232,396 at year end. This was again due to the clearing of interfund balances using transfer accounts.

**North Park School District R-1**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
June 30, 2022

**General Fund Budget**

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

**Economic Factors and Next Year's Budget**

North Park School District is in a very good financial condition looking into the 2022-2023 year. For the first time in several years, we were able to budget total program revenue on actual student count rather than a five year average which indicates inclining enrollment. The District continually looks to supplement the budget through grant opportunities. In Fiscal Year 2022, the district will continue work on our capital security project funded by the BEST Grant, DOLA Grant, North Park Education Fund, and the remaining district match. The carry forward in the General Fund totals more than nine months of operating expenses.

**North Park School District R-1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2022**

**Capital Assets**

Capital asset activity for the year ended June 30, 2022, is summarized below.

	<b>Balance 06/30/21</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06/30/22</b>
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 67,595	\$ -	\$ -	\$ 67,595
Construction in Progress	491,594	805,154	-	1,296,748
<b>Total Capital Assets, Not Being Depreciated</b>	<b>559,189</b>	<b>805,154</b>	<b>-</b>	<b>1,364,343</b>
<i>Capital Assets, Being Depreciated</i>				
Buildings & Improvements	5,187,583	-	-	5,187,583
Food Service Equipment	6,163	-	-	6,163
Vehicles	690,673	15,387	(242,247)	463,813
Other Equipment	323,594	-	-	323,594
<b>Total Capital Assets, Being Depreciated</b>	<b>6,208,013</b>	<b>15,387</b>	<b>(242,247)</b>	<b>5,981,153</b>
<i>Less Accumulated Depreciation</i>				
Buildings & Improvements	(2,950,513)	(121,843)	-	(3,072,356)
Food Service Equipment	(6,163)	-	-	(6,163)
Vehicles	(426,344)	(34,735)	182,952	(278,127)
Other Equipment	(261,303)	(26,534)	-	(287,837)
<b>Total Accumulated Depreciation</b>	<b>(3,644,323)</b>	<b>(183,112)</b>	<b>182,952</b>	<b>(3,644,483)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>2,563,690</b>	<b>(167,725)</b>	<b>(59,295)</b>	<b>2,336,670</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 3,122,879</b>	<b>\$ 637,429</b>	<b>\$ (59,295)</b>	<b>\$ 3,701,013</b>

As of June 30, 2022, the District had \$3,701,013 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net increase (including additions and depreciation) of \$578,134 from the prior year. This includes our capital asset depreciation and the security construction project in progress. The capital security project will be complete in FY23.

**Contacting the District's Financial Management**

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

## **Basic Financial Statements**

**North Park School District R-1**  
Statement of Net Position  
June 30, 2022

	Governmental Activities
<b>Assets</b>	
Cash and Investments	\$ 2,956,887
Taxes Receivable	271,249
Grants Receivable	235,179
Other Accounts Receivable	54,959
Inventories	1,239
Capital Assets, <i>Not Being Depreciated</i>	1,364,343
Capital Assets, <i>Net of Accumulated Depreciation</i>	2,336,670
Total Assets	7,220,526
<b>Deferred Outflows of Resources</b>	
Pensions, <i>Net of Accumulated Amortization</i>	295,439
OPEB, <i>Net of Accumulated Amortization</i>	14,841
Total Deferred Outflows of Resources	310,280
<b>Liabilities</b>	
Accounts Payable	53,050
Accrued Salaries and Benefits	247,227
Noncurrent Liabilities	
Due Within One Year	11,926
Due in More Than One Year	39,522
Net Pension Liability	2,648,796
Net OPEB Liability	128,149
Total Liabilities	3,128,670
<b>Deferred Inflows of Resources</b>	
Pensions, <i>Net of Accumulated Amortization</i>	1,128,353
OPEB, <i>Net of Accumulated Amortization</i>	73,326
Total Deferred Inflows of Resources	1,201,679
<b>Net Position</b>	
Net Investment in Capital Assets	3,649,565
Restricted for:	
Emergencies	119,493
Colorado Preschool Program	13,725
Unrestricted	(582,326)
Total Net Position	\$ 3,200,457

**North Park School District R-1**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Primary Government
					Governmental Activities
<b>Primary Government</b>					
<i>Governmental Activities</i>					
Instruction	\$ 1,152,008	\$ 68,449	\$ 222,470	\$ -	\$ (861,089)
Supporting Services	1,307,150	7,361	183,753	499,979	(616,057)
Food Services	189,125	9,457	-	-	(179,668)
Interest on Long-Term Debt	1,755	-	-	-	(1,755)
<b>Total Primary Government</b>	<b>\$ 2,650,038</b>	<b>\$ 85,267</b>	<b>\$ 406,223</b>	<b>\$ 499,979</b>	<b>(1,658,569)</b>
<b>General Revenues</b>					
Local Property Taxes					1,892,421
Specific Ownership Taxes					320,886
Other Taxes					14,789
Intermediate Sources					141,734
Grants and Contributions not Restricted to Specific Programs					929,139
Investment Income					10,527
Other					134,638
<b>Total General Revenues</b>					<b>3,444,134</b>
<b>Change in Net Position</b>					<b>1,785,565</b>
<b>Net Position, Beginning of year</b>					<b>1,414,892</b>
<b>Net Position, End of year</b>					<b>\$ 3,200,457</b>

**North Park School District R-1**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2022

	General	Nonmajor Governmental Funds	Total
<b>Assets</b>			
Cash and Investments	\$ 2,811,730	\$ 145,157	\$ 2,956,887
Taxes Receivable	271,249	-	271,249
Grants Receivable	20,349	214,830	235,179
Other Accounts Receivable	54,959	-	54,959
Interfund Accounts Receivable	-	100	100
Inventories	-	1,239	1,239
 Total Assets	 <u>3,158,287</u>	 <u>361,326</u>	 <u>3,519,613</u>
<b>Liabilities</b>			
Accounts Payable	49,610	3,440	53,050
Accrued Salaries and Benefits	237,229	9,998	247,227
Interfund Accounts Payable	100	-	100
 Total Liabilities	 <u>286,939</u>	 <u>13,438</u>	 <u>300,377</u>
<b>Deferred Inflows of Resources</b>			
Unearned Revenue	109,442	3,575	113,017
Grants	132,426	874	133,300
 Total Deferred Inflows of Resources	 <u>241,868</u>	 <u>4,449</u>	 <u>246,317</u>
<b>Fund Balances</b>			
Nonspendable Inventories	-	1,239	1,239
Restricted for:			
Emergencies	119,493	-	119,493
Colorado Preschool Program	13,725	-	13,725
Committed to:			
Food Services	-	58,704	58,704
Assigned to:			
Capital Projects	-	10,085	10,085
Unassigned	2,496,262	273,411	2,769,673
 Total Fund Balances	 <u>2,629,480</u>	 <u>343,439</u>	 <u>2,972,919</u>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	 <u>\$ 3,158,287</u>	 <u>\$ 361,326</u>	 <u>\$ 3,519,613</u>

**North Park School District R-1**  
 Reconciliation of the Balance Sheet of Governmental  
 Funds to the Statement of Net Position  
 June 30, 2022

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

Total Fund Balances of Governmental Funds	\$	2,972,919
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		3,701,013
Long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes and grant revenue earned but not available as current financial resources.		246,317
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Lease		(37,083)
Accrued compensated absences		(14,365)
Net pension liability		(2,648,796)
Pension-related deferred outflows of resources		295,439
Pension-related deferred inflows of resources		(1,128,353)
Net OPEB liability		(128,149)
OPEB-related deferred outflows of resources		14,841
OPEB-related deferred inflows of resources		(73,326)
		(3,642,212)
Total Net Position of Governmental Activities	\$	3,200,457

**North Park School District R-1**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	General	Nonmajor Governmental Funds	Total
<b>Revenues</b>			
Local Sources	\$ 2,679,920	\$ 79,078	\$ 2,758,998
Intermediate Sources	141,734	-	141,734
State Sources	617,452	656,347	1,273,799
Federal Sources	207,029	109,207	316,236
	<u>3,646,135</u>	<u>844,632</u>	<u>4,490,767</u>
Total Revenues			
<b>Expenditures</b>			
Instruction	1,511,703	112,165	1,623,868
Student Support	111,194	-	111,194
General Administration	365,040	-	365,040
School Administration	183,567	-	183,567
Business Services	88,213	-	88,213
Operations and Maintenance	527,321	13,657	540,978
Student Transportation	82,401	15,387	97,788
Risk Management	83,210	-	83,210
Food Service	-	189,125	189,125
Facilities	-	1,145,074	1,145,074
Debt Service	13,264	-	13,264
	<u>2,965,913</u>	<u>1,475,408</u>	<u>4,441,321</u>
Total Expenditures			
<b>Excess Revenues Over (Under) Expenditures</b>	<u>680,222</u>	<u>(630,776)</u>	<u>49,446</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	913,036	913,036
Transfers Out	(928,110)	15,074	(913,036)
	<u>(928,110)</u>	<u>928,110</u>	<u>-</u>
Total Other Financial Sources (Uses)			
<b>Net Change in Fund Balances</b>	(247,888)	297,334	49,446
<b>Fund Balances, Beginning of year</b>	<u>2,877,368</u>	<u>46,105</u>	<u>2,923,473</u>
<b>Fund Balances, End of year</b>	<u>\$ 2,629,480</u>	<u>\$ 343,439</u>	<u>\$ 2,972,919</u>

**North Park School District R-1**  
 Reconciliation of the Statement of Revenues,  
 Expenditures and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2022

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

Net Change in Fund Balances of Governmental Funds	\$	49,446
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Depreciation expense		(183,112)
Loss on disposal of assets		(59,295)
Capital outlay		820,541
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred property taxes.</p>		
		(26,079)
<p>The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Principal payments on capital lease		11,509
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:</p>		
Net pension liability		1,171,908
Pension-related deferred outflows of resources		(1,011,313)
Pension-related deferred inflows of resources		987,979
Net OPEB liability		10,814
OPEB-related deferred outflows of resources		767
OPEB-related deferred inflows of resources		12,400
		12,400
Change in Net Position	\$	1,785,565

**North Park School District R-1**  
Balance Sheet  
Fiduciary Funds  
June 30, 2022

	<u>Scholarship Fund</u>
<b>Assets</b>	
Cash and Investments	\$ <u>30,523</u>
<b>Fund Balances</b>	
Assigned to:	
Scholarships	15,060
Unassigned	<u>15,463</u>
Total Fund Balances	\$ <u>30,523</u>

**North Park School District R-1**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Fiduciary Funds  
For the Year Ended June 30, 2022

	Scholarship Fund
<b>Revenues</b>	
Local Sources	\$ <u>5,299</u>
Total Revenues	<u>5,299</u>
<b>Expenditures</b>	
Instruction	<u>13,000</u>
Total Expenditures	<u>13,000</u>
<b>Net Change in Fund Balances</b>	(7,701)
<b>Fund Balances, <i>Beginning of year</i></b>	<u>38,224</u>
<b>Fund Balances, <i>End of year</i></b>	<u><u>\$ 30,523</u></u>

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### **Note 1: Summary of Significant Accounting Policies**

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

#### **Reporting Entity**

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

#### **Government-wide and Fund Financial Statements**

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

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

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

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

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

Additionally, the District reports the following fund types:

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

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

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

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

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

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

#### **Assets, Liabilities and Fund Balances/Net Position**

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

*Pensions* - The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP), and additions to/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.

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

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

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property Taxes

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

#### Subsequent Events

The District has evaluated subsequent events through December 28, 2022, the date the financial statements were available to be issued.

### Note 2: Cash and Investments

At June 30, 2022, the District had the following cash and investments:

Cash	\$	10,669
Deposits		2,926,904
Investments		<u>19,314</u>
Total	\$	<u><u>2,956,887</u></u>

#### Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2022, the District had bank deposits of \$2,752,287 collateralized with securities held by the financial institution's agent but not in the District's name.

#### Investments

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

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### **Note 2: Cash and Investments (Continued)**

#### **Investments** (Continued)

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

*Fair Value Measurements* - At June 30, 2022, the District's investments in a money market fund are reported at the net asset value per share.

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

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

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

*Custodial Credit Risk* - At June 30, 2022, the District did not have any investments requiring safekeeping. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2022, is summarized below.

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/22</u>
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 67,595	\$ -	\$ -	\$ 67,595
Construction in Progress	491,594	805,154	-	1,296,748
Total Capital Assets, <i>Not Being Depreciated</i>	<u>559,189</u>	<u>805,154</u>	<u>-</u>	<u>1,364,343</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings & Improvements	5,187,583	-	-	5,187,583
Food Service Equipment	6,163	-	-	6,163
Vehicles	690,673	15,387	(242,247)	463,813
Other Equipment	323,594	-	-	323,594
Total Capital Assets, <i>Being Depreciated</i>	<u>6,208,013</u>	<u>15,387</u>	<u>(242,247)</u>	<u>5,981,153</u>
Less Accumulated Depreciation				
Buildings & Improvements	(2,950,513)	(121,843)	-	(3,072,356)
Food Service Equipment	(6,163)	-	-	(6,163)
Vehicles	(426,344)	(34,735)	182,952	(278,127)
Other Equipment	(261,303)	(26,534)	-	(287,837)
Total Accumulated Depreciation	<u>(3,644,323)</u>	<u>(183,112)</u>	<u>182,952</u>	<u>(3,644,483)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>2,563,690</u>	<u>(167,725)</u>	<u>(59,295)</u>	<u>2,336,670</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 3,122,879</u>	<u>\$ 637,429</u>	<u>\$ (59,295)</u>	<u>\$ 3,701,013</u>

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

Instruction	\$ 93,387
Supporting Services	<u>89,725</u>
Total	<u>\$ 183,112</u>

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 4: Long-Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2022:

	<b>Balance 06/30/21</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance 06/30/22</b>	<b>Due Within One Year</b>
Capital Leases	\$ 48,592	\$ -	\$ (11,509)	\$ 37,083	\$ 11,510
Compensated Absences	14,365	-	-	14,365	-
Total	<u>\$ 62,957</u>	<u>\$ -</u>	<u>\$ (11,509)</u>	<u>\$ 51,448</u>	<u>\$ 11,510</u>

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

**Bus Capital Lease**

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

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

<b><u>Year Ended June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 11,925	\$ 1,339	\$ 13,264
2024	12,356	908	13,264
2025	<u>12,802</u>	<u>462</u>	<u>13,264</u>
Total	<u>\$ 37,083</u>	<u>\$ 2,709</u>	<u>\$ 39,792</u>

**Note 5: Interfund Transactions**

During the year ended June 30, 2022, the General Fund subsidized the activities of the Food Services, Capital Reserve, and Agency Funds through interfund transfers of \$515,036, \$413,074, and \$5,299, respectively.

**Note 6: Jointly Governed Organization**

The District, in conjunction with other surrounding districts, created the North-West Colorado Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The District paid \$47,123 to the BOCES during the year ended June 30, 2022. The BOCES' financial statements are available at [www.ecboces.org](http://www.ecboces.org).

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### **Note 7: Risk Management**

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

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2022.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

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

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

### **Note 8: Defined Benefit Pension Plan**

#### **General Information**

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### **Note 8: Defined Benefit Pension Plan (Continued)**

#### **General Information** (Continued)

*Benefits provided as of 2022* - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 8: Defined Benefit Pension Plan (Continued)**

**General Information** (Continued)

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

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

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

*Contributions provisions as of 2022* - Eligible employees, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 01, 2021 through June 30, 2022. The District's contribution rate was 20.90% of covered salaries for July 01, 2021 through June 30, 2022. However, a portion of the District's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 9). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$285,614 for the year ended June 30, 2022.

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 8: Defined Benefit Pension Plan (Continued)

#### General Information (Continued)

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

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

The net pension liability for the SCHDTF was measured at December 31, 2021, and the total pension liability (TOL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TLP to December 31, 2021. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year, 2021 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At June 30, 2022, the District reported a liability of \$2,648,796 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District Proportionate share of net pension liability	\$ 2,952,446
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the District	<u>(303,650)</u>
Proportionate share of the net pension liability	<u>\$ 2,648,796</u>

At December 31, 2021, the District's proportion was 0.0227611261%, which was a decrease of 0.00251145% from its proportion measured at December 31, 2020.

For the year ended 2022, the District recognized pension expense of \$705,780 and revenue of \$705,780 for support from the State as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### 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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,407	\$ -
Changes of assumptions and other inputs	202,216	-
Net difference between projected and actual earnings on plan investments	-	(995,867)
Changes in proportion	(206,560)	(132,486)
Contributions subsequent to the measurement date	(9,839)	2,256,706
Total	\$ 295,439	\$ 1,128,353

\$198,376 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>			
2023		\$	(322,722)
2024			(349,745)
2025			(237,946)
2026			87,338
Total		\$	(823,075)

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 8: Defined Benefit Pension Plan (Continued)

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

*Actuarial assumptions* - The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs.

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

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

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

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

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

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

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

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

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	30 Year Expected
	Allocation	Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

## North Park School District R-1

Notes to Financial Statements

June 30, 2022

### 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)

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,898,810	\$ 2,648,796	\$ 1,605,705

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

### Note 9: Postemployment Healthcare Benefits

**General Information**

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

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 9: Postemployment Healthcare Benefits (Continued)**

**General Information** (Continued)

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

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

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

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

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

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 9: Postemployment Healthcare Benefits (Continued)**

**General Information** (Continued)

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District was \$14,633, for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$128,149 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured at December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total OPEB liability (TOL) to December 31, 2021.

The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year ended December 31, 2021, relative to the contributions of all participating employers to the HCTF. At December 31, 2021, the District's proportion was 0.014861245%, which was an increase of 0.000237071% from its proportion measured at December 31, 2020.

**North Park School District R-1**  
Notes to Financial Statements  
June 30, 2022

**Note 9: Postemployment Healthcare Benefits (Continued)**

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

For the year ended June 30, 2022, the District recognized OPEB benefit of \$14,509. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 198	\$ 30,384
Changes of assumptions and other inputs	2,656	6,951
Net difference between projected and actual earnings on plan investments	-	7,932
Changes in proportion	1,888	28,059
Contributions subsequent to the measurement date	10,099	-
Total	\$ 14,841	\$ 73,326

\$10,099 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b><u>Year Ended June 30,</u></b>			
2023		\$	(22,445)
2024			(21,649)
2025			(18,754)
2026			(14,881)
2027			(3,405)
Thereafter			12,550
Total		\$	(68,584)

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 9: Postemployment Healthcare Benefits (Continued)

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

*Actuarial Assumptions* - The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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

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

The 2020 Medicare Part A premium is \$471 (actual dollars) per month.

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

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 9: Postemployment Healthcare Benefits (Continued)

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

Health care cost trend rates 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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

## North Park School District R-1

### Notes to Financial Statements

June 30, 2022

#### Note 9: Postemployment Healthcare Benefits (Continued)

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

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

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

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

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

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

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

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

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

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.

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### Note 9: Postemployment Healthcare Benefits (Continued)

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

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

## North Park School District R-1

Notes to Financial Statements

June 30, 2022

### Note 9: Postemployment Healthcare Benefits (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 148,832	\$ 128,149	\$ 110,483

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	\$ 124,469	\$ 128,149	\$ 132,412

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

### Note 10: Commitments and Contingencies

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2022, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

# North Park School District R-1

## Notes to Financial Statements

June 30, 2022

### **Note 10: Commitments and Contingencies (Continued)**

#### **TABOR Amendment**

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

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

The Amendment requires the District to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2022, the District's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$119,493.

#### **Current Economic Conditions**

During the year ended June 30, 2022, the United States of America and State of Colorado declared an emergency associated with the COVID-19 pandemic. Along with significant declines in financial markets, the public health emergency creates uncertain economic conditions. The District has adapted and made changes to operations due to potential impacts on health and safety. Should these conditions persist, the District could be negatively impacted.

### **Note 11: Change in Fund Classification**

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

## **Required Supplementary Information**

**North Park School District R-1**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Liability and Contributions  
 Public Employees' Retirement Association of Colorado School Division Trust Fund  
 June 30, 2022

	12/31/21	12/31/20	12/31/19
<b>Proportionate Share of the Net Pension Liability</b>			
District's Proportion of the Net Pension Liability	0.02276%	0.02527%	0.02592%
District's Proportionate Share of the Net Pension Liability	\$ 2,648,796	\$ 3,820,704	\$ 4,590,311
State's Proportionate Share of the Net Pension Liability	\$ 303,651	\$ -	\$ 552,161
Total Proportionate Share of the Net Pension Liability	\$ 2,952,447	\$ 3,820,704	\$ 5,142,472
District's Covered Payroll	\$ 1,422,495	\$ 1,352,147	\$ 1,425,159
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	186%	283%	322%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75%	67%	57%
	06/30/22	06/30/21	06/30/20
<b>District Contributions</b>			
Statutorily Required Contribution	\$ 285,614	\$ 276,900	\$ 265,279
Contributions in Relation to the Statutorily Required Contribution	(285,614)	(276,900)	(265,279)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 1,434,622	\$ 1,392,855	\$ 1,352,147
Contributions as a Percentage of Covered Payroll	19.91%	19.88%	19.62%

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

(Continued)

**North Park School District R-1**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability and Contributions**  
**Public Employees' Retirement Association of Colorado School Division Trust Fund**  
**June 30, 2022**  
*(Continued)*

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

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

**North Park School District R-1**  
 Required Supplementary Information  
 Schedule of Proportionate Share of the Net OPEB Liability and Contributions  
 Public Employees' Retirement Association of Colorado Health Care Trust Fund  
 June 30, 2022

	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
<b>Proportionate Share of the Net OPEB Liability</b>					
District's Proportion of the Net OPEB Liability	0.01486%	0.01462%	0.01685%	0.01818%	0.02022%
District's Proportionate Share of the Net OPEB Liability	\$ 128,149	\$ 138,963	\$ 229,258	\$ 236,322	\$ 262,146
District's Covered Payroll	\$ 1,422,495	\$ 1,352,147	\$ 1,425,159	\$ 1,476,280	\$ 1,596,492
District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	10%	16%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	33%	17%	18%	17%
	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
<b>District's Contributions</b>					
Statutorily Required Contribution	\$ 14,633	\$ 14,207	\$ 13,792	\$ 14,537	\$ 15,058
Contributions in Relation to the Statutorily Required Contribution	<u>(14,633)</u>	<u>(14,207)</u>	<u>(13,792)</u>	<u>(14,537)</u>	<u>(15,058)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,434,622	\$ 1,392,855	\$ 1,352,147	\$ 1,425,159	\$ 1,476,280
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%

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

**North Park School District R-1**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
<i>Local Sources</i>				
Property Taxes	\$ 1,929,490	1,895,937	\$ 1,892,421	\$ (3,516)
Specific Ownership Taxes	126,665	324,473	320,886	(3,587)
Other Taxes	3,239	12,000	14,789	2,789
Contributions and Donations	196,200	196,200	301,199	104,999
Investment Income	3,230	4,173	10,200	6,027
Rental Income	6,642	10,201	7,361	(2,840)
Other	15,214	59,563	133,064	73,501
Total Local Sources	<u>2,280,680</u>	<u>2,502,547</u>	<u>2,679,920</u>	<u>177,373</u>
<i>Intermediate Sources</i>				
Mineral Leases	3,872	3,872	934	(2,938)
Payments in Lieu of Taxes	21,653	21,653	42,666	21,013
Impact Fee	1,856	-	98,134	98,134
Total Intermediate Sources	<u>27,381</u>	<u>25,525</u>	<u>141,734</u>	<u>116,209</u>
<i>State Sources</i>				
Small Rural Schools Funding	63,807	93,711	76,177	(17,534)
ELPA	2,685	2,685	732	(1,953)
BOCES	2,998	27,691	22,063	(5,628)
Other	25,183	364,217	518,480	154,263
Total State Sources	<u>94,673</u>	<u>488,304</u>	<u>617,452</u>	<u>129,148</u>
<i>Federal Sources</i>				
Grants	226,436	233,409	207,029	(26,380)
Total Federal Sources	<u>226,436</u>	<u>233,409</u>	<u>207,029</u>	<u>(26,380)</u>
Total Revenues	<u>\$ 2,629,170</u>	<u>\$ 3,249,785</u>	<u>\$ 3,646,135</u>	<u>\$ 396,350</u>

(Continued)

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2022  
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>				
Instruction	\$ 1,291,640	1,262,931	\$ 1,511,703	\$ (248,772)
Supporting Services				
Student Support	376,561	509,416	111,194	398,222
General Administration	276,449	351,949	365,040	(13,091)
School Administration	170,495	160,195	183,567	(23,372)
Business Services	78,410	85,750	88,213	(2,463)
Operations and Maintenance	304,878	306,849	527,321	(220,472)
Student Transportation	139,135	118,007	82,401	35,606
Risk Management	82,435	82,435	83,210	(775)
Total Supporting Services	<u>1,428,363</u>	<u>1,614,601</u>	<u>1,440,946</u>	<u>173,655</u>
Debt Service				
Principal	-	-	11,510	(11,510)
Interest and Fiscal Charges	-	-	1,754	(1,754)
Total Debt Service	<u>-</u>	<u>-</u>	<u>13,264</u>	<u>(13,264)</u>
Reserves	<u>78,875</u>	<u>78,875</u>	<u>-</u>	<u>78,875</u>
Total Expenditures and Reserves	<u>2,798,878</u>	<u>2,956,407</u>	<u>2,965,913</u>	<u>(9,506)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(169,708)	293,378	680,222	386,844
<b>Other Financing Sources (Uses)</b>				
Transfers	<u>(499,250)</u>	<u>(1,040,000)</u>	<u>(928,110)</u>	<u>111,890</u>
<b>Net Change In Fund Balance</b>	(668,958)	(746,622)	(247,888)	498,734
<b>Fund Balance, Beginning of year</b>	<u>1,000,000</u>	<u>3,004,239</u>	<u>2,877,368</u>	<u>(126,871)</u>
<b>Fund Balance, End of year</b>	<u>\$ 331,042</u>	<u>\$ 2,257,617</u>	<u>\$ 2,629,480</u>	<u>\$ 371,863</u>

**North Park School District R-1**  
Notes to Required Supplementary Information  
June 30, 2022

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

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

**Changes in Assumptions and Other Inputs**

For the year ended 2022, the total pension liability was determined by an actuarial valuation as of December 31, 2021. The following revised economic and demographic assumptions were effective as of December 31, 2021.

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

**Note 2: Stewardship, Compliance and Accountability**

**Budgetary Information**

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

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

## **Combining and Individual Fund Statements and Schedules**

**North Park School District R-1**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue		Pupil Activity	Capital Reserve	Total
	Food Service	Grants			
<b>Assets</b>					
Cash and Investments	\$ 11,160	\$ 5,967	\$ 90,377	\$ 37,653	\$ 145,157
Grants Receivable	20,087	-	-	194,743	214,830
Interfund Accounts Receivable	100	-	-	-	100
Inventories	1,239	-	-	-	1,239
	<u>32,586</u>	<u>5,967</u>	<u>90,377</u>	<u>232,396</u>	<u>361,326</u>
<b>Liabilities and Fund Balances</b>					
<i>Liabilities</i>					
Accounts Payable	1,683	1,757	-	-	3,440
Accrued Salaries and Benefits	9,998	-	-	-	9,998
	<u>11,681</u>	<u>1,757</u>	<u>-</u>	<u>-</u>	<u>13,438</u>
<b>Deferred Inflows of Resources</b>					
Unearned Revenue	3,575	-	-	-	3,575
Unearned Revenue Grants	874	-	-	-	874
	<u>4,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,449</u>
<b>Fund Balances</b>					
Nonspendable Inventories	1,239	-	-	-	1,239
Committed to:					
Food Services	58,704	-	-	-	58,704
Assigned to:					
Capital Projects	-	-	-	10,085	10,085
Unassigned	(43,487)	4,210	90,377	222,311	273,411
	<u>16,456</u>	<u>4,210</u>	<u>90,377</u>	<u>232,396</u>	<u>343,439</u>
Total Fund Balances	<u>16,456</u>	<u>4,210</u>	<u>90,377</u>	<u>232,396</u>	<u>343,439</u>
Total Liabilities and Fund Balances	<u>\$ 32,586</u>	<u>\$ 5,967</u>	<u>\$ 90,377</u>	<u>\$ 232,396</u>	<u>\$ 361,326</u>

**North Park School District R-1**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022

	Special Revenue		Pupil Activity	Capital Reserve	Total
	Food Services	Grants			
<b>Revenues</b>					
Local Sources	\$ 10,302	\$ -	\$ 68,659	\$ 117	\$ 79,078
State Sources	-	20,604	-	635,743	656,347
Federal Sources	94,692	14,515	-	-	109,207
	<u>104,994</u>	<u>35,119</u>	<u>68,659</u>	<u>635,860</u>	<u>844,632</u>
<b>Expenditures</b>					
Instruction	-	32,326	79,839	-	112,165
Operations and Maintenance	-	13,657	-	-	13,657
Student Transportation	-	-	-	15,387	15,387
Food Service	189,125	-	-	-	189,125
Facilities	-	-	-	1,145,074	1,145,074
	<u>189,125</u>	<u>45,983</u>	<u>79,839</u>	<u>1,160,461</u>	<u>1,475,408</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(84,131)	(10,864)	(11,180)	(524,601)	(630,776)
<b>Other Financing Sources (Uses)</b>					
Transfers In	84,500	15,074	-	828,536	928,110
	<u>84,500</u>	<u>15,074</u>	<u>-</u>	<u>828,536</u>	<u>928,110</u>
<b>Net Change in Fund Balances</b>	369	4,210	(11,180)	303,935	297,334
<b>Fund Balances, Beginning of year</b>	16,087	-	101,557	(71,539)	46,105
<b>Fund Balances, End of year</b>	<u>\$ 16,456</u>	<u>\$ 4,210</u>	<u>\$ 90,377</u>	<u>\$ 232,396</u>	<u>\$ 343,439</u>

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 Food Services Fund  
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources				
Charges for Services	\$ 34,408	\$ 34,408	\$ 9,457	\$ (24,951)
Contributions and Others	-	-	845	845
State Sources				
Grants	42,821	5,049	-	(5,049)
Federal Sources				
National School Lunch and Breakfast Programs	-	39,772	94,692	54,920
	<u>77,229</u>	<u>79,229</u>	<u>104,994</u>	<u>25,765</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Salaries	46,829	80,679	84,141	(3,462)
Benefits	25,846	42,863	44,469	(1,606)
Purchased Services	4,500	4,500	-	4,500
Supplies and Materials	53,197	53,197	60,395	(7,198)
Others	2,120	2,120	120	2,000
Reserves	13,249	14,161	-	14,161
	<u>145,741</u>	<u>197,520</u>	<u>189,125</u>	<u>8,395</u>
<b>Total Expenditures and Reserves</b>				
<b>Over Excess of Revenues (Under) Expenditures</b>	(68,512)	(118,291)	(84,131)	34,160
<b>Other Financing Sources</b>				
Transfers In	84,446	84,446	84,500	54
	<u>15,934</u>	<u>(33,845)</u>	<u>369</u>	<u>34,214</u>
<b>Net Change in Fund Balance</b>				
<b>Fund Balance, Beginning of year</b>	8,800	8,800	16,087	7,287
	<u>24,734</u>	<u>(25,045)</u>	<u>16,456</u>	<u>41,501</u>
<b>Fund Balance, Ending of year</b>				

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 Grants Fund  
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
State Grants	\$ 5,753	\$ 5,753	\$ 20,604	\$ 14,851
Federal Grants	25,134	38,134	14,515	(23,619)
Total Revenues	<u>30,887</u>	<u>43,887</u>	<u>35,119</u>	<u>(8,768)</u>
<b>Expenditures</b>				
Salaries	15,642	15,642	17,758	(2,116)
Benefits	3,245	3,245	3,748	(503)
Purchased Services	14,300	14,300	13,657	643
Supplies and Materials	5,200	5,200	-	5,200
Other	5,500	5,500	10,820	(5,320)
Total Expenditures	<u>43,887</u>	<u>43,887</u>	<u>45,983</u>	<u>(2,096)</u>
<b>Over Excess of Revenues (Under) Expenditures</b>	(13,000)	-	(10,864)	(10,864)
<b>Other Financing Sources</b>				
Transfers In	-	-	15,074	15,074
<b>Net Change in Fund Balance</b>	(13,000)	-	4,210	4,210
<b>Fund Balance, Beginning of year</b>	-	-	-	-
<b>Fund Balance, End of year</b>	<u>\$ (13,000)</u>	<u>\$ -</u>	<u>\$ 4,210</u>	<u>\$ 4,210</u>

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 Pupil Activity Fund  
 For the Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Charges for Services	\$ 140,000	\$ 68,659	\$ (71,341)
<b>Expenses</b>			
Pupil Activity Expenses	<u>140,000</u>	<u>79,839</u>	<u>60,161</u>
<b>Change in Net Position</b>	-	(11,180)	(11,180)
<b>Net Position, <i>Beginning of year</i></b>	<u>47,476</u>	<u>101,557</u>	<u>54,081</u>
<b>Net Position, <i>End of year</i></b>	<u>\$ 47,476</u>	<u>\$ 90,377</u>	<u>\$ 42,901</u>

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 Capital Reserve Fund  
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
State Capital Grants	\$ -	\$ 838,979	\$ 635,743	\$ (203,236)
Investment Income	50	100	117	17
<b>Total Revenues</b>	<u>50</u>	<u>839,079</u>	<u>635,860</u>	<u>(203,219)</u>
<b>Expenditures</b>				
Property	210,000	1,555,284	1,160,461	394,823
Other	130,000	130,000	-	130,000
<b>Total Expenditures</b>	<u>340,000</u>	<u>1,685,284</u>	<u>1,160,461</u>	<u>524,823</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(339,950)	(846,205)	(524,601)	321,604
<b>Other Financing Sources</b>				
Transfers In	310,000	850,000	828,536	(21,464)
<b>Net Change in Fund Balance</b>	(29,950)	3,795	303,935	300,140
<b>Fund Balance, Beginning of year</b>	<u>10,085</u>	<u>185,417</u>	<u>(71,539)</u>	<u>(256,956)</u>
<b>Fund Balance, End of year</b>	<u>\$ (19,865)</u>	<u>\$ 189,212</u>	<u>\$ 232,396</u>	<u>\$ 43,184</u>

**North Park School District R-1**  
 Budgetary Comparison Schedule  
 Scholarship Fund  
 For the Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
<b>Revenues</b>			
Local Sources	\$ 14,000	\$ 5,299	\$ (8,701)
Total Revenues	14,000	5,299	(8,701)
<b>Expenditures</b>			
Instruction	12,000	13,000	(1,000)
Total Expenditures	12,000	13,000	(1,000)
<b>Net Change in Fund Balance</b>	2,000	(7,701)	(9,701)
<b>Fund Balance, Beginning of year</b>	13,828	38,224	24,396
<b>Fund Balance, End of year</b>	\$ 15,828	\$ 30,523	\$ 14,695

## **State Compliance**



Colorado Department of Education

Auditors Integrity Report

District: 1410 - North Park R-1

Fiscal Year 2021-22

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,831,286	2,617,947	2,873,832	2,575,401
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	46,182	100,080	92,182	54,080
<b>Sub- Total</b>	<b>2,877,468</b>	<b>2,718,026</b>	<b>2,966,014</b>	<b>2,629,481</b>
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	16,085	189,747	189,376	16,456
22 Govt Designated-Purpose Grants Fund	0	50,193	45,983	4,210
23 Pupil Activity Special Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	-71,539	1,464,396	1,160,460	232,396
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>2,822,014</b>	<b>4,422,362</b>	<b>4,361,833</b>	<b>2,882,544</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	38,224	5,299	13,000	30,523
74 Pupil Activity Agency Fund	101,558	63,359	74,540	90,377
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>139,782</b>	<b>68,657</b>	<b>87,540</b>	<b>120,899</b>

FINAL

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