

**FOWLER SCHOOL DISTRICT R4J  
FOWLER, COLORADO**

**FINANCIAL STATEMENTS  
with  
INDEPENDENT AUDITORS' REPORTS**

**For the Year Ended  
June 30, 2023**

**INTENTIONALLY LEFT BLANK**

## **INTRODUCTORY SECTION**

**FOWLER SCHOOL DISTRICT R4J  
FOWLER, COLORADO**

**ROSTER OF SCHOOL OFFICIALS**

**Year Ended June 30, 2023**

**Board Of Education**

Eric Larson - President

Justin Osborne - Vice-President

Douglas Arnold - Member

Tarren Buford - Member

Dorothy K. Sallee - Member

**Administrative Staff**

Alfred B. Lotrich - Superintendent

Michael R. Thomas - Secretary/Treasurer

**FOWLER SCHOOL DISTRICT R4J**

**TABLE OF CONTENTS**

**Year Ended June 30, 2023**

PAGE

**INTRODUCTORY SECTION**

Roster of School Officials

Table of Contents

**FINANCIAL SECTION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Required Supplementary Information - Unaudited) M1 – M7

INDEPENDENT AUDITORS' REPORT 1 – 3

**BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements:

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements:

Balance Sheet - Governmental Funds 6

Reconciliation of Governmental Fund Balances to Governmental Activities Net Position 7

Statement of Revenues, Expenditures and Changes in Fund Balances  
- Governmental Fund 8

Reconciliation of Governmental Change in Fund Balance to Governmental  
Activities Change in Net Position 9

Statement of Fiduciary Net Position 10

Notes to Financial Statements 11 – 43

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

Schedule of the District's Proportionate Share of the Net Pension Liability 44

Schedule of District Contributions – PERA Pension Plan 45

**FOWLER SCHOOL DISTRICT R4J**

**TABLE OF CONTENTS**

**Year Ended June 30, 2023**  
(Continued)

	<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b> – (Pension and OPEB Schedules – Unaudited)	
Schedule of the District’s Proportionate Share of the Net OPEB Liability	46
Schedule of District Contributions – OPEB - PERA Health Care Trust Fund	47
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	48 – 50
Special Revenue Funds:	
Food Service - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	51
Pupil Activity Fund – Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	52
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Debt Service Fund:	
Bond Redemption Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	53
Capital Projects Funds:	
Building Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	54
Capital Reserve Projects Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual	55
Fiduciary Fund:	
Scholarship Fund - Schedule of Receipts and Disbursements - Budget and Actual	56
<b>COMPLIANCE SECTION</b>	
<b>State Compliance</b>	
Auditors Integrity Report	57
Bolded Balance Sheet Report	58 – 60

## **FINANCIAL SECTION**

# FOWLER SCHOOL DISTRICT R-4J

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2023

### Management's Discussion and Analysis

As management of the Fowler School District R-4J, we offer readers of the District's Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information provided in the Independent Auditor's report.

### Financial Highlights

- The primary government has government-wide net position totaling \$20,626,498 at the end of the current fiscal year, which is a change of net position of \$3,230,892 from the prior year.
- Governmental activities unrestricted net position is \$17,200,739. This is due primarily to the reporting requirement of the Public Employees Retirement Association (PERA) pension liability,
- Fund balance of the District's governmental funds increased by \$736,921 resulting in an ending fund balance of \$4,332,415.

### Overview of the Financial Statements

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

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

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

### Government-Wide Financial Statements

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

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

# FOWLER SCHOOL DISTRICT R-4J

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Year Ended June 30, 2023**

A summary of the District's net assets is as follows:

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2023	2022
<b>Assets:</b>		
Current Assets	\$ 5,515,861	\$ 4,522,912
Capital Assets – Net	27,379,958	4,383,413
Deferred Outflows of Resources	2,531,839	1,607,432
Capital Assets & Deferred Outflows of Financial Resources	<u>35,427,658</u>	<u>10,513,757</u>
<b>Liabilities:</b>		
Current Liabilities	1,183,446	927,418
Non-current Liabilities	10,847,107	9,865,586
Deferred Inflows of Resources	2,770,607	2,943,930
Total Liabilities & Deferred Inflows of Financial Resources	<u>14,801,160</u>	<u>13,736,934</u>
<b>Net Position:</b>		
Net Invested in Capital Assets	2,808,359	(321,609)
Restricted	617,400	460,328
Unrestricted Net Position	17,200,739	(3,361,896)
Total Net Position(Deficit)	<u>20,626,498</u>	<u>(3,223,177)</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 35,427,658</u>	<u>\$ 10,513,757</u>

Significant changes from the prior year include an increase in current assets of \$992,949 due primarily to grants receivables, an increase in current liabilities of \$256,028 due primarily to unearned grant revenue, and an increase in noncurrent liabilities of \$981,521. Overall net position increased \$23,849,674 for governmental activities.

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

Revenue in the form of property and specific ownership taxes, as well as State Equalization received, increased by approximately \$435,143 for governmental activities.

# FOWLER SCHOOL DISTRICT R-4J

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Year Ended June 30, 2023**

A summary of the District's activities is as follows:

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2023	2022
<b>Program Revenues:</b>		
Charges for Services	\$ 275,078	\$ 89,491
Operating Grants	1,367,463	1,038,902
Capital Grants and Contributions	<u>16,573,894</u>	<u>-</u>
<b>Total Program Revenues</b>	<u>18,216,435</u>	<u>1,128,393</u>
<b>General Revenues:</b>		
Taxes	1,527,268	1,270,318
State Equalization	3,484,767	3,306,574
Investment Earnings	15,371	4,785
Gain (Loss) on Capital Asset Disposals	-	10,000
Miscellaneous Revenues	<u>224,252</u>	<u>215,319</u>
<b>Total General Revenues</b>	<u>5,251,658</u>	<u>4,806,996</u>
<b>Total Revenues</b>	<u>23,468,093</u>	<u>5,935,389</u>
<b>Expenses:</b>		
Instruction	3,994,757	2,219,547
Supporting Services	<u>2,077,730</u>	<u>6,128,927</u>
<b>Total Expenses</b>	<u>6,072,487</u>	<u>8,348,474</u>
Change in Net Position	17,395,606	(2,413,085)
Net Position - Beginning	<u>(3,223,177)</u>	<u>(810,092)</u>
<b>Net Position Ending</b>	<u>\$ 20,626,498</u>	<u>\$ (3,223,177)</u>

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

# FOWLER SCHOOL DISTRICT R-4J

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2023

### Fund Financial Statements

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

#### Governmental Funds

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

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

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

#### Fiduciary Funds

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

# FOWLER SCHOOL DISTRICT R-4J

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2023

### **Notes to the Financial Statements**

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

### **Other Information**

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

### **Financial Analysis of the Government's Funds**

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

The combined general fund is the largest governmental fund of Fowler School District R-4J. The combined general fund under GASB 34 reporting requirements includes the general fund, insurance reserve fund and preschool fund. As of June 30, 2023, the combined general fund shows an ending fund balance of \$2,758,077, which is an increase of \$451,569 from the prior year, the Capital Reserve Fund balance increased by \$1,036 to \$207,675, the new Building Fund is \$372,476 an increase of \$107,329, the Pupil Activity Fund increased by \$49,436 to \$301,042, the Bond Redemption Fund ending fund balance increased by \$129,072 to \$443,400 and the Food Service Fund decreased by \$1,521 to \$249,745.

### **General Fund Budgetary Highlights**

Fowler School District R-4J began budget development for the 2022-2023 fiscal year in January of 2022 with preliminary analysis of salary requirements. After reviewing enrollment projections and the most current revenue assumptions, the superintendent and his senior staff prepared a preliminary budget by prioritizing the needs expressed in the February hearings' process. The preliminary budget was presented to the Board of Education in May. Adoption of the 2022-2023 District budget occurred in June 2022. A supplemental budget was adopted in January 2023.

**FOWLER SCHOOL DISTRICT R-4J**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2023**

**Capital Assets and Debt Administration**

The District's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$7,316,280. This is a total cost of \$13,767,207 less accumulated depreciation of \$6,450,927.

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	259,349	2,935,055	-	3,194,404
Total Assets not being depreciated	<u>377,983</u>	<u>2,935,055</u>	<u>-</u>	<u>3,313,038</u>
Assets being depreciated:				
Buildings and Improvements	8,520,827	20,610	-	8,541,437
Transportation equipment	495,330	13,000	-	508,330
Other equipment	1,168,096	200,755	-	1,368,851
Food service equipment	35,551	-	-	35,551
Total Assets being depreciated	<u>10,219,804</u>	<u>234,365</u>	<u>-</u>	<u>10,454,169</u>
Accumulated depreciation:				
Buildings	(4,802,219)	(196,048)	-	(4,998,267)
Transportation equipment	(342,564)	(24,725)	-	(367,289)
Other equipment	(1,062,464)	(14,209)	-	(1,076,673)
Food service equipment	(7,127)	(1,571)	-	(8,698)
Total Accumulated depreciation	<u>(6,214,374)</u>	<u>(236,553)</u>	<u>-</u>	<u>(6,450,927)</u>
<b>Net Capital Assets</b>	<b><u>\$ 4,383,413</u></b>	<b><u>\$ 2,932,867</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,316,280</u></b>

At June 30, 2023, Fowler School District R-4J had \$4,705,022 of bonded debt outstanding, which is a decrease of \$194,978 from the prior year. Additional information on the District's capital assets can be found on page 21 of this report.

	<b>Balance 06/30/22</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 06/30/23</b>	<b>Due Within One Year</b>	<b>Interest Expense</b>
Series 2021 Matching Money Bonds	\$ 4,900,000	\$ -	\$ 194,978	\$ 4,705,022	\$ 197,101	\$ 118,478
Compensated Absences	113,548	8,446	-	121,994	-	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 5,013,548</u></b>	<b><u>\$ 8,446</u></b>	<b><u>\$ 194,978</u></b>	<b><u>\$ 4,827,016</u></b>	<b><u>\$ 197,101</u></b>	<b><u>\$ 118,478</u></b>

## **FOWLER SCHOOL DISTRICT R-4J**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2023**

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

The new secondary building is taking shape. This is possible due to the fact that the voters of the district approved a \$4,900,000.00 bond, the district being awarded a \$31,958,947.38 BEST grant, a \$2,339,022.72 BEST supplemental grant, and district contributions of \$100,042.90 for a total of \$39,298,013.00. The new secondary school should be available in late 2023. In addition to the new secondary school, the Fowler School District R-4J applied for another BEST grant to replace the current high school gymnasium roof. This BEST grant was also awarded in the amount of \$619,183.19 with the district contributing \$154,795.79 for a total project cost of \$773,979.00.

Student enrollment is expected to stay flat or be slightly lower as is the case for many school districts in the area. Fortunately, the State of Colorado is appropriating more dollars per student. The legislature also apportioned to additional dollars to small, rural districts for the 2022-23 school year. Fowler School District R-4J's allocation of this grant will be \$172,703.08. In addition, the District has already received several other grants that will be expended in the 2022-23 school year. The Fowler School District R-4J Board of Directors voted to give salary increases on the salary schedule base and also gave steps for the 2022-23 school year. Health insurance premiums continue to rise for which the district is splitting the increased premium costs with its employees. In these uncertain times, it will be imperative to continue to keep a good grasp on the financial condition of the District.

Given these circumstances, the 2022-23 year was a challenging fiscal year. Continued reserve growth is an ongoing financial goal of the District. The upcoming 2023-24 fiscal year will continue to be a challenge in balancing the needs of the students and staff of Fowler School District R-4J and the needs for fiscal stewardship. Teamwork is the key to continued financial stability.

#### **Requests for Information**

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

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

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

# Mayberry & Company, LLC

Certified Public Accountants

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

---

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

## Independent Auditors' Report

### **Opinion**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fowler School District R-4J, as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Fowler School District R-4J's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fowler School District R-4J as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Fowler School District R-4J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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 Fowler School District R-4J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibility 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 generally accepted auditing standards 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.

## **FOWLER SCHOOL DISTRICT R4J**

### Independent Auditors' Report

Page 2

In performing an audit in accordance with generally accepted auditing standards, 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 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 Fowler School District R-4J'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 Fowler School District R-4J'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.

#### ***Report on Summarized Comparative Information***

We have previously audited the Fowler School District R-4J's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### ***Emphasis of a Matter***

As discussed in Note 11 to the financial statements, the 2022 financial statements have been restated to reflect the change in the District's presentation of its Fiduciary Funds to a Special Revenue Fund (Pupil Activity Fund) due to the lack of a formal agreement. The District is also restating the ending receivables in the General Fund to reflect grant expenditures that were not properly coded in the prior year, a payment from the County for TANF related to prior year services and the double payment of an invoice. These restatements impacted both the individual funds and the governmental activities presentation. The District is also restating governmental activities for the amount of the BEST construction from 2022 that was earned and used in the prior year. Our opinion is not modified with respect to these matters.

**FOWLER SCHOOL DISTRICT R4J**

Independent Auditors' Report

Page 3

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

***Supplementary Information***

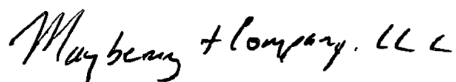
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fowler School District R-4J's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Report on Other Legal and Regulatory Requirements***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Governmental Accounting Standards***

In accordance with Governmental Accounting Standards on our consideration of the Fowler School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Fowler School District R-4J's internal control over financial reporting and compliance.



Englewood, CO  
August 12, 2024

**INTENTIONALLY LEFT BLANK**

**Basic Financial Statements**

**FOWLER SCHOOL DISTRICT R-4J**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 3,992,982
Cash with Fiscal Agent	24,682
Taxes Receivable	47,608
Grants Receivable	1,296,847
Other Accounts Receivable	143,305
Inventory	10,437
<b>Capital and Other Assets</b>	
BEST Grant Receivable	20,063,678
Capital Assets not Being Depreciated	3,313,038
Capital Assets Being Depreciated	10,454,169
Accumulated Depreciation	<u>(6,450,927)</u>
<b>Total Assets</b>	<u>32,895,819</u>
<b>Deferred Outflows of Financial Resources</b>	
Net Pension Deferred Outflows	2,490,261
Net OPEB Deferred Outflows	<u>41,578</u>
<b>Total Deferred Outflows of Financial Resources</b>	<u>2,531,839</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>\$ 35,427,658</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 218,643
Retainage Payable	20,904
Accrued Salaries & Benefits	452,231
Unearned Revenue	3,244
Unearned Revenue Grants	488,424
<b>Noncurrent Liabilities</b>	
Due Within One Year	197,101
Bonds Payable	4,507,921
Accrued Compensated Absences	121,994
Other Long Term Liabilities	<u>6,020,091</u>
Due In More Than One Year	<u>10,650,006</u>
<b>Total Liabilities</b>	<u>12,030,553</u>
<b>Deferred Inflows of Financial Resources</b>	
Net Pension Deferred Inflows	2,665,685
Net OPEB Deferred Inflows	<u>104,922</u>
<b>Total Deferred Inflows of Financial Resources</b>	<u>2,770,607</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,808,359
Restricted Net Position	617,400
Unrestricted Net Position	<u>17,200,739</u>
<b>Total Net Position</b>	<u>20,626,498</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION</b>	<u>\$ 35,427,658</u>

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

**FOWLER SCHOOL DISTRICT R-4J**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense)</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenue and Change in Net Position</b>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Instruction	\$ 3,994,757	\$ 350	\$ 468,987	\$ -	\$ (3,525,420)
Supporting Services	<u>2,077,730</u>	<u>274,728</u>	<u>898,476</u>	<u>16,573,894</u>	<u>15,669,368</u>
<b>Total Primary Government</b>	<u>\$ 6,072,487</u>	<u>\$ 275,078</u>	<u>\$ 1,367,463</u>	<u>\$ 16,573,894</u>	<u>12,143,948</u>
<b>General Revenues</b>					
Property Taxes					1,341,574
Specific Ownership Taxes					185,694
State Equalization					3,484,767
Investment Earnings					15,371
Other Revenues					<u>224,252</u>
<b>Total General Revenues</b>					<u>5,251,658</u>
<b>Change in Net Position</b>					<u>17,395,606</u>
Beginning Net Position					(3,223,177)
Prior Period Restatement					<u>6,454,069</u>
Beginning Net Position (As Restated)					<u>3,230,892</u>
Ending Net Position					<u>\$ 20,626,498</u>

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

**FOWLER SCHOOL DISTRICT R-4J**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>	<b>Special Revenue</b>		<b>Debt Service</b>
		<b>Food Service Fund</b>	<b>Pupil Activity Fund</b>	<b>Bond Redemption Fund</b>
<b>ASSETS</b>				
Cash and Investments	\$ 2,411,933	\$ 227,480	\$ 301,042	\$ 425,545
Cash with Fiscal Agent	22,492	-	-	2,190
Taxes Receivable	31,943	-	-	15,665
Interfund Accounts Receivable	628	641	-	-
Grants Receivable	1,136,099	5,663	-	-
Other Accounts Receivable	112,064	20,635	-	-
Inventory	-	10,437	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,715,159</b>	<b>\$ 264,856</b>	<b>\$ 301,042</b>	<b>\$ 443,400</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Accounts Payable	\$ 21,251	\$ 628	\$ -	\$ -
Accounts Payable	25,902	-	-	-
Retainage Payable	-	-	-	-
Accrued Salaries & Benefits	440,992	11,239	-	-
Unearned Revenue	-	3,244	-	-
Unearned Revenue Grants	468,937	-	-	-
<b>Total Liabilities</b>	<b>957,082</b>	<b>15,111</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Financial Resources</b>				
<b>Fund Balance</b>				
Nonspendable Fund Balance	-	10,436	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	443,400
Restricted for TABOR Emergencies	174,000	-	-	-
Committed Fund Balance	-	239,309	301,042	-
Unassigned Fund Balance	2,584,077	-	-	-
<b>Total Fund Balance</b>	<b>2,758,077</b>	<b>249,745</b>	<b>301,042</b>	<b>443,400</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 3,715,159</b>	<b>\$ 264,856</b>	<b>\$ 301,042</b>	<b>\$ 443,400</b>

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

Capital Projects		Totals	
Building Fund	Capital Reserve Project Fund	2023	2022
\$ 406,245	\$ 220,737	\$ 3,992,982	\$ 4,041,825
-	-	24,682	31,279
-	-	47,608	20,973
-	20,610	21,879	-
155,085	-	1,296,847	374,205
10,606	-	143,305	42,358
-	-	10,437	12,272
<u>\$ 571,936</u>	<u>\$ 241,347</u>	<u>\$ 5,537,740</u>	<u>\$ 4,522,912</u>
\$ -	\$ -	\$ 21,879	\$ -
178,556	14,185	218,643	233,127
20,904	-	20,904	-
-	-	452,231	391,978
-	-	3,244	6,744
-	19,487	488,424	295,569
<u>199,460</u>	<u>33,672</u>	<u>1,205,325</u>	<u>927,418</u>
-	-	10,436	12,272
-	-	443,400	314,328
-	-	174,000	146,000
372,476	207,675	1,120,502	962,386
-	-	2,584,077	2,160,508
<u>372,476</u>	<u>207,675</u>	<u>4,332,415</u>	<u>3,595,494</u>
<u>\$ 571,936</u>	<u>\$ 241,347</u>	<u>\$ 5,537,740</u>	<u>\$ 4,522,912</u>

**INTENTIONALLY LEFT BLANK**

**FOWLER SCHOOL DISTRICT R-4J**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2023**

Fund Balance - Governmental Funds		\$ 4,332,415
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 3,313,038	
Capital assets, being depreciated	10,454,169	
Accumulated depreciation	<u>(6,450,927)</u>	7,316,280
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds		
Long-Term BEST Grant Receivable		20,063,678
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
<b>Pension Liability</b>		
Net pension deferred outflows	2,490,261	
Net pension liability	(5,821,690)	
Net pension deferred inflows	<u>(2,665,685)</u>	(5,997,114)
<b>OPEB Liability</b>		
Net OPEB deferred outflows	41,578	
Net OPEB liability	(198,401)	
Net OPEB deferred inflows	<u>(104,922)</u>	(261,745)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(4,705,022)	
Accrued compensated absences	<u>(121,994)</u>	<u>(4,827,016)</u>
Total Net Position - Governmental Activities		\$ <u>20,626,498</u>

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

**FOWLER SCHOOL DISTRICT R-4J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>General Fund</b>	<b>Special Revenue</b>		<b>Debt Service</b>
		<b>Food Service Fund</b>	<b>Pupil Activity Fund</b>	<b>Bond Redemption Fund</b>
<b>REVENUES</b>				
Local Sources	\$ 1,327,289	\$ 74,886	\$ 204,842	\$ 442,578
Intermediate Sources	61,668	-	-	-
State Sources	3,741,271	3,552	-	-
Federal Sources	876,797	148,615	-	-
<b>TOTAL REVENUES</b>	<u>6,007,025</u>	<u>227,053</u>	<u>204,842</u>	<u>442,578</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	3,562,755	-	236,551	-
Pupil Support	213,280	-	-	-
Staff Support	80,237	-	-	-
General Administration	164,561	-	-	50
School Administration	227,787	-	-	-
Business Services	240,795	-	-	-
Operations and Maintenance	601,036	-	-	-
Transportation	204,548	-	-	-
Other Central Support	75,843	-	-	-
Other Supporting Services	2,144	-	-	-
Food Service	1,281	228,574	-	-
Facilities	-	-	-	-
Debt Service	-	-	-	313,456
<b>TOTAL EXPENDITURES</b>	<u>5,374,267</u>	<u>228,574</u>	<u>236,551</u>	<u>313,506</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>632,758</u>	<u>(1,521)</u>	<u>(31,709)</u>	<u>129,072</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	-	-	-
Transfers in (Out)	(271,266)	-	48,450	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(271,266)</u>	<u>-</u>	<u>48,450</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>361,492</u>	<u>(1,521)</u>	<u>16,741</u>	<u>129,072</u>
<b>BEGINNING FUND BALANCE</b>	2,306,508	251,266	251,606	314,328
Prior Period Adjustment	90,077	-	32,695	-
<b>BEGINNING FUND BALANCE (As Restated)</b>	<u>2,396,585</u>	<u>251,266</u>	<u>284,301</u>	<u>314,328</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,758,077</u>	<u>\$ 249,745</u>	<u>\$ 301,042</u>	<u>\$ 443,400</u>

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

<b>Capital Projects</b>		<b>Totals</b>	
<b>Building Fund</b>	<b>Capital Reserve Project Fund</b>	<b>2023</b>	<b>2022</b>
\$ 641	\$ 484	\$ 2,050,720	\$ 1,596,312
-	-	61,668	113
328,898	35,898	4,109,619	3,498,598
-	-	<u>1,025,412</u>	<u>840,366</u>
<u>329,539</u>	<u>36,382</u>	<u>7,247,419</u>	<u>5,935,389</u>
-	-	3,799,306	3,207,399
-	-	213,280	195,406
-	-	80,237	60,967
-	-	164,611	163,099
-	-	227,787	210,862
-	-	240,795	109,629
-	20,610	621,646	597,053
-	13,000	217,548	173,354
-	-	75,843	85,151
-	-	2,144	3,869
-	-	229,855	280,206
432,026	14,736	446,762	22,065
-	-	<u>313,456</u>	<u>5,101,739</u>
<u>432,026</u>	<u>48,346</u>	<u>6,633,270</u>	<u>10,210,799</u>
<u>(102,487)</u>	<u>(11,964)</u>	<u>614,149</u>	<u>(4,275,410)</u>
-	-	-	4,900,000
<u>209,816</u>	<u>13,000</u>	-	-
<u>209,816</u>	<u>13,000</u>	-	<u>4,900,000</u>
<u>107,329</u>	<u>1,036</u>	<u>614,149</u>	<u>624,590</u>
265,147	206,639	3,595,494	2,970,904
-	-	<u>122,772</u>	-
<u>265,147</u>	<u>206,639</u>	<u>3,718,266</u>	<u>2,970,904</u>
<u>\$ 372,476</u>	<u>\$ 207,675</u>	<u>\$ 4,332,415</u>	<u>\$ 3,595,494</u>

**FOWLER SCHOOL DISTRICT R-4J**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2023**

Change in Fund Balance - Governmental Funds		\$	614,149
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$ 3,169,420		
Depreciation Expense	<u>(236,553)</u>		2,932,867
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant			
State BEST Grant Contribution			16,220,674
District Related Usage of Up-Front Escrow			<u>(2,488,293)</u>
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
<b>Pension Liability</b>			
Current year change and amortization of deferred outflows - net	906,309		
Change in net pension liability	<u>(1,193,562)</u>		
Current year change and amortization of deferred inflows - net	189,569		(97,684)
<b>OPEB Liability</b>			
Current year change and amortization of deferred outflows - net	18,098		
Change in OPEB liability	25,509		
Current year change and amortization of deferred inflows - net	<u>(16,246)</u>		27,361
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable	194,978		
Change in accrued compensated absences	<u>(8,446)</u>		<u>186,532</u>
Total Net Position - Governmental Activities			<u>\$ 17,395,606</u>

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

**FOWLER SCHOOL DISTRICT R-4J**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<u>Private</u>	<u>Totals</u>	
	<u>Scholarship</u>		
	<u>Fund</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ -	\$ 32,695
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>Net Position</b>			
Restricted for Scholarship/Activities	\$ -	\$ -	\$ 32,695

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

## **FOWLER SCHOOL DISTRICT R4J**

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **Reporting Entity**

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

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

##### **Basis of Presentation**

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

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

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

##### **Jointly Governed Organization**

The District, in conjunction with other surrounding districts, participates in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. For the fiscal year ended June 30, 2023, the District paid net assessments totaling \$49,533 to the BOCES. Financial statements for the South Central BOCES can be obtained from the BOCES Administrative offices at 323 S Purcell Blvd., Pueblo West, CO 81007-0504.

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

##### **Basis of Presentation** (Continued)

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

##### Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

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

*Capital Projects Fund (Capital Reserve Project Fund):* This fund is used to account for the majority of the District's non-bond funded capital outlay activity.

The District reports the following nonmajor governmental fund:

*Capital Projects Fund (Building Fund):* This fund is used to account for the District's bond related major capital outlay activity.

The District reports the following fiduciary funds:

*Agency Fund (Scholarship Agency Funds):* This fund is used to account for the money and property held in trust by the District for scholarships. This fund is purely custodial and do not involve the measurement of results of operations.

##### **Measurement Focus and Basis of Accounting**

##### Governmental Fund Financial Statements

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

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2023

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

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

##### **Budgets and Budgetary Accounting**

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

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

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

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### **Measurement Focus and Basis of Accounting**

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

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

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Capital Assets (Continued)

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

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

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

Taxes Receivable - Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. As uncollected 2023 property taxes were measurable at June 30, 2023, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2023, but not collected by June 30, 2023.

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has several items that qualify for reporting in this category, all related to pension and OPEB liabilities as further described in Notes 7 and 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District is reporting deferred inflows related to pension and OPEB liabilities as further described in Notes 7 and 9 as well as prepaid student balances and unearned grant revenue.

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

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

All other remaining governmental balances are reported as unassigned.

##### **Net Position/Fund Balance Flow Assumptions**

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

## **FOWLER SCHOOL DISTRICT R4J**

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

##### **Revenues and Expenditures/Expenses**

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

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

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

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

##### **Comparative Data**

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

## FOWLER SCHOOL DISTRICT R4J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

#### **NOTE 2: CASH AND INVESTMENTS**

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

<u>Type</u>	<u>Carrying Value</u>
<b>Deposits</b>	
Demand deposits	\$ 3,967,646
<b>Investments</b>	
Certificates of deposit	25,336
<b>Total Deposits and Investments</b>	<u>\$ 3,992,982</u>
 <b>Reconciliation to Statement of Net Position</b>	
Cash and investments	
Governmental activities	<u>\$ 3,992,982</u>

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

#### **Custodial Credit Risk**

Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$4,004,701 at June 30, 2023, which was fully insured by depository insurance or secured with collateral held by the District's agent not in the District's name. All investments, evidenced by individual securities, are registered in the name of the District.

#### **Investment Interest Rate Risk**

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

## **FOWLER SCHOOL DISTRICT R4J**

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 2: CASH AND INVESTMENTS (Continued)**

##### **Investment Credit Risk**

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

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

##### **Concentration of Investment Credit Risk**

The District places no limit on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk. The District invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

#### **NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2023 of \$10,437 consisted of purchased food and non-food supplies. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 4: CAPITAL ASSETS**

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

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>				
Assets not being depreciated:				
Land	\$ 118,634	\$ -	\$ -	\$ 118,634
Construction in Progress	259,349	2,935,055	-	3,194,404
Total Assets not being depreciated	377,983	2,935,055	-	3,313,038
Assets being depreciated:				
Buildings and Improvements	8,520,827	20,610	-	8,541,437
Transportation equipment	495,330	13,000	-	508,330
Other equipment	1,168,096	200,755	-	1,368,851
Food service equipment	35,551	-	-	35,551
Total Assets being depreciated	10,219,804	234,365	-	10,454,169
Accumulated depreciation:				
Buildings	(4,802,219)	(196,048)	-	(4,998,267)
Transportation equipment	(342,564)	(24,725)	-	(367,289)
Other equipment	(1,062,464)	(14,209)	-	(1,076,673)
Food service equipment	(7,127)	(1,571)	-	(8,698)
Total Accumulated depreciation	(6,214,374)	(236,553)	-	(6,450,927)
<b>Net Capital Assets</b>	<b>\$ 4,383,413</b>	<b>\$ 2,932,867</b>	<b>\$ -</b>	<b>\$ 7,316,280</b>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 146,939
Supporting services	89,614
<b>Total depreciation</b>	<b>\$ 236,553</b>

The District has entered into a BEST grant agreement with the State of Colorado as further described in Note 13. For the prior year financial statement presentation, the State's portion of the building was presented as a capital asset and was depreciated. Since that portion of the District's facilities will not be owned by the District until the State repays its outstanding debt obligation related to the construction, the State portion has been reclassified as a long-term grant receivable that will be amortized through the debt obligation period and will be added to the District's capital assets upon the repayment.

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, in the General and Food Service Funds as of June 30, 2023, are \$440,992 and \$11,239, respectively. Accordingly, the accrued compensation is reflected as a liability in the General and Food Service Funds in the accompanying financial statements.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 6: LONG-TERM OBLIGATIONS**

At June 30, 2023, the District had the following long-term obligations.

	<u>Balance 06/30/22</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 06/30/23</u>	<u>Due Within One Year</u>	<u>Interest Expense</u>
Series 2021 Matching Money Bond:	\$ 4,900,000	\$ -	\$ 194,978	\$ 4,705,022	\$ 197,101	\$ 118,478
Compensated Absences	113,548	8,446	-	121,994	-	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 5,013,548</u></b>	<b><u>\$ 8,446</u></b>	<b><u>\$ 194,978</u></b>	<b><u>\$ 4,827,016</u></b>	<b><u>\$ 197,101</u></b>	<b><u>\$ 118,478</u></b>

**Series 2021 Matching Money Bonds**

In December of 2021 the voters of the District approved a bond issue in the amount of \$4,900,000 to supplement BEST awarded by the State of Colorado to build a new school building on purchased land. Principal is due annually on December 30, and interest at 2.467% is due semiannually on June 30 and December 30. Payments are made through the Bond Redemption Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 197,101	\$ 113,642	\$ 310,743
2025	201,964	108,719	310,683
2026	206,946	103,676	310,622
2027	212,052	98,507	310,559
2028	217,283	93,211	310,494
2029-2033	1,169,514	381,932	1,551,446
2034-2038	1,321,069	228,507	1,549,576
2039-2042	1,179,093	59,060	1,238,153
	<b><u>\$ 4,705,022</u></b>	<b><u>\$ 1,187,254</u></b>	<b><u>\$ 5,892,276</u></b>

**NOTE 7: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* 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. As of June 30, 2023 47 employees were members of the PERA Plan.

## FOWLER SCHOOL DISTRICT R4J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

#### **NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

##### **General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. 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).

*Benefits provided as of December 31, 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(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the 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% or 100% 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.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (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 disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

*Contributions provisions as of June 30, 2023:* Eligible employees of, 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 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	<b>July 1, 2022 Through June 30, 2023</b>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	10.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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 \$496,440 for the year ended June 30, 2023.

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 a \$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. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023 the District reported a liability of \$5,821,690 for its proportionate share of the net pension liability that reflected a reduction in its overall proportionate share of the liability due to support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (5,821,690)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (1,313,679)
<b>Total</b>	<b>\$ (7,135,369)</b>

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

At December 31, 2022, the District's proportion was 0.03197%, which was a decrease of 0.00780% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$618,389 and revenue of \$1,313,679 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 73,415	\$ -
Changes of assumptions or other inputs	\$ 147,574	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 1,819,575	\$ (1,358,415)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 182,974	\$ (1,307,270)
Contributions subsequent to the measurement date	\$ 266,723	\$ -
<b>Total</b>	<b>\$ 2,490,261</b>	<b>\$ (2,665,685)</b>

\$266,723 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	<b>Fiscal Year Totals</b>
2023	\$ (488,654)
2024	(471,719)
2025	63,332
2026	454,894
<b>Total</b>	<b>\$ (442,147)</b>

*Actuarial assumptions.* The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) <sup>1</sup>	1.00%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

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

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period 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 at least every five years for PERA. 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.

The PERA Board first adopted the 7.25% 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected</b>
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%
<b>Total</b>	<b>100.00%</b>	

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 TPL 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%.

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2023

#### **NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

Based on the above assumptions and methods, the 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 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.

*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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension asset (liability)	\$ (7,618,590)	\$ (5,821,690)	\$ (4,321,095)

*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 8: DEFINED CONTRIBUTION PLAN**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2023 program members contributed \$39,650.

## FOWLER SCHOOL DISTRICT R4J

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**

##### **Summary of Significant Accounting Policies**

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

##### **General Information about the OPEB Plan**

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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).

*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.

## FOWLER SCHOOL DISTRICT R4J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

#### **NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

##### **General Information about the OPEB Plan** (Continued)

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

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

##### *DPS Benefit Structure*

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

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 District were \$25,152 for the year ended June 30, 2023.

At June 30, 2023, the District reported a liability of \$198,401 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.02430%, which was a decrease of 0.00167% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,300. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 28	\$ (51,040)
Changes of assumptions or other inputs	\$ 3,409	\$ (22,662)
Net difference between projected and actual earnings on pension plan investments	\$ 21,762	\$ (10,406)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 3,030	\$ (20,814)
Contributions subsequent to the measurement date	\$ 13,349	\$ -
<b>Total</b>	<b>\$ 41,578</b>	<b>\$ (104,922)</b>

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

\$13,349 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30:</b>	<b>Fiscal Year Totals</b>
2024	\$ (24,388)
2025	(22,974)
2026	(13,508)
2027	(5,512)
2028	(8,405)
2029	(1,906)
<b>Total</b>	<b>\$ (76,693)</b>

*Actuarial assumptions.* The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% for 2022, gradually increasing to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

<b>AGE-RELATED MORBIDITY ASSUMPTIONS</b>		
<b>Participant Age</b>	<b>Annual Increase (Male)</b>	<b>Annual Increase (Female)</b>
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

<b>Sample Age</b>	<b>MAPD PPO #1 with Medicare Part A Retiree/Spouse</b>		<b>MAPD PPO #1 with Medicare Part A Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$ 1,704	\$ 1,450	\$ 6,514	\$ 5,542
70	1,976	1,561	7,553	5,966
75	2,128	1,681	8,134	6,425

<b>Sample Age</b>	<b>MAPD PPO #2 with Medicare Part A Retiree/Spouse</b>		<b>MAPD PPO #2 with Medicare Part A Retiree/Spouse</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
65	\$ 583	\$ 496	\$ 4,227	\$ 3,596
70	676	534	4,901	3,872
75	728	575	5,278	4,169

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,923	\$ 1,634	\$ 6,752	\$ 5,739
70	2,229	1,761	7,826	6,185
75	2,401	1,896	8,433	6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, 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:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

## FOWLER SCHOOL DISTRICT R4J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

#### **NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

- **Males:** 112% 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 mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

## FOWLER SCHOOL DISTRICT R4J

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

#### **NOTE 9: OTHER POST-EMPLOYMENT 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 were based 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.

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period 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 at least every five years for PERA. 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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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%.

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

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates</b>			
	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (192,785)	\$ (198,401)	\$ (204,511)

*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, 2022, 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.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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:

<b>Discount Rate</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension asset (liability)	\$ (230,005)	\$ (198,401)	\$ (171,369)

*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: RISK MANAGEMENT**

Property and Liability Coverage

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

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

## **FOWLER SCHOOL DISTRICT R4J**

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 10: RISK MANAGEMENT** (Continued)

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, 2023. CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

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

#### Workers Compensation

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

#### **NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

##### **A. Claims and Judgments**

The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

##### **B. Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment. However, in November 1995, District voters approved a ballot question allowing the District to collect, retain, and expend all revenues notwithstanding the limitations of the Tabor Amendment. The Amendment requires the District to reserve 3 percent of fiscal year spending for emergencies. At June 30, 2023, the District had reserved \$174,000 for this purpose.

**FOWLER SCHOOL DISTRICT R4J**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

(Continued)

**C. BEST Building Project**

In November 2019, the District passed an election question authorizing the issuance of up to \$4.9 million of general obligations bonds to be used for matching purposes towards District facility needs conditioned on the receipt of one or more grants of financial assistance under the State Building Excellent Schools Today ("BEST") program or other available grant options. In September 2021, the District approved matching dollars for a BEST grant in the amount of \$4,902,584 as determined by the Public Schools Capital Construction Assistance Board, to be funded through the issuance of \$4.900,000 of general obligation bonds and \$2,584 of funding from the Capital Reserve Fund. The BEST portion of the project is \$31,958,947 with a total project cost of \$36,861,531.

**NOTE 12: INTERFUND ACTIVITY**

The District has recorded the following routine operating transfers through June 30, 2023.

The General Fund transferred to the Pupil Activity Fund, Building Fund and the Capital Reserve Fund in the amounts of \$48,450, \$209,816 and \$13,000, respectively.

The District has the following internal balances as of the year ending June 30, 2023.

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 628	\$ 21,251
Food Service Fund	641	628
Capital Reserve Fund	20,610	-
<b>Balance</b>	<b><u>\$ 21,879</u></b>	<b><u>\$ 21,879</u></b>

**NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS**

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2022 with the District providing an upfront match payment held in escrow of \$4,902,584. The State is funding their portion of this program, \$31,958,947, through Certificate of Participation issuances. The State will coordinate the payment to the contractors with no funding flowing through to the District other than for reimbursable costs that the District incurs. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

## **FOWLER SCHOOL DISTRICT R4J**

### **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2023**

#### **NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS** (Continued)

The improvements completed by the BEST grant and local contribution totaled \$1,949,995 as of June 30, 2022 and \$20,658,962 as of June 30, 2023. The District had a long-term receivable in the amount of the CDE portion of the 2022 activity in the amount of \$1,690,646 plus the unspent District escrow in the amount of \$4,640,651 for a total of \$6,331,297 as of June 30, 2022. For 2023, due to ongoing construction activity, the CDE portion increased to \$17,911,320, while the unspent District portion decreased to \$2,152,358 for a total receivable of \$20,063,678.

As part of the BEST grant agreement, the District will fund a capital replacement reserve equal to \$100 per funded pupil based on the annual October student count, commencing the year after the project is placed in service.

#### **NOTE 14: DEFICIT NET POSITION**

The Governmental Activities an unrestricted net position deficit of \$(2,882,296) primarily due to the PERA net pension liability of \$5,821,690 and related net deferrals, as further described in Note 7 and net OPEB liability of \$198,401 and related net deferrals, further described in Note 9. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

#### **NOTE 11: PRIOR YEAR RESTATEMENTS**

The District has restated the prior year amounts in the current year's financial statements for the following three items. The District changed the presentation of the Fiduciary Scholarship Fund to instead be presented as part of the Pupil Activity special revenue fund due to the lack of formal agreements. The total net June 30, 2023 ending net position of \$32,695 was transferred as of July 1, 2023. The net position in the governmental activities was increased accordingly.

It was determined that the ending federal grants receivable at June 30, 2022 was understated by \$58,383 due to a TANF grant payment for fiscal year 2022 that was not received until after year end. In addition, two ESSER grant receivables were understated by \$6,294 as of June 30, 2022 due to incorrect coding of expenditures. Finally, the District double paid an invoice for \$25,400, that was discovered after year end. This resulted in total restatements in the General Fund of \$90,077 increasing the net position in both the General Fund and governmental activities by that amount.

The District failed to record the long-term receivable related to the BEST project as described above in Note 13. This restatement resulted in an increase in governmental activities net position of \$6,331,297. Overall net position including the Fiduciary change, the General Fund restatement and the BEST project total \$6,454,069.

**Required Supplementary Information**  
Pension and OPEB Schedules (Unaudited)

FOWLER SCHOOL DISTRICT R-4J

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

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.051236%	\$ (6,535,081)	\$ -	\$ (6,535,081)	\$ 2,065,468	316.40%	64.07%
June 30, 2015	0.049083%	\$ (6,652,450)	\$ -	\$ (6,652,450)	\$ 2,056,243	323.52%	62.84%
June 30, 2016	0.047517%	\$ (7,267,320)	\$ -	\$ (7,267,320)	\$ 2,070,760	350.95%	59.16%
June 30, 2017	0.045870%	\$ (13,657,129)	\$ -	\$ (13,657,129)	\$ 2,058,706	663.38%	43.13%
June 30, 2018	0.045537%	\$ (14,725,109)	\$ -	\$ (14,725,109)	\$ 2,100,577	701.00%	43.96%
June 30, 2019	0.039797%	\$ (7,046,896)	\$ (847,660)	\$ (7,894,556)	\$ 2,187,861	322.09%	57.01%
June 30, 2020	0.040601%	\$ (6,065,649)	\$ (682,752)	\$ (6,748,401)	\$ 2,370,562	255.87%	64.52%
June 30, 2021	0.045752%	\$ (6,916,817)	\$ -	\$ (6,916,817)	\$ 2,478,457	279.08%	66.99%
June 30, 2022	0.039770%	\$ (4,628,128)	\$ (475,990)	\$ (5,104,118)	\$ 2,485,473	186.21%	74.86%
June 30, 2023	0.031971%	\$ (5,821,690)	\$ (1,313,679)	\$ (7,135,369)	\$ 2,564,256	227.03%	61.79%

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

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

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years<sup>(1)</sup>

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 320,767	\$ (320,767)	\$ -	\$ 2,065,468	15.53%
June 30, 2015	\$ 337,841	\$ (337,841)	\$ -	\$ 2,056,243	16.43%
June 30, 2016	\$ 358,863	\$ (358,863)	\$ -	\$ 2,070,760	17.33%
June 30, 2017	\$ 373,243	\$ (373,243)	\$ -	\$ 2,058,706	18.13%
June 30, 2018	\$ 391,337	\$ (391,337)	\$ -	\$ 2,100,577	18.63%
June 30, 2019	\$ 418,538	\$ (418,538)	\$ -	\$ 2,187,861	19.13%
June 30, 2020	\$ 459,415	\$ (459,415)	\$ -	\$ 2,370,562	19.38%
June 30, 2021	\$ 480,325	\$ (480,325)	\$ -	\$ 2,478,457	19.38%
June 30, 2022	\$ 494,112	\$ (494,112)	\$ -	\$ 2,485,473	19.88%
June 30, 2023	\$ 496,440	\$ (496,440)	\$ -	\$ 2,564,256	19.36%

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

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

See the accompanying Independent Auditors' Report.

FOWLER SCHOOL DISTRICT R-4J

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

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.02607%	\$ (338,042)	\$ 2,058,706	16.42%	16.70%
June 30, 2018	0.02587%	\$ (336,259)	\$ 2,100,577	16.01%	17.53%
June 30, 2019	0.02587%	\$ (351,949)	\$ 2,187,861	16.09%	17.03%
June 30, 2020	0.02653%	\$ (298,234)	\$ 2,370,562	12.58%	24.49%
June 30, 2021	0.02647%	\$ (251,495)	\$ 2,478,457	10.15%	32.78%
June 30, 2022	0.02597%	\$ (223,910)	\$ 2,485,473	9.01%	39.40%
June 30, 2023	0.02430%	\$ (198,401)	\$ 2,564,256	7.74%	38.57%

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

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

See the accompanying Independent Auditors' Report.

**FOWLER SCHOOL DISTRICT R-4J**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB**

**PERA Health Care Trust Fund**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 20,999	\$ (20,999)	\$ -	\$ 2,058,706	1.02%
June 30, 2018	\$ 21,426	\$ (21,426)	\$ -	\$ 2,100,577	1.02%
June 30, 2019	\$ 22,316	\$ (22,316)	\$ -	\$ 2,187,861	1.02%
June 30, 2020	\$ 24,180	\$ (24,180)	\$ -	\$ 2,370,562	1.02%
June 30, 2021	\$ 25,280	\$ (25,280)	\$ -	\$ 2,478,457	1.02%
June 30, 2022	\$ 25,352	\$ (25,352)	\$ -	\$ 2,485,473	1.02%
June 30, 2023	\$ 26,155	\$ (26,155)	\$ -	\$ 2,564,256	1.02%

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

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

See the accompanying Independent Auditors' Report.

**INTENTIONALLY LEFT BLANK**

**Required Supplementary Information**  
(Budgetary Comparison Schedules)

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2022 Actual</b>
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 715,930	\$ 750,430	902,411	\$ 151,981	\$ 750,346
Specific Ownership Taxes	146,853	146,853	184,709	37,856	152,933
Delinquent Taxes	-	1,010	(2,430)	(3,440)	573
Investment Earnings	12,000	12,000	12,402	402	4,053
Local Sources	-	-	6,105	6,105	1,105
Donations	-	-	8,750	8,750	6,400
Instructional Materials Fees	-	-	350	350	1,550
Local BOCES Passthrough	107,500	82,500	60,854	(21,646)	77,018
Indirect Cost Revenue	12,000	12,000	133,121	121,121	-
Insurance Proceeds	-	-	-	-	3,682
Other Local	224,270	106,270	21,017	(85,253)	40,004
Total Local Sources	<u>1,218,553</u>	<u>1,111,063</u>	<u>1,327,289</u>	<u>216,226</u>	<u>1,037,664</u>
<b>Intermediate Sources</b>					
Mineral Leases	-	-	23	23	34
Other Intermediate Source Revenue	-	-	61,645	61,645	64
Total Intermediate Sources	<u>-</u>	<u>-</u>	<u>61,668</u>	<u>61,668</u>	<u>98</u>
<b>State Sources</b>					
State Share (Equalization)	3,550,518	3,484,718	3,484,767	49	3,306,574
State Transportation	35,000	26,655	27,693	1,038	36,373
State Grants from CDE					
State ELPA	-	-	772	772	1,829
State Grants to Libraries	-	-	4,500	4,500	4,586
Small Rural Schools Additional Funding	126,920	123,677	28,752	(94,925)	19,905
Additional As- Risk Funding	-	-	2,407	2,407	3,158
READ Act	2,978	7,331	7,331	-	2,978
One-Time At-Risk Mitigation Grant	-	-	-	-	16,206
State Grants from Other Agencies					
State Vocational Education	32,000	35,284	35,284	-	42,429
State PERA Contribution	-	-	144,668	144,668	56,644
Other Agency State Grants	65,000	65,000	-	(65,000)	900
State Grants Provided through BOCES	-	-	5,097	5,097	5,043
Total State Sources	<u>3,812,416</u>	<u>3,742,665</u>	<u>3,741,271</u>	<u>(1,394)</u>	<u>3,496,625</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Pgrms Oper by Sch	137,525	137,525	158,226	20,701	113,221
NCLB Title II, Part A- Teacher & Principal Trng	19,011	19,288	19,288	-	21,164
ESSER III	532,197	706,336	609,180	(97,156)	14,053
ESSER II - Distribution 90%	-	314,283	8,253	(306,030)	302,114
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	10,000	-	10,000
SNAP - P-EBT	-	-	1,281	1,281	-
State Library Program	-	6,000	6,000	-	-
Improving Student Health And Academic Achievement	-	1,650	2,000	350	-
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	10,500	7,500	18,847	11,347	18,921
Governor's Emergency Education Relief Fund (GEER II Fund) - RI	-	-	9,034	9,034	-
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	28,266	28,266	29,688	1,422	27,689
Federal Provided through BOCES	-	-	5,000	5,000	-
Total Federal Sources	<u>737,499</u>	<u>1,230,848</u>	<u>876,797</u>	<u>(354,051)</u>	<u>507,162</u>
<b>TOTAL REVENUES</b>	<u>5,768,468</u>	<u>6,084,576</u>	<u>6,007,025</u>	<u>(77,551)</u>	<u>5,041,549</u>

See the accompanying Independent Auditors' Report

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	1,807,916	1,715,666	1,844,736	(129,070)	1,758,159
Benefits	681,915	689,844	820,889	(131,045)	687,711
PS-Property	6,000	6,000	4,504	1,496	5,402
PS-Other	303,975	306,625	259,633	46,992	257,283
Supplies	209,228	452,178	342,230	109,948	101,904
Property	32,500	330,033	268,407	61,626	133,290
Other Expenses	740,438	35,470	22,356	13,114	28,375
Total Instruction	<u>3,781,972</u>	<u>3,535,816</u>	<u>3,562,755</u>	<u>(26,939)</u>	<u>2,972,124</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	140,190	140,190	141,766	(1,576)	131,629
Benefits	45,020	45,020	44,546	474	40,095
PS-Other	1,100	3,600	2,082	1,518	6,631
Supplies	2,500	2,500	2,306	194	15,044
Property	69,200	25,000	22,550	2,450	2,007
Other Expenses	210	210	30	180	-
Total Pupil Support	<u>258,220</u>	<u>216,520</u>	<u>213,280</u>	<u>3,240</u>	<u>195,406</u>
<b>Staff Support</b>					
Salaries	126,625	256,991	32,698	224,293	32,211
Benefits	24,095	32,095	17,188	14,907	14,816
PS- Professional	2,025	30,000	12,795	17,205	-
PS-Other	6,950	8,950	3,941	5,009	5,355
Supplies	8,250	21,250	13,615	7,635	8,585
Other Expenses	600	600	-	600	-
Total Staff Support	<u>168,545</u>	<u>349,886</u>	<u>80,237</u>	<u>269,649</u>	<u>60,967</u>
<b>General Administration</b>					
Salaries	76,835	76,835	76,292	543	73,550
Benefits	37,220	37,220	35,356	1,864	33,507
PS- Professional	19,200	19,200	15,295	3,905	12,831
PS-Other	35,400	35,400	29,291	6,109	34,488
Supplies	1,500	1,500	523	977	1,052
Other Expenses	8,500	8,500	7,804	696	7,195
Total General Administration	<u>178,655</u>	<u>178,655</u>	<u>164,561</u>	<u>14,094</u>	<u>162,623</u>
<b>School Administration</b>					
Salaries	154,400	154,400	153,912	488	145,671
Benefits	59,145	59,145	58,628	517	54,462
PS-Other	3,500	3,500	1,503	1,997	2,074
Supplies	2,000	2,000	4,369	(2,369)	1,790
Property	-	2,150	1,843	307	6,105
Other Expenses	9,700	9,700	7,532	2,168	760
Total School Administration	<u>228,745</u>	<u>230,895</u>	<u>227,787</u>	<u>3,108</u>	<u>210,862</u>

See the accompanying Independent Auditors' Report

(Continued)

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	81,340	81,340	81,340	-	77,840
Benefits	25,585	25,585	25,656	(71)	24,123
PS-Other	6,500	6,500	6,041	459	5,662
Supplies	3,000	3,000	538	2,462	1,484
Other Expenses	101,645	101,645	127,219	(25,574)	520
Total Business Services	<u>218,070</u>	<u>218,070</u>	<u>240,794</u>	<u>(22,724)</u>	<u>109,629</u>
<b>Operations and Maintenance</b>					
Salaries	185,785	185,785	187,837	(2,052)	158,505
Benefits	70,400	80,900	76,964	3,936	59,680
PS- Property	43,000	47,500	36,435	11,065	29,129
PS-Other	100,779	112,279	102,162	10,117	92,665
Supplies	235,400	235,400	194,938	40,462	183,605
Property	-	2,700	2,700	-	68,104
Other Expenses	350	350	-	350	-
Total Operations and Maintenance	<u>635,714</u>	<u>664,914</u>	<u>601,036</u>	<u>63,878</u>	<u>591,688</u>
<b>Transportation</b>					
Salaries	87,650	87,650	95,788	(8,138)	92,981
Benefits	28,250	28,250	28,761	(511)	27,385
PS-Other	29,700	29,700	28,541	1,159	27,708
Supplies	50,250	65,650	66,640	(990)	43,367
Property	-	3,000	3,000	-	1,132
Other Expenses	(19,990)	(19,990)	(18,182)	(1,808)	(19,219)
Total Transportation	<u>175,860</u>	<u>194,260</u>	<u>204,548</u>	<u>(10,288)</u>	<u>173,354</u>
<b>Other Central Support</b>					
Salaries	33,050	33,050	31,981	1,069	34,471
Benefits	11,543	11,543	10,848	695	10,634
PS-Other	32,894	34,394	31,233	3,161	37,555
Supplies	1,000	3,500	1,781	1,719	484
Property	-	-	-	-	2,007
Total Other Central Support	<u>78,487</u>	<u>82,487</u>	<u>75,843</u>	<u>6,644</u>	<u>85,151</u>
<b>Other Supporting Services</b>					
Salaries	500	500	500	-	500
Benefits	250	250	114	136	113
Supplies	2,500	2,500	1,530	970	3,257
Total Other Supporting Services	<u>3,250</u>	<u>3,250</u>	<u>2,144</u>	<u>1,106</u>	<u>3,870</u>
<b>Food Service</b>					
Salaries	600	600	1,334	(734)	-
Benefits	250	250	(53)	303	-
Total Food Service	<u>850</u>	<u>850</u>	<u>1,281</u>	<u>(431)</u>	<u>-</u>
<b>Total Supporting Services</b>	<u>1,946,396</u>	<u>2,139,787</u>	<u>1,811,511</u>	<u>328,276</u>	<u>1,593,550</u>
<b>TOTAL EXPENDITURES</b>	<u>5,728,368</u>	<u>5,675,603</u>	<u>5,374,266</u>	<u>301,337</u>	<u>4,565,674</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	40,100	408,973	632,759	223,786	475,875
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	40,100	88,710	(271,266)	(359,976)	(347,319)
<b>CHANGE IN FUND BALANCE</b>	80,200	497,683	361,493	(136,190)	128,556
<b>BEGINNING FUND BALANCE</b>	-	-	2,306,508	2,306,508	2,177,952
PRIOR PERIOD RESTATEMENT	-	-	90,077	90,077	-
<b>BEGINNING FUND BALANCE (As Restated)</b>	-	-	2,396,585	2,396,585	2,177,952
<b>ENDING FUND BALANCE</b>	<u>\$ 80,200</u>	<u>\$ 497,683</u>	<u>2,758,078</u>	<u>\$ 2,260,395</u>	<u>\$ 2,306,508</u>

See accompanying Independent Auditors' Report.

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Food Service Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>				
<b>Local Sources</b>				
Investment Earnings	\$ 500	\$ 238	\$ (262)	\$ 97
Food Service Revenue	57,500	74,648	17,148	9,819
Total Local Sources	<u>58,000</u>	<u>74,886</u>	<u>16,886</u>	<u>9,916</u>
<b>State Sources</b>				
State Grants from CDE				
State Matching Child Nutrition	1,500	1,494	(6)	1,973
Start Smart Nutrition	400	376	(24)	-
School Lunch Protection: F&R for Pre-K thru 2nd	1,750	1,682	(68)	-
Total State Sources	<u>3,650</u>	<u>3,552</u>	<u>(98)</u>	<u>1,973</u>
<b>Federal Sources</b>				
Federal Grants from CDE				
School Breakfast Program	35,000	19,074	(15,926)	-
National School Lunch Program	153,500	103,949	(49,551)	-
Summer Food Service Program for Children	-	-	-	85,801
SNAP - P-EBT	750	-	(750)	614
Seamless Summer Option - Breakfast	-	-	-	31,831
Seamless Summer Option - Lunch	-	-	-	184,329
Supply Chain Assistance Grant	24,075	17,711	(6,364)	10,660
Federal Grants from Other State Agencies				
National School Lunch Program- Commodities	16,000	7,881	(8,119)	15,902
Child and Adult Care Food Program	-	-	-	4,067
Total Federal Sources	<u>229,325</u>	<u>148,615</u>	<u>(80,710)</u>	<u>333,204</u>
<b>TOTAL REVENUES</b>	<u>290,975</u>	<u>227,053</u>	<u>(63,922)</u>	<u>345,093</u>
<b>EXPENDITURES</b>				
<b>Supporting Services</b>				
<b>Food Service</b>				
Salaries	89,300	81,005	8,295	85,855
Benefits	39,175	38,152	1,023	38,277
PS- Property	-	-	-	1,328
PS-Other	4,500	4,357	143	2,094
Supplies	14,000	8,014	5,986	3,804
Food	128,000	89,165	38,835	129,721
Commodities	16,000	7,881	8,119	15,902
Property	-	-	-	3,225
<b>TOTAL EXPENDITURES</b>	<u>290,975</u>	<u>228,574</u>	<u>62,401</u>	<u>280,206</u>
<b>CHANGE IN FUND BALANCE</b>	-	(1,521)	(1,521)	64,887
<b>BEGINNING FUND BALANCE</b>	-	251,266	251,266	186,379
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 249,745</u>	<u>\$ 249,745</u>	<u>\$ 251,266</u>

See accompanying Independent Auditors' Report.

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Pupil Activity Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>				
<b>Local Sources</b>				
Investment Earnings	\$ 500	\$ 1,604	\$ 1,104	\$ 268
Other Local	<u>235,000</u>	<u>203,238</u>	<u>(31,762)</u>	<u>171,632</u>
<b>TOTAL REVENUES</b>	235,500	204,842	(30,658)	171,900
<b>EXPENDITURES</b>				
<b>Instruction</b>				
PS-Other	<u>290,500</u>	<u>236,551</u>	<u>53,949</u>	<u>235,275</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPE</b>	(55,000)	(31,709)	23,291	(63,375)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>55,000</u>	<u>48,450</u>	<u>(6,550)</u>	<u>54,790</u>
<b>CHANGE IN FUND BALANCE</b>	-	<u>16,741</u>	<u>16,741</u>	<u>(8,585)</u>
<b>BEGINNING FUND BALANCE</b>	-	251,606	251,606	260,191
PRIOR PERIOD RESTATEMENT	-	<u>32,695</u>	<u>32,695</u>	-
<b>BEGINNING FUND BALANCE (As Restated)</b>	-	284,301	284,301	260,191
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 301,042</u>	<u>\$ 301,042</u>	<u>\$ 251,606</u>

See accompanying Independent Auditors' Report.

## **Other Supplementary Information**

**INTENTIONALLY LEFT BLANK**

**Debt Service Fund**

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>				
<b>Local Sources</b>				
Property Taxes	\$ 350,000	\$ 442,990	\$ 92,990	\$ 366,418
Specific Ownership Taxes	-	986	986	-
Delinquent Taxes	-	(1,398)	(1,398)	48
Investment Earnings	200	-	(200)	95
Total Local Sources	<u>350,200</u>	<u>442,578</u>	<u>92,378</u>	<u>366,561</u>
<b>Intermediate Sources</b>				
Other Intermediate Source Revenue	-	-	-	15
<b>TOTAL REVENUES</b>	<u>350,200</u>	<u>442,578</u>	<u>92,378</u>	<u>366,576</u>
<b>EXPENDITURES</b>				
<b>Supporting Services</b>				
<b>General Administration</b>				
PS- Professional	500	50	450	475
<b>Debt Service</b>				
Interest	118,500	118,478	22	59,155
Principal	195,000	194,978	22	140,000
Total Debt Service	<u>313,500</u>	<u>313,456</u>	<u>44</u>	<u>199,155</u>
<b>TOTAL EXPENDITURES</b>	<u>314,000</u>	<u>313,506</u>	<u>494</u>	<u>199,630</u>
<b>CHANGE IN FUND BALANCE</b>	36,200	129,072	92,872	166,946
<b>BEGINNING FUND BALANCE</b>	-	314,328	314,328	147,382
<b>ENDING FUND BALANCE</b>	<u>\$ 36,200</u>	<u>\$ 443,400</u>	<u>\$ 407,200</u>	<u>\$ 314,328</u>

See accompanying Independent Auditors' Report.

## **Capital Projects Fund**

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Building Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	
<b>REVENUES</b>					
<b>Local Sources</b>					
Investment Earnings	\$ -	\$ 500	\$ 641	\$ 141	23
Local Sources	-	500	-	(500)	-
Total Local Sources	-	1,000	641	(359)	23
<b>State Sources</b>					
Best Lease Purchase Grant Program	-	140,000	-	(140,000)	-
Best Capital Construction Program	-	145,000	328,898	183,898	-
Total State Sources	-	285,000	328,898	43,898	-
<b>TOTAL REVENUES</b>	-	286,000	329,539	43,539	23
<b>EXPENDITURES</b>					
<b>Facilities/Capital Outlay</b>					
Buildings	252,260	874,815	432,026	442,789	7,500
<b>TOTAL EXPENDITURES</b>	252,260	874,815	432,026	442,789	7,500
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(252,260)	(588,815)	(102,487)	486,328	(7,477)
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	-	-	4,900,000
Escrow Payment	-	-	-	-	(4,900,000)
Transfers	-	440,000	209,816	(230,184)	272,624
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	440,000	209,816	(230,184)	272,624
<b>CHANGE IN FUND BALANCE</b>	(252,260)	(148,815)	107,329	256,144	265,147
<b>BEGINNING FUND BALANCE</b>	-	-	265,147	265,147	-
<b>ENDING FUND BALANCE</b>	\$ (252,260)	\$ (148,815)	\$ 372,476	\$ 521,291	\$ 265,147

See accompanying Independent Auditors' Report.

**FOWLER SCHOOL DISTRICT R-4J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Reserve Project Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	2023		Variance with Final Budget	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
<b>Local Sources</b>				
Investment Earnings	\$ 400	\$ 484	\$ 84	\$ 248
Sale of Fixed Asser/ Insurance Proceeds	-	-	-	10,000
Total Local Sources	400	484	84	10,248
<b>State Sources</b>				
Small Rural Schools Additional Funding	-	20,610	20,610	-
SAFER/School Safety Grant	-	15,288	15,288	-
Total State Sources	-	35,898	35,898	-
<b>EXPENDITURES</b>				
<b>Supporting Services</b>				
<b>Operations and Maintenance</b>				
Property	20,610	20,610	-	5,365
<b>Transportation</b>				
Property	13,000	13,000	-	-
<b>Facilities/Capital Outlay</b>				
PS- Professional	-	-	-	25
Land and Improvements	-	-	-	7,194
Buildings	-	14,736	(14,736)	7,346
<b>TOTAL EXPENDITURES</b>	<b>33,610</b>	<b>48,346</b>	<b>(14,736)</b>	<b>19,930</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(33,210)</b>	<b>(11,964)</b>	<b>21,246</b>	<b>(9,682)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Escrow Payment	-	-	-	(2,584)
Transfers	33,610	13,000	(20,610)	19,905
<b>CHANGE IN FUND BALANCE</b>	<b>400</b>	<b>1,036</b>	<b>636</b>	<b>7,639</b>
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>206,639</b>	<b>206,639</b>	<b>199,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 400</b>	<b>\$ 207,675</b>	<b>\$ 207,275</b>	<b>\$ 206,639</b>

See accompanying Independent Auditors' Report.

**INTENTIONALLY LEFT BLANK**

## **Fiduciary Funds**

**FOWLER SCHOOL DISTRICT R-4J**  
**Statement of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Scholarship Fund**  
**For the Year Ended June 30, 2023**  
**(With Comparative Totals for the Year Ended June 30, 2022)**

	<b>2023</b>		<b>2022</b>	
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Local Sources	\$ 5,200	\$ -	\$ (5,200)	\$ 9,095
<b>DEDUCTIONS</b>				
Instruction	5,000	-	5,000	4,750
<b>CHANGE IN FIDUCIARY NET POSITION</b>	200	-	(200)	4,345
<b>BEGINNING NET POSITION</b>	-	32,695	32,695	28,350
<b>Prior Period Adjustment</b>	-	(32,695)	(32,695)	-
<b>BEGINNING NET POSITION (As Restated)</b>	-	-	-	28,350
<b>ENDING NET POSITION</b>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ (200)</u>	<u>\$ 32,695</u>

See the accompanying Independent Auditors' Report

**COMPLIANCE SECTION**

**State Compliance**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2540 - Fowler R-4J  
 Fiscal Year 2022-23  
 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
<b>Governmental</b>						
10 General Fund	2,397,586		5,516,538	5,156,046		2,758,077
18 Risk Mgmt Sub-Fund of General Fund	-1,000		114,817	113,817		0
19 Colorado Preschool Program Fund	0		104,404	104,404		0
<b>Sub-Total</b>	<b>2,396,586</b>		<b>5,735,759</b>	<b>5,374,268</b>		<b>2,758,077</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	251,266		227,054	228,574		249,745
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	284,301		253,292	236,551		301,042
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	314,328		442,578	313,506		443,400
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	265,147		539,356	432,026		372,476
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	206,639		49,382	48,346		207,675
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>3,718,266</b>		<b>7,247,422</b>	<b>6,633,271</b>		<b>4,332,417</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	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>FINAL</b>						<b>0</b>



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 2540 - Fowler R-4j

Fiscal Year 2022-23

Colorado School District/BOCES

**Governmental** ..... **Proprietary** ..... **Fiduciary**

ASSETS	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Cash and Investments (8100-8104,8111)	2,411,933	0	0	301,042	0	0	227,480	425,545	626,982	0	0	0	0	0	0	0	3,992,982
Cash with Fiscal Agent (8105)	22,492	0	0	0	0	0	0	2,190	0	0	0	0	0	0	0	0	24,682
Taxes Receivable (8121,8122)	31,943	0	0	0	0	0	0	15,665	0	0	0	0	0	0	0	0	47,608
Interfund Loans Receivable (8131,8132)	628	0	0	0	0	0	641	0	20,610	0	0	0	0	0	0	0	21,879
Grants Accounts Receivable (8142)	1,136,099	0	0	0	0	0	5,663	0	155,085	0	0	0	0	0	0	0	1,296,847
Other Receivables (8151-8154,8161)	112,064	0	0	0	0	0	20,635	0	10,606	0	0	0	0	0	0	0	143,305
Inventories (8171,8172,8173)	0	0	0	0	0	0	10,437	0	0	0	0	0	0	0	0	0	10,437
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,715,159</b>	<b>0</b>	<b>0</b>	<b>301,042</b>	<b>0</b>	<b>0</b>	<b>264,856</b>	<b>443,400</b>	<b>813,283</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,537,741</b>

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>																
<b>LIABILITIES</b>																
Interfund Payables (7401,7402)	21,251	0	0	0	0	0	628	0	0	0	0	0	0	0	0	21,879
Other Payables (7421-7423)	25,902	0	0	0	0	0	0	192,739	0	0	0	0	0	0	0	218,641
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	20,904	0	0	0	0	0	0	0	20,904
Accrued Expenses (7461)	440,992	0	0	0	0	0	11,239	0	0	0	0	0	0	0	0	452,231
Unearned Revenue (7481)	0	0	0	0	0	0	3,243	0	0	0	0	0	0	0	0	3,243
Grants Deferred Revenue (7482)	468,937	0	0	0	0	0	0	19,487	0	0	0	0	0	0	0	488,424
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>957,082</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,111</b>	<b>0</b>	<b>233,131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,205,324</b>

Governmental

Proprietary

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	10,437	0	0	0	0	0	0	0	0	10,437
Restricted Fund Balance 6720	0	0	0	0	0	0	0	443,400	0	0	0	0	0	0	0	443,400
TABOR 3% Emergency Reserve 6721	174,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	174,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	239,309	0	580,152	0	0	0	0	0	0	819,461
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	2,494,000	0	0	268,348	0	0	0	0	0	0	0	0	0	32,695	0	2,795,042
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	90,077	0	0	32,695	0	0	0	0	0	0	0	0	0	-32,695	0	90,077
<b>Total Fund Equity</b>	<b>2,758,077</b>	<b>0</b>	<b>0</b>	<b>301,042</b>	<b>0</b>	<b>0</b>	<b>249,745</b>	<b>443,400</b>	<b>580,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,332,417</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	<b>3,715,159</b>	<b>0</b>	<b>0</b>	<b>301,042</b>	<b>0</b>	<b>0</b>	<b>264,856</b>	<b>443,400</b>	<b>813,283</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,537,741</b>

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