

MAPLETON PUBLIC SCHOOLS
ADAMS COUNTY, COLORADO
FINANCIAL STATEMENTS
JUNE 30, 2021

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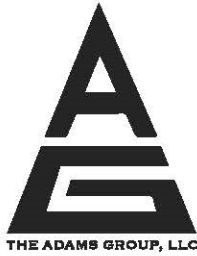
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Mapleton Public Schools
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Public Schools (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Public Schools, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mapleton Public School's basic financial statements. The budgetary comparison schedules and the Colorado Department of Education Automated Data Exchange View Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison schedules, the Colorado Department of Education Automated Data Exchange View Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of Mapleton Public School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mapleton Public School’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mapleton Public School’s internal control over financial reporting and compliance.

The Adams Group, LLC

December 16, 2021
Denver, Colorado

Management's Discussion and Analysis

The management of Mapleton Public Schools (District) offers this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

- The total assets of the Primary Government, including land, buildings, equipment, and deferred outflows of resources, were less than its total liabilities and deferred inflows of resources, including long term bonds payable, at the close of FY 2020-21 by \$64,472,770 (net position). The Net Position balance increased \$32,056,013 during FY 2020-21, due primarily to an increase of \$28.9 million in capital assets, offset by depreciation expense and pension income recognized as a result of changes in the net pension liability.
- At the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$30,444,704 a decrease of \$31,259,139 from the prior year. The decrease is due primarily to capital outlay reported in the capital projects fund as the District utilized prior year bond proceeds for capital construction.
- The General Fund balance decreased by \$4,770,731 in FY 2020-21 due to expenditure increases arising from the Covid pandemic.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$389,489 or 0.5% of the total General Fund operating revenue. Operating revenue consists of all District revenue minus the revenue passed through to Connections Academy (on-line school), which for FY 2020-21 totaled \$18,927,280. The total General Fund Non-spendable/Restricted/ Committed/Assigned fund balances for FY 2020-21 are \$5,447,443, inclusive of restrictions of \$1,340,721 for the Insurance Fund.
- Other fund balances in governmental funds include: \$689,355 in the Capital Reserve Fund, \$12,072,119 in the Capital Projects Fund, \$1,693,366 in the Food Service Fund and \$10,152,932 in the Bond Redemption Fund.
- As of June 30, 2021, \$3,090,072 of the \$5,836,932 fund balance of the General Fund was restricted for the emergency contingency required by Article X, Section 20 of the Colorado Constitution.
- The District's noncurrent liabilities increased by \$6,150,858 (1.84%), net of debt principal payments of \$6,944,133 during the current fiscal year and amortization of premiums. The increase is the main result of the District's involvement in Colorado PERA and the related increases in the net pension liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Mapleton Public Schools' basic financial statements. The District's basic financial statements are made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Mapleton Public Schools' finances in a manner similar to a private-sector business. They consist of two statements:

The *Statement of Net Position* presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Mapleton Public Schools is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported on a full accrual basis; or in other words, as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Mapleton Public Schools that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Mapleton Public Schools include instruction and support services of the District.

The government-wide financial statements can be found on pages 18 – 19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Mapleton Public Schools uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental Funds. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Mapleton Public Schools maintains six individual governmental funds.

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balances for the General Fund, the Bond Redemption Fund, the Capital Reserve Fund, the Food Service Fund, the Capital Projects Fund, and the Governmental Grants Fund, because all are considered to be major funds.

The governmental fund financial statements can be found on pages 20 – 23 of this report.

Proprietary Funds. Mapleton Public Schools maintains one type of proprietary fund. *Internal service funds* are accounting devices used to accumulate and allocate costs internally among Mapleton’s various functions. The District uses an internal service fund to account for its risk related activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. For reporting purposes, these activities are included with the General Fund.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Mapleton Public Schools’ own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Fiduciary Fund financial statement can be found on pages 24 – 25 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 26 – 70 of this report.

Other Information. Mapleton Public Schools adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and all other major funds of the District to demonstrate compliance with this budget.

Primary Government Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
Assets				
Current and other assets	\$ 40,376,266	\$ 78,815,471	\$ (38,439,205)	(48.77%)
Capital assets, net of depreciation	241,374,951	212,636,149	28,738,802	13.52%
Total Assets	<u>\$ 281,751,217</u>	<u>\$ 291,451,620</u>	<u>\$ (9,700,403)</u>	<u>(3.33%)</u>
Deferred outflows of resources	56,021,674	28,232,831	27,788,843	98.43%
Liabilities:				
Long-term liabilities outstanding	\$ 179,948,324	\$ 180,630,152	\$ (681,828)	(0.38%)
Net pension liability	145,572,367	125,006,029	20,566,338	16.45%
Net OPEB liability	5,291,670	6,145,050	(853,380)	(13.89%)
Other liabilities	9,860,807	22,741,079	(12,880,272)	(56.64%)
Total Liabilities	<u>340,673,168</u>	<u>334,522,310</u>	<u>6,150,858</u>	<u>1.84%</u>
Deferred inflows of resources	61,572,493	81,690,924	(20,118,431)	(24.63%)
Net Position				
Net investment in capital assets	74,448,299	64,782,134	9,666,165	14.92%
Restricted:				
Debt service	9,545,836	9,008,885	536,951	5.96%
Capital purposes	2,646,887	5,397,185	(2,750,298)	(50.96%)
Multi-year contracts	993,550	993,550	-	0.00%
Preschool	-	80,815	(80,815)	(100.00%)
TABOR	3,090,072	2,826,345	263,727	9.33%
Nutrition program	1,414,209	1,028,011	386,198	37.57%
Unrestricted	(156,611,623)	(180,645,708)	24,034,085	(13.30%)
Total Net Position	<u>\$ (64,472,770)</u>	<u>\$ (96,528,783)</u>	<u>\$ 32,056,013</u>	<u>(33.21%)</u>

Primary Government Condensed Statement of Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
Program Revenues:				
Charges for services	\$ 650,306	\$ 838,842	\$ (188,536)	(22.48%)
Operating grants and contributions	23,850,950	14,717,314	9,133,636	62.06%
Capital grants and contributions	8,985,182	8,494,635	490,547	5.77%
General Revenues:				
Local property taxes	41,770,968	42,078,972	(308,004)	(0.73%)
Specific ownership taxes	2,401,643	2,719,369	(317,726)	(11.68%)
State equalization	49,370,754	52,272,539	(2,901,785)	(5.55%)
Other revenues	2,165,654	1,909,090	256,564	13.44%
Investment earnings	46,619	1,186,362	(1,139,743)	(96.07%)
Total Program, General, and Capital Revenue	<u>129,242,076</u>	<u>124,217,123</u>	<u>5,024,953</u>	<u>4.05%</u>
Expenses:				
Instruction	48,852,388	55,469,748	(6,617,360)	(11.93%)
Supporting services	41,777,758	40,715,171	1,062,587	2.61%
Interest expense	6,555,917	6,393,382	162,535	2.54%
Total Expense	<u>97,186,063</u>	<u>102,578,301</u>	<u>(5,392,238)</u>	<u>(5.26%)</u>
Change in Net Position	32,056,013	21,638,822	10,417,191	48.14%
Net Position - Beginning of Year	<u>(96,528,783)</u>	<u>(118,167,605)</u>	<u>21,638,822</u>	<u>(18.31%)</u>
Net Position - End of Year	<u>\$ (64,472,770)</u>	<u>\$ (96,528,783)</u>	<u>\$ 32,056,013</u>	<u>(33.21%)</u>

Government-wide Financial Analysis

As noted earlier, *net position* may serve over time as a useful indicator of the District's financial position. In FY 2020-21, the District's assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources by \$64,472,770. In FY 2019-20, the District had a net position of (\$96,528,783). In FY 2020-21, the District had an increase of \$32,056,013. Explanations for the change in net position are found below.

Governmental Activities. Governmental activities increased the District's net position by \$32,056,013. Key elements of governmental activity are as follows:

- Total Governmental Activities Program, General, and Capital Revenue increased by \$5,024,953 from FY 2019-20 to FY 2020-21.
- The federal and state governments subsidized certain programs with Operating Grants and Contributions totaling \$23,850,950, an increase of 62.06% from FY 2019-20. This increase is explained by CRF Funds, ESSER Funding, and additional Medicaid revenue.
- Capital Grants and Contributions total is \$8,985,182 which is mainly attributed to the Building Excellent Schools Today (BEST) grants for Global Intermediate Academy and Valley View.
- In FY 2020-21, the Adams County Assessor's Office reported an increase in assessed valuation for Mapleton of \$42,315,110 which is approximately 5.24%. However, the City and County of Denver, Adams County, and the Denver Urban Renewal Authority entered into a Tax Increment Financing (TIF) agreement in 2010 for the environmental remediation and re-development of the old 77 acre ASARCO plant that was partially located within the Mapleton Public School District boundaries. The agreement called for an abatement of local property taxes and in FY 2020-21 reduced Mapleton's assessed valuation by \$18,232,330.
- Primary government expenses for FY 2020-21 were \$97,186,063, a decrease of \$5,392,238 or 5.26% from FY 2019-20 which is mostly attributed to a decrease in the instruction category as a result of the District's involvement in Colorado PERA.
- Instructional expenses decreased by \$6,617,360 or 11.93% on a governmental wide basis. This is primarily due the District recording net pension income as a result of changes in the assumptions used by PERA's actuaries due to the District's involvement in Colorado PERA and the related net pension liability.
- Primary government supporting services expenses increased by \$1,062,587 or 2.61% attributed to an increase in salaries and benefits and long-term debt service payments.
- Most of the District's governmental activities were financed by District and state taxpayers. General revenues for governmental activities consist of \$41,770,968 in local revenues including property taxes and \$49,370,754 of state revenues including unrestricted state equalization based on the statewide education aid formula.
- The district received Covid Relief Funds in the amount of \$8,949,258 from CDE. These funds were used to support remote learning and facilities health and safety expenses.

Financial Analysis of the Governmental Funds

Governmental Funds. The focus of Mapleton Public Schools’ governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Mapleton’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

As of the end of FY 2020-21, Mapleton Public Schools’ governmental funds reported a combined ending fund balance of \$30,444,704, a decrease of \$31,259,139 or 50.66%. The decrease is a result of the District spending prior year bond proceeds in the form of capital outlay during FY 2020-21. In the prior year, the District issued \$23,650,000 General Obligation Bonds, Series 2019A and related premium of \$6,512,239 in the prior year. Additionally, \$6,441,088 Bonds 2019C were issued in the prior year as part of the dollar matching grant from the Colorado Best program for the construction of Valley View school building.

In the District’s General Fund, only the restricted items are protected in un-expendable budget lines (Multi-Year Contracts, Emergency Reserves, etc.). The remaining unassigned fund balance is distributed throughout the District budget in accounts that are expendable or held as contingency.

General Fund

The General Fund is the major operating fund of Mapleton Public Schools, providing the majority of the resources for educational and support programs. For reporting purposes, the General Fund includes the General Operating Fund, Risk Management Fund, and Preschool Fund. As of June 30, 2021, the General Fund reports ending fund balance of \$5,836,932, a decrease of \$4,770,731 from the prior year.

Revenues

Revenues for the General Fund totaled \$87,109,702 before transfers in FY 2020-21. The following table reflects the amount of revenue from various sources:

	<u>2021</u>	<u>2020</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
General Fund Revenues:				
Local property taxes	\$ 28,945,629	\$ 29,058,327	\$ (112,698)	(0.39%)
Specific ownership taxes	2,401,643	2,719,369	(317,726)	(11.68%)
Other local	2,551,477	2,624,997	(73,520)	(2.80%)
Equalization	49,370,754	52,272,539	(2,901,785)	(5.55%)
Other state	3,840,199	4,957,926	(1,117,727)	(22.54%)
Total	<u>\$ 87,109,702</u>	<u>\$ 91,633,158</u>	<u>\$ (4,523,456)</u>	<u>(4.94%)</u>

Property Taxes. The calendar year 2021 General Fund property tax revenues were based upon a levy of 35.612 mills applied against the assessed valuation of \$849,685,210, less the TIF of \$18,232,330. The 2020 mill levy was 35.95 mills applied against an assessed valuation of \$825,823,560, less the TIF of \$18,453,460. Collection amounts remained steady at 94.55%.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. The tax is collected when vehicle owners renew their vehicle registrations each year. This year's collections decreased by \$317,726 or 11.68%.

State Equalization. State equalization revenue for kindergarten through 12th grade education is the primary revenue source for the General Fund. Payments are received monthly at generally 1/12th of the annual state estimated revenue. Total state equalization payments decreased by \$2,901,785, 5.55% lower than FY 2019-20. FY 2010-11 marked the end of the provision in Amendment 23 of the state constitution which required that base funding for K-12 education increase by the rate of inflation plus 1%. The base funding will continue to increase by the rate of inflation annually. FY 2020-21 marks the twelfth year that the state has applied the "Budget Stabilization Factor" to the funding formula. Based on the approved FY 2021 budget, these reductions equate to a projected \$11.7 million reduction to Mapleton.

Education of the Handicapped. The majority of the District's revenue for education of disabled students is received in the fall of each year. Revenue received in FY 2020-21 was \$1,810,903 which was an increase of \$18,377 over FY 2019-20.

Other State Sources. Other state sources consist mainly of state English Language Proficiency (ELPA) revenue for \$704,921 and transportation reimbursement revenue for \$547,187. During FY 2020-21, the District did not recognize revenue for the payment made by the State of Colorado to PERA as this payment was suspended by House Bill 20-1379.

Expenditures

Expenditures in the General Fund totaled \$91,015,069 in FY 2020-21. This represents an increase of 1.66% from FY 2019-20. Most of the change is due to cost-of-living salaries increase and movement on the negotiated salary schedules.

	<u>2021</u>	<u>2020</u>	<u>Amount of Change</u>	<u>Percentage of Change</u>
General Fund Expenditures:				
Instruction	\$ 50,589,898	\$ 54,001,654	\$ (3,411,756)	(6.32%)
Pupil services	3,962,885	3,726,166	236,719	6.35%
Instructional support	5,050,780	3,445,871	1,604,909	46.57%
General administration	5,797,226	3,603,262	2,193,964	60.89%
School administration	6,453,223	6,235,523	217,700	3.49%
Business services	3,278,434	2,875,172	403,262	14.03%
Operations and maintenance	7,836,187	6,737,084	1,099,103	16.31%
Student transportation	2,161,363	2,659,630	(498,267)	(18.73%)
Central support	4,738,321	5,081,776	(343,455)	(6.76%)
Other support	796,845	537,927	258,918	48.13%
Food services operations	(2,515)	25,420	(27,935)	(109.89%)
Community services	250,118	347,145	(97,027)	(27.95%)
Capital outlay	102,304	251,077	(148,773)	(59.25%)
Total	<u>\$ 91,015,069</u>	<u>\$ 89,527,707</u>	<u>\$ 1,487,362</u>	<u>1.66%</u>

Transfers to Other Funds. The per pupil requirement for transfer to the Capital Reserve fund is no longer required; however, the General fund allocated \$865,364 of property tax revenues to the Capital Reserve Fund for COPs debt service payments.

OTHER MAJOR FUNDS

Food Service Fund

The Food Service Fund's balance increase by \$386,921 in FY 2020-21. The increase is a directly result of an increase in the Summer Food Program Revenues recorded in FY 2020-21 when compared to FY 2019-20.

Bond Redemption Fund

The Bond Redemption Fund's balance increase by \$698,250 in FY 2020-21. The increase in fund balance was a direct result of a decrease in principal related expenditures when comparing FY 2020-21 to FY 2019-20.

Bond Redemption Fund reported fund balance of \$10,152,932. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due in the subsequent year. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

Governmental Grants Fund

The Grant Fund's balance has remained at \$0 for FY 2020-21. Grants fund revenues increased by \$8,928,718 when compared to prior year. This is mainly explained by a \$3,063,092 increase in Coronavirus Relief Funds and 2,276,555 in ESSER Funding received during FY 2020-21.

Capital Reserve Fund

The Capital Reserve Fund's balance increased by \$519,988 in FY 2020-21. The General Fund allocated \$865,364 of property tax revenue to the Capital Reserve fund to address the COPs debt service payments during FY 2020-21.

Capital Projects Fund

The Capital Projects Fund's balance decrease by \$28,093,567 in FY 2020-21. Projects related to the voter approved 2017 GO Bond are continuing to progress. The current year decrease is a result of the District continuing to incur expenditures for capital related projects with the bond proceeds received during prior fiscal years. No new bond proceeds were received in the current year as the District did not issue new debt.

General Fund Budgetary Highlights

For audit purposes, the General Fund includes funds 10, 18, and 19. In the annual budget document, the funds are budgeted separately.

The original FY 2020-21 budget adopted by the Board of Education for the District as a whole totaled appropriations of \$153,159,394 including General Fund (10,18, and 19) appropriations of \$90,906,220 (not including transfers).

The final General Fund supplemental budget appropriation of \$91,538,064 (not including transfers), with a majority of the increase being a result of salaries and benefits as well as purchased services for general administration.

The following chart illustrates General Fund Revenues including the Insurance and Colorado Pre-School Program sub-funds.

General Fund Budget vs. Actual Revenue*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund Revenues:				
Local property taxes	\$ 29,448,202	\$ 29,568,291	\$ 28,945,629	\$ (622,662)
Specific ownership taxes	1,566,176	2,040,845	2,401,643	360,798
Other local	2,136,787	2,123,607	2,551,477	427,870
State of Colorado				
Equalization	48,720,651	48,463,132	49,370,754	907,622
Other state	4,611,949	4,250,676	3,840,199	(410,477)
Total	<u>\$ 86,483,765</u>	<u>\$ 86,446,551</u>	<u>\$ 87,109,702</u>	<u>\$ 663,151</u>

*Before Transfers

General fund final budget to actual variance was \$663,151 or 0.77% over final budgeted revenues. This is mainly due to equalization and specific ownership taxes ending higher than final budget amounts.

General Fund Budget vs. Actual Expenditures

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund Expenditures:				
Instruction	\$ 53,489,893	\$ 49,728,722	\$ 50,589,898	\$ (861,176)
Pupil services	3,615,598	3,433,975	3,962,885	(528,910)
Instructional support	3,704,447	5,019,949	5,050,780	(30,831)
General administration	3,088,241	5,825,144	5,797,226	27,918
School administration	6,485,564	6,367,430	6,453,223	(85,793)
Business services	2,833,100	3,014,217	3,278,434	(264,217)
Operations and maintenance	6,644,035	7,114,099	7,836,187	(722,088)
Student transportation	2,554,776	2,450,454	2,161,363	289,091
Central support	5,830,827	5,316,396	4,738,321	578,075
Other support	384,860	445,678	796,845	(351,167)
Food services operations	27,025	27,025	(2,515)	29,540
Community services	209,357	247,546	250,118	(2,572)
Capital outlay	38,497	85,498	102,304	(16,806)
Contingency	2,000,000	2,461,931	-	2,461,931
Total	<u>\$ 90,906,220</u>	<u>\$ 91,538,064</u>	<u>\$ 91,015,069</u>	<u>\$ 522,995</u>

General Fund final budget to actual variance was \$522,995 or 0.57% under final budgeted expenditures (not including transfers). The most significant variance was instructional expenditures which is offset by the contingency for the General Fund. Some of the budget variance was due to changes submitted by Connections Academy contract school which are part of the overall budget appropriation, but not regulated by Mapleton's Board of Education.

Capital Asset and Debt Administration

Capital Assets. Mapleton Public Schools' investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$241,374,951 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses, playgrounds, and office and instructional equipment.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Capital Assets:		
Land	\$ 4,970,513	\$ 4,970,513
Construction in progress	40,715,657	46,258,853
Site improvements	35,423,523	29,467,161
Building and improvements	204,256,136	170,426,330
Equipment and vehicles	9,689,197	8,924,908
Depreciation	(53,680,075)	(47,411,616)
Total	<u>\$ 241,374,951</u>	<u>\$ 212,636,149</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-Term Debt. As of June 30, 2021, the District had outstanding debt of \$179,948,324. Of this amount, \$127,035,000 is general obligation bonded debt, which is backed by the full faith and credit of the District, \$28,583,788 in matching money bonds from the state of Colorado BEST grant. In addition, the District maintains leases on lighting and buses in the amount of \$93,173. These leases are collateralized with the upgraded equipment and the voter-approved mill levy override (technology equipment only). In FY 2004-05, the District secured \$5,567,202 in debt proceeds (less discount) through Certificates of Participation (COPS), which was refinanced in FY 2015-16 and now appear as the 2015 COPS debt with a balance of \$1,575,000. In FY 2016-17, the District secured an additional COPS in the amount of \$4,200,000 for the purchase of the Broadway Building. The COPS 2016 outstanding balance is \$3,360,000. The District’s remaining long-term debt is illustrated in the table below.

	Governmental Activities	
	2021	2020
Long-Term Debt:		
General obligation bonds	\$ 127,035,000	\$ 130,160,000
Matching money bonds	28,583,788	30,290,748
Capital leases	93,173	177,491
Certificates of participation	4,935,000	5,395,000
Bond premiums	17,451,624	18,437,324
COPS refunding premium	39,204	49,005
Compensated absences	1,810,535	1,705,343
Total	\$ 179,948,324	\$ 186,214,911

As of June 30, 2021, the District’s total long-term debt was 21.64% of the assessed valuation of \$831,452,880.

For more detailed information on debt administration, see Note 5 in the Notes to basic Financial Statements.

Economic Factors and Next Year’s Budgets

The ongoing economic and jobs recovery from the COVID-19 recession will increase General Fund revenue collections by a projected 6.1 percent above year-ago levels. The General Fund is projected to end the year with a 28.6 percent reserve, \$1.9 billion above the required 13.4 percent reserve. This amount incorporates legislative actions during the 2021 legislative session, including passage of the FY 2021-22 budget package, an increased reserve requirement, and increased General Fund transfers. Revenue subject to TABOR is expected to exceed the Referendum C cap by \$1.0 billion.

The overall FY 2022-23 total program requirement is expected to be \$276 million higher than last year’s requirement due primarily to higher inflation expectations than previously forecast. In FY 2022-23, state aid is expected to increase by at least \$154 million relative to last year.

This assumes that the local share will increase by up to \$122 million over prior-year levels based on the December 2020 forecast for assessed values.

Preliminary figures suggest that cash fund revenue subject to TABOR rose 0.1 percent in FY 2020-21 to \$2.24 billion, following an 8.3 percent decline in FY 2019-20 on pandemic-related drags. Revenue is expected to grow in the current and future years, rebounding 7.2 percent in FY 2021-22 from pandemic-induced lows, before moderating to rates slightly above inflation plus population growth, 5.3 percent and 5.1 percent growth in FY 2022-23 and FY 2023-24, respectively. The crude oil market rout, drop-in travel activity due to COVID-19-related disruptions, and reduced casino capacity will continue to weigh on collections from severance tax, transportation-related revenue, and gaming revenue in the current fiscal year. As the economy improves and COVID-19-related restrictions ease, collections are expected to recover to pre-pandemic levels by FY 2022-23.

Broad measures of U.S. and Colorado economic activity indicate continued recovery from the pandemic-induced recession. Though, rather than the hoped-for strong and steady recovery, economic activity, like the trajectory of the virus itself, has instead been choppy and uneven. Many households and businesses are still bearing the brunt of lingering distress, while others have emerged unscathed or even better off. Spending and employment in sectors tied to in-person services still lag their pre-pandemic levels and remain sensitive to the waxing and waning of the virus. Supply and demand mismatches, initially expected to be temporary, have been exacerbated by global waves of September 2021 Executive Summary Page 5 COVID-19 cases. These mismatches are now expected to persist into 2022, boosting inflationary pressures and challenging the economic recovery as government assistance recedes.

The recovery and improvement in state revenue's is providing the Governor with an optimistic budget proposal for 2022-23. The initial proposal would increase the per pupil funding by an estimated \$560 per student or 5.9%. The proposal also calls for the reduction of the budget stabilization factor by \$150 million and the investment of \$300 million for future reductions in the factor. The proposal also includes a significant investment in early childhood education of \$13 million.

Federal legislation continues to improve funding associated with various grant programs through the FY 22 budget request increases allocations in Title I, Title II, Title III, Title IV and Title VI – B. The Infrastructure, Investment and Jobs Act includes funding for HVAC improvements to school facilities, funding for alternative fuel buses, and funding for enhancements to broadband connections. The Build Back Better Act continues to be negotiated, but also includes funding for early childhood programs and expanded student nutrition programs.

Mapleton schools salary and benefit packages for staff are negotiated. Negotiations with the teachers represented by the Mapleton Education Association is the largest single employee group in the district. The 21-22 results included the establishment of a new salary schedule for this unit and the classified employee group. Additionally the district absorbed increases to the health insurance premiums. The new schedule for teachers raised the base salary from \$45,450 to \$54,000. The classified employee group base pay improved by \$500 annually.

These adjustments reflect an increasingly competitive and tight labor markets in education. Chronic shortages of qualified teachers, bus drivers and student nutrition staff are evident throughout the country and also found in Mapleton Schools. The pandemic exacerbated the challenges associated with this labor environment.

MAPLETON PUBLIC SCHOOLS
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government Governmental Activities
Assets	
Cash and investments	\$ 10,316,878
Restricted cash and investments	22,343,115
Due from other governments	413
Accounts receivable	1,252,734
Taxes receivable	2,018,813
Grants receivable	2,339,274
Receivable from external parties	46,535
Other assets	1,336,106
Prepaid items	443,241
Inventories	279,157
Capital assets:	
Not being depreciated	45,686,170
Depreciable	195,688,781
Total Assets	\$ 281,751,217
Deferred Outflows of Resources	
Deferred loss on refunding	1,516,691
Deferred outflows - pension	53,554,510
Deferred outflows - OPEB	950,473
Total Deferred Outflows of Resources	56,021,674
Liabilities	
Accounts payable	\$ 624,606
Accrued salaries and benefits	5,979,050
Retainage payable	1,655,530
Unearned revenues	994,525
Accrued interest payable	607,096
Noncurrent liabilities:	
Long-term debt:	
Due within one year	5,917,083
Due in more than on year	174,031,241
Net pension liability	145,572,367
Net OPEB liability	5,291,670
Total Liabilities	340,673,168
Deferred Inflows of Resources	
Deferred inflows - pension	59,868,427
Deferred inflows - OPEB	1,704,066
Total Deferred Inflows of Resources	61,572,493
Net Position	
Net investment in capital assets	74,448,299
Restricted:	
Debt service	9,545,836
Capital purposes	2,646,887
Multi-year contracts	993,550
TABOR	3,090,072
Nutrition program	1,414,209
Unrestricted	(156,611,623)
Total Net Position	\$ (64,472,770)

MAPLETON PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	Program Revenues				Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
Instruction	\$ 48,852,388	\$ 582,860	\$ 12,993,772	\$ -	\$ (35,275,756)
Supporting services	41,777,758	67,446	10,857,178	8,985,182	(21,867,952)
Interest on long-term debt	6,555,917	-	-	-	(6,555,917)
Total Governmental Activities	<u>97,186,063</u>	<u>650,306</u>	<u>23,850,950</u>	<u>8,985,182</u>	<u>(63,699,625)</u>
Total Primary Government	<u>\$ 97,186,063</u>	<u>\$ 650,306</u>	<u>\$ 23,850,950</u>	<u>\$ 8,985,182</u>	<u>(63,699,625)</u>
General Revenues					
Local property taxes					41,770,968
Specific ownership taxes					2,401,643
State equalization					49,370,754
Investment earnings					46,619
Other					2,165,654
Total General Revenues					<u>95,755,638</u>
Change in Net Position					32,056,013
Net Position - Beginning of Year					<u>(96,528,783)</u>
Net Position - End of Year					<u>\$ (64,472,770)</u>

MAPLETON PUBLIC SCHOOLS
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Governmental Grants Fund	Food Service Fund	Capital Reserve Fund	Capital Projects Fund	Bond Redemption Fund	Total
Assets							
Cash and investments	\$ 8,508,256	\$ 93,933	\$ 1,353,871	\$ 360,818	\$ -	\$ -	\$ 10,316,878
Restricted cash and investments	-	-	-	-	12,599,888	9,743,227	22,343,115
Accounts receivable	1,214,854	-	31,080	6,800	-	-	1,252,734
Due from other funds	980,060	-	20,244	321,737	-	-	1,322,041
Due from other governments	413	-	-	-	-	-	413
Taxes receivable	1,402,258	-	-	-	-	616,555	2,018,813
Grants receivable	-	1,114,237	490,427	-	734,610	-	2,339,274
Other assets	1,336,106	-	-	-	-	-	1,336,106
Prepaid items	23,100	-	-	-	420,141	-	443,241
Inventories	-	-	279,157	-	-	-	279,157
Total Assets	<u>\$ 13,465,047</u>	<u>\$ 1,208,170</u>	<u>\$ 2,174,779</u>	<u>\$ 689,355</u>	<u>\$ 13,754,639</u>	<u>\$ 10,359,782</u>	<u>\$ 41,651,772</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 424,782	\$ 166,716	\$ 6,118	\$ -	\$ 26,990	\$ -	\$ 624,606
Accrued salaries and benefits	5,979,050	-	-	-	-	-	5,979,050
Retainage payable	-	-	-	-	1,655,530	-	1,655,530
Due to other funds	419,257	400,524	455,725	-	-	-	1,275,506
Unearned revenues	334,025	640,930	19,570	-	-	-	994,525
Total Liabilities	<u>7,157,114</u>	<u>1,208,170</u>	<u>481,413</u>	<u>-</u>	<u>1,682,520</u>	<u>-</u>	<u>10,529,217</u>
Deferred Inflows of Resources							
Unavailable property tax revenue	471,001	-	-	-	-	206,850	677,851
Fund Balances							
Nonspendable:							
Prepaid items	23,100	-	-	-	420,141	-	443,241
Inventories	-	-	279,157	-	-	-	279,157
Restricted:							
Debt service	-	-	-	-	-	10,152,932	10,152,932
Capital purposes	-	-	-	689,355	11,651,978	-	12,341,333
Multi-year contracts	993,550	-	-	-	-	-	993,550
TABOR	3,090,072	-	-	-	-	-	3,090,072
Nutrition program	-	-	1,414,209	-	-	-	1,414,209
Committed:							
Insurance pool	1,336,106	-	-	-	-	-	1,336,106
Assigned:							
Insurance	4,615	-	-	-	-	-	4,615
Unassigned	389,489	-	-	-	-	-	389,489
Total Fund Balances	<u>5,836,932</u>	<u>-</u>	<u>1,693,366</u>	<u>689,355</u>	<u>12,072,119</u>	<u>10,152,932</u>	<u>30,444,704</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances							
	<u>\$ 13,465,047</u>	<u>\$ 1,208,170</u>	<u>\$ 2,174,779</u>	<u>\$ 689,355</u>	<u>\$ 13,754,639</u>	<u>\$ 10,359,782</u>	<u>\$ 41,651,772</u>

MAPLETON PUBLIC SCHOOLS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Governmental Funds Balances		\$ 30,444,704
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		241,374,951
Unavailable revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		677,851
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.		(607,096)
Net pension liability and related deferred outflows and deferred inflows are not considered current and, therefore, not reported in the funds		
Deferred outflows	53,554,510	
Deferred inflows	(59,868,427)	
Net pension liability	<u>(145,572,367)</u>	(151,886,284)
Net OPEB liability and related deferred outflows and deferred inflows are not considered current and, therefore, not reported in the funds.		
Deferred outflows	950,473	
Deferred inflows	(1,704,066)	
Net OPEB liability	<u>(5,291,670)</u>	(6,045,263)
Liabilities not due and payable in the current period are not reported in the funds but are reported on the statement of net position.		
Bonds payable	(155,618,788)	
Certificates of participation payable	(4,935,000)	
Capital leases payable	(93,173)	
Premiums	(17,490,828)	
Deferred loss on refunding	1,516,691	
Compensated absences	<u>(1,810,535)</u>	<u>(178,431,633)</u>
Net Position of Governmental Activities		<u>\$ (64,472,770)</u>

MAPLETON PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Governmental Grants Fund	Food Service Fund	Capital Reserve Fund	Capital Projects Fund	Bond Redemption Fund	Total
Revenues							
Local sources	\$ 33,898,749	\$ 85,290	\$ 77,123	\$ 397,953	\$ 47,718	\$ 12,725,397	\$ 47,232,230
State sources	53,210,953	1,022,391	26,136	-	8,985,182	-	63,244,662
Federal sources	-	15,842,392	3,034,542	-	-	-	18,876,934
Total Revenues	<u>\$ 87,109,702</u>	<u>\$ 16,950,073</u>	<u>\$ 3,137,801</u>	<u>\$ 397,953</u>	<u>\$ 9,032,900</u>	<u>\$ 12,725,397</u>	<u>\$ 129,353,826</u>
Expenditures							
Instruction	50,589,898	10,228,829	-	-	-	-	60,818,727
Supporting services	40,322,867	6,721,244	2,750,880	25,232	1,532,913	3,405	51,356,541
Capital outlay	102,304	-	-	-	35,593,554	-	35,695,858
Debt services:							
Principal	-	-	-	544,318	-	4,831,960	5,376,278
Interest and fiscal charges	-	-	-	173,779	-	7,191,782	7,365,561
Total Expenditures	<u>91,015,069</u>	<u>16,950,073</u>	<u>2,750,880</u>	<u>743,329</u>	<u>37,126,467</u>	<u>12,027,147</u>	<u>160,612,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,905,367)</u>	<u>-</u>	<u>386,921</u>	<u>(345,376)</u>	<u>(28,093,567)</u>	<u>698,250</u>	<u>(31,259,139)</u>
Other Financing Sources (Uses)							
Transfers in (out)	(865,364)	-	-	865,364	-	-	-
Total Other Financing Sources (Uses)	<u>(865,364)</u>	<u>-</u>	<u>-</u>	<u>865,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,770,731)	-	386,921	519,988	(28,093,567)	698,250	(31,259,139)
Fund Balances - Beginning of Year	10,607,663	-	1,306,445	169,367	40,165,686	9,454,682	61,703,843
Fund Balances - End of Year	<u>\$ 5,836,932</u>	<u>\$ -</u>	<u>\$ 1,693,366</u>	<u>\$ 689,355</u>	<u>\$ 12,072,119</u>	<u>\$ 10,152,932</u>	<u>\$ 30,444,704</u>

MAPLETON PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net Change in Fund Balance - Total Governmental Funds \$ (31,259,139)

Amounts reported for governmental activities in the statement of net activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlay	35,695,858	
Depreciation expense	<u>(6,744,996)</u>	28,950,862

In the statement of activities, the gain or loss on the sale of assets is reported, but only the proceeds are reported in the governmental funds. The difference is the net book value of disposed assets. (212,060)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable property taxes. 100,310

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities

Bond principal payments	4,831,960	
Certificates of participation principal payments	460,000	
Net activity of bond premiums	995,501	
Net activity related to amortizing deferred loss on refundings	(200,994)	
Change in compensated absences	(105,192)	
Capital lease payments	84,318	
Change in accrued interest payable	<u>15,137</u>	6,080,730

Pension benefit reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the funds. 28,150,328

OPEB expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the funds. 244,982

Change In Net Position of Governmental Activities \$ 32,056,013

MAPLETON PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION –
STUDENT ACTIVITY CUSTODIAL FUND
June 30, 2021

Assets:

Cash and investments	\$ 279,524
Due from other funds	468
Total Assets	<u><u>\$ 279,992</u></u>

Liabilities:

Accounts payable	\$ 533
Due to other funds	47,003
Total Liabilities	<u><u>47,536</u></u>

Net Position:

Restricted for student activities	232,456
Total Net Position	<u><u>\$ 232,456</u></u>

MAPLETON PUBLIC SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
STUDENT ACTIVITY CUSTODIAL FUND
 For the Year Ended June 30, 2021

Additions	
Activities and fees	\$ 57,313
Total Additions	<u>57,313</u>
Deletions	
Supplies and materials	57,597
Purchased services	58,600
Total Deletions	<u>116,197</u>
Net Change in Net Position	(58,884)
Net Position - Beginning of Year	<u>291,340</u>
Net Position - End of Year	<u>\$ 232,456</u>

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Mapleton Public Schools (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization or if the organization provides benefits to or imposes financial burdens upon the District.

Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided.

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

Separate financial statements are provided for governmental funds and fiduciary funds, although the latter are excluded from the District's government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide financial statements and proprietary fund 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 when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary funds utilize the accrual basis of accounting.

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

- **General Fund** - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- **Special Revenue Funds** - The Governmental Grants Fund accounts for revenues and expenditures of specific local, state and federal grant awards. The Food Service Fund accounts for the financial activities associated with the District's breakfast and lunch programs.
- **Capital Projects Funds** - The Capital Reserve Fund accounts for purchases of equipment for the District. The Capital Projects Fund accounts for bond proceeds and other revenues used for the construction and acquisition of major capital facilities.
- **Debt Service Fund** - The Bond Redemption Fund accounts for resources accumulated for, and payments made on, long-term debt obligations of the District.

The District reports all funds except the Custodial Fund as major funds. The District reports the following fiduciary fund type:

- **Custodial Fund** - The Student Activity Fund is fiduciary in nature and is accounted for using the economic resources measurement focus and the accrual basis of accounting. The Student Activity Fund is used to account for assets that support each school's student activities. The District holds all resources in a purely fiduciary capacity.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year. For purposes of federal and state grants, the District utilizes a period of 90 days.

Property taxes, grants and interest associated with the current year are considered to be susceptible to accrual. Therefore, they have been recognized as revenues of the current year in the government-wide presentation. All other revenues are considered to be measurable and available only when cash is received by the District.

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

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the governmentwide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Assets, Liabilities And Net Position/Fund Balance

- ***Cash And Cash Equivalents*** - Cash on hand, demand deposits and highly liquid investments with maturities of three months or less from date of purchase are considered to be cash and cash equivalents.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Investments** - Investments are measured at amortized cost or net asset value (NAV), which approximates fair value, or at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), and as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* (GASB 79).
- **Receivables** - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied but not received at year end are recorded as property taxes receivable. Any taxes not collected within 60 days after year end are recorded as unavailable revenue in the fund financial statements. For purposes of federal and state grants, the District utilizes a period of 90 days.
- **Prepaid Items** - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.
- **Inventories** - Food Service Fund inventories consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government, which approximates fair value. Inventory is recorded as an asset when individual items are purchased and as an expenditure when consumed.
- **Capital Assets** - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition value, as that term is defined in GASB 72, at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Site improvements	20 to 25 years
Buildings and equipment	15 to 50 years
Equipment	5 to 20 years

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ***Accrued Salaries And Benefits*** - Salaries and benefits of certain contractually employed personnel are paid over a 12-month period from September to August but are earned during a school year of approximately 9 to 10 months. The accrued salaries and benefits earned but unpaid are reported as a liability of the General Fund.
- ***Pensions*** - The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate With a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years* (SB 18-200). The bill was signed into law by the Governor of Colorado on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

- ***Other Post-Employment Benefit (OPEB)*** - The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit other-postemployment benefit (OPEB) fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of HCTF 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.
- ***Unearned Revenues*** - Unearned revenues include grant funds that have been collected but corresponding expenditures have not been incurred.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Compensated Absences** - The District's policy allows certain classes of employees to accumulate sick and vacation leave. Classified employees may accumulate up to 150 sick days. A classified employee who has completed at least 7 years of service in the District shall be compensated for all unused sick leave at 60% of the employee's daily rate to a maximum of 90 days upon separation by voluntary resignation, retirement, or disability. The District shall not pay for unused vacation time except upon termination of employment. An employee who resigns or whose employment is terminated shall receive full compensation for earned unused vacation time for which he/she is entitled at the time of severance to the nearest half day.

Certified employees may accrue a maximum of 150 sick days. Employees who retire from the District under favorable conditions (i.e., under conditions other than discharge or constructive discharge), after 20 years of experience within the District, will be compensated at the rate of 100% of the substitute teacher rate in effect on the employee's date of retirement for all unused cumulative leave.

Administrative employees may maintain a maximum of 50 days of cumulative leave or may request payment for any or all of their cumulative leave during the year. Any leave in excess of 50 days will result in a payment, annually in July, for administrators with 7 or more years of continuous, full-time employment as an administrator. Payment for unused days of cumulative leave will also occur when an administrator leaves District employment if he/she has at least 7 years of service to the District as an administrator. All payments for cumulative leave days are subject to the following formula: 7 - 10 years, payment will be made at the rate of 50% of the administrator's latest regular daily salary for each unused day; 10 - 15 years, payment will be 65%; 15 - 20 years, payment will be 85%; and over 20 years, payment will be 100%.

These compensated absences are recognized as current salary costs when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

- **Long-Term Debt** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

In the fund financial statements, governmental funds recognize debt premiums and discounts during the current year. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

- ***Net Position/Fund Balance*** - In the government-wide financial statements, net position is restricted when constraints placed on net position are externally imposed.

In the fund financial statements, fund balances of the governmental funds are classified as follows:

- *Nonspendable fund balance* - Cannot ever be spent, cannot currently be spent or legally required to be maintained intact.
- *Restricted fund balance* - Amounts subject to externally enforceable legal restrictions.
- *Committed fund balance* - Amounts whose use is constrained by limitations that the government imposes on itself through formal action. Decisions are made by the Board of Education.
- *Assigned fund balance* - Intended use of resources established by the government itself.
- *Unassigned fund balance* - Excess of total fund balance over all other designations.

The District's fund balance policy requires the approval of the Board of Education, the highest level of decision-making authority for the District, via resolution to commit fund balance. Board resolution is also required to modify or rescind the commitment. The Board of Education delegated the authority to authorize the assignment of fund balances to the Superintendent. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed restricted, committed, and assigned amounts for those purposes, a negative unassigned fund balance may be reported.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied on January 1, based on the assessed value of property as certified by the County Assessor. 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 following day. The tax sale date is the first Thursday of November.

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected in the governmental funds and in the period in which the tax is levied in the government-wide financial statements. The District reports deferred inflows of resources in the governmental funds for property tax collection not yet available at year end.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Deferred Inflows And Outflows Of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Generally, deferred inflows are not aggregated with deferred outflows. These separate financial statement elements represent an acquisition or use of net position that applies to a future period or periods and will, therefore, not be recognized as an inflow or outflow until then.

Deferred inflows and outflows can result from the net difference between expected and actual experience, projected and actual earnings on pension and OPEB plan investments, changes in the District's proportionate of the net pension and OPEB liability, changes of assumptions, as well as contributions made by the District to PERA after PERA's measurement date.

For refunding of debt resulting in defeasance, deferred outflow of resources is the difference where net carrying value of the old debt is less than the reacquisition price. A deferred inflow of resources is the difference where net carrying value of the old debt is more than the reacquisition price in a refunding of debt resulting in defeasance. This amount is deferred and amortized over the shorter life of the refunding debt. Generally, deferred inflows are not aggregated with deferred outflows.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 2 – CASH AND INVESTMENTS

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

Cash on hand	\$	200
Deposits		11,819,124
Cash with fiscal agent		4,838,702
Investments		16,281,491
Total	\$	32,939,517

Cash and investments are reported in the financial statements as follows:

Cash and investments	\$	10,316,878
Restricted cash and investments		22,343,115
Fiduciary fund cash and investments		279,524
Total	\$	32,939,517

Deposits

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. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by 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% of the uninsured deposits. At June 30, 2021, the District had bank deposits of \$16,102,888 collateralized with securities held by the financial institution’s agent, but not in the District’s name.

Investments

At June 30, 2021, the District’s investment balances were as follows:

	<u>Value</u>	<u>Concentration</u>	<u>S&P Rating</u>
Money market mutual fund measured at amortized cost	\$ 9,743,227	60%	AAAm
Local government investment pool, (CSAFE) measured at NAV	6,538,264	40%	AAAm
Total Investments	\$ 16,281,491	100%	

The District does not have securities with maturities greater than 12 months at June 30, 2021.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

The District is required to comply with state statutes that specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following:

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

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The District has no investments required to be reported under the fair value hierarchy.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. State statutes limit investments in U.S. agency securities to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Based on the current rate environment, the District assumes all investments will be held to maturity. As of June 30, 2021, no coupon and discount securities had investment maturities greater than five years.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfil its obligation. Colorado state statutes limit investments in U.S. agency securities to the highest rating issued by nationally recognized statistical rating organizations (NRSRO). The District's policy is to invest in money market funds that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of \$1 billion or the highest rating issued by a NRSRO.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Concentration Of Credit Risk - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes do not limit the amount the District may invest in one issuer.

Local Government Investment Pools – As of June 30, 2021, the District invested in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado CORE, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to \$1.00. CSAFE is rated AAAM by Standard & Poor's and is valued at fair value basis. CSAFE records investments at fair value, and the District records investments in CSAFE at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

Other Investments – As of June 30, 2021, the District had investments in the First American Treasury Obligation Fund Class A. The Fund is rated AAAM by Standard & Poor's and each share is equal in value to \$1.00. The Fund is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Cash And Investments Held With Fiscal Agent - The District has funds held with the Colorado State Treasurer that are expected to be used for future project costs in accordance with a matching grant.

Restricted Cash And Investments

Cash and investments of \$9,743,227 in the Bond Redemption fund are comprised of General Obligation Bond reserves restricted for use in accordance with applicable debt covenants. Cash and investments of \$12,599,888 in the Capital Projects Fund represent \$11,376,966 of unspent bond proceeds and \$1,222,922 of other funds restricted for capital purposes.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 3 – CAPITAL ASSETS

The District's activity related to capital assets is summarized below:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Governmental Activities					
Capital assets, not being depreciated:					
Construction in progress	\$ 46,258,853	\$ 32,601,080	\$ -	\$ (38,144,276)	\$ 40,715,657
Land	4,970,513	-	-	-	4,970,513
Total Capital Assets, Not Being Depreciated	<u>51,229,366</u>	<u>32,601,080</u>	<u>-</u>	<u>(38,144,276)</u>	<u>45,686,170</u>
Capital assets, being depreciated:					
Site improvements	29,467,161	1,158,459	(42,447)	4,840,350	35,423,523
Buildings and improvements	170,426,330	1,285,504	(235,665)	32,779,967	204,256,136
Equipment	8,924,908	650,815	(410,485)	523,959	9,689,197
Total Capital Assets Being Depreciated	<u>208,818,399</u>	<u>3,094,778</u>	<u>(688,597)</u>	<u>38,144,276</u>	<u>249,368,856</u>
Less: Accumulated depreciation:					
Site improvements	(7,743,624)	(1,542,605)	37,252	-	(9,248,977)
Buildings and improvements	(35,169,661)	(4,552,965)	183,681	-	(39,538,945)
Equipment	(4,498,331)	(649,426)	255,604	-	(4,892,153)
Total Accumulated Depreciation	<u>(47,411,616)</u>	<u>(6,744,996)</u>	<u>476,537</u>	<u>-</u>	<u>(53,680,075)</u>
Total Capital Assets Being Depreciated, Net	<u>161,406,783</u>	<u>(3,650,218)</u>	<u>(212,060)</u>	<u>38,144,276</u>	<u>195,688,781</u>
Governmental Activities, Capital Assets, Net	<u>\$ 212,636,149</u>	<u>\$ 28,950,862</u>	<u>\$ (212,060)</u>	<u>\$ -</u>	<u>\$ 241,374,951</u>

Depreciation expense was charged to the programs for the District as follows:

Governmental Activities	
Instruction	\$ 4,965,654
Supporting services	1,779,342
Total	<u>\$ 6,744,996</u>

NOTE 4 – SHORT TERM DEBT

During the year ended June 30, 2021, the District borrowed and repaid \$19,709,926 from the state-sponsored interest-free loan program to provide cash flow throughout the fiscal year.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT

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

	Balance June 30, 2020	Additions	Payments	Balance June 30, 2021	Due Within One Year
Governmental Activities					
Matching Money Bonds 2010	\$ 15,895,359	\$ -	\$ 1,173,625	\$ 14,721,734	\$ 1,221,532
Matching Money Bonds 2018	7,954,301	-	290,477	7,663,824	301,785
Matching Money Bonds 2019C	6,441,088	-	242,858	6,198,230	247,914
General Obligation Bonds 2016	10,970,000	-	90,000	10,880,000	90,000
General Obligation Bonds 2017	91,365,000	-	1,925,000	89,440,000	2,005,000
Bond Premium 2016	634,169	-	45,298	588,871	-
Bond Premium 2017	11,578,221	-	551,344	11,026,877	-
GO Bonds 2019A	23,650,000	-	-	23,650,000	-
GO Refunding Bonds 2019B	4,175,000	-	1,110,000	3,065,000	1,315,000
Bond Premium 2019A	6,224,934	-	389,058	5,835,876	-
COP 2016	3,530,000	-	170,000	3,360,000	175,000
COP Refunding 2015	1,865,000	-	290,000	1,575,000	295,000
COP Refunding Premium 2015	49,005	-	9,801	39,204	-
Capital leases	177,491	-	84,318	93,173	44,510
Compensated absences	1,705,343	677,546	572,354	1,810,535	221,342
Total	\$ 186,214,911	\$ 677,546	\$ 6,944,133	\$ 179,948,324	\$ 5,917,083

Compensated absences of the governmental activities are expected to be liquidated with revenues of the General and Food Service Funds.

General Obligation Bonds 2019A

In September 2019, the District authorized issuance of General Obligation Bond, Series 2019A to the State of Colorado (the State) in the aggregate principal amount of \$23,650,000 for replacements, renovations, and repairs to a number of school facilities within the District. Interest payments are due semi-annually on June 1 and December 1 at rates ranging from 3.00% to 5.00%, commencing on June 1, 2020. Principal payments are due annually on December 1, commencing December 1, 2024, with final payment due on December 1, 2035. Bond payments, to maturity, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ -	\$ 1,182,500	\$ 1,182,500
2023	-	1,182,500	1,182,500
2024	960,000	1,158,500	2,118,500
2025	1,425,000	1,098,875	2,523,875
2026	1,495,000	1,025,875	2,520,875
2027 - 2031	8,685,000	3,899,375	12,584,375
2032 - 2036	11,085,000	1,440,125	12,525,125
Total	\$ 23,650,000	\$ 10,987,750	\$ 34,637,750

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

General Obligation Refunding Bonds 2019B

In September 2019, the District issued \$4,175,000 of General Obligation Refunding Bonds, Series 2019B, with interest rates ranging from 2.00% to 2.15%, for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2017, with an interest rate from 3.00% to 5.25%. The proceeds of the 2019 General Obligation Refunding Bonds were deposited with the escrow bank and invested in government obligations maturing at such time and in such amounts as required to provide funds sufficient to pay the principal and interest on the refunded bonds as they become due. As a result, a portion of the 2017 General Obligation Refunding Bonds are considered defeased, and the related liability for the bonds has been removed from the District’s liabilities. By refunding these bonds, the District reduced its total debt service payments over 18 years by \$2,110,318. The refunding resulted in a present value savings of \$955,327 and a deferred loss of \$426,256.

The proceeds from the refunding bonds were placed into an irrevocable trust to provide all future debt service payments on the refunded bonds. At June 30, 2021, the outstanding balance of the defeased bonds was \$3,100,000, and the market value of the irrevocable trust was \$3,914,179.

Interest payments are due semi-annually on June 1 and December 1, commencing on June 1, 2020. Principal payments are due annually on December 1, commencing December 1, 2020, with final payment due on December 1, 2024. Bond payments, to maturity, are as follows:

Fiscal Year Ended				
June 30,	Principal	Interest	Total	
2022	\$ 1,315,000	\$ 50,433	\$ 1,365,433	
2023	1,340,000	22,885	1,362,885	
2024	410,000	4,408	414,408	
Total	\$ 3,065,000	\$ 77,726	\$ 3,142,726	

Matching Money Bonds 2019C

On November 20, 2019, the District authorized issuance of Money Matching General Obligation Bond, Series 2019C, to the State in the aggregate principal amount of \$6,441,088 to meet the 36% required match for the Colorado Building Excellent Schools Today (BEST) grant. Proceeds of the 2019 Series bond will be used to match the grant of \$17,414,794 awarded to the District on November 14, 2019 for the replacement of Valley View Elementary School, including demolition and new construction costs. Principal and interest payments are due annually on December 1 at an annual rate of 2.952%, commencing on December 1, 2020, with final payment due on December 1, 2039. Bond payments, to maturity, are as follows:

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 247,914	\$ 179,313	\$ 427,227
2023	255,232	171,886	427,118
2024	262,767	164,240	427,007
2025	270,524	156,369	426,893
2026	278,510	148,265	426,775
2027 - 2031	1,520,836	611,146	2,131,982
2032 - 2036	1,758,961	369,506	2,128,467
2037 - 2040	1,603,486	96,391	1,699,877
Total	\$ 6,198,230	\$ 1,897,116	\$ 8,095,346

Matching Money Bonds 2018

On November 13, 2018, the District authorized issuance of Money Matching General Obligation Bond, Series 2018N, to the State in the aggregate principal amount of \$8,238,181 to meet the 43% required match for the Colorado BEST grant. Proceeds of the 2018 Series bond will be used to match the grant of \$10,920,380 awarded to the District on November 14, 2018, for the replacement of the Global Intermediate Academy, including demolition and new construction costs. Principal and interest payments are due annually on December 1 at an annual rate of 3.893%, commencing on December 1, 2019, with final payment due on December 1, 2038. Bond payments, to maturity, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 301,785	\$ 292,478	\$ 594,263
2023	313,534	280,501	594,035
2024	325,739	268,058	593,797
2025	338,421	255,130	593,551
2026	351,595	241,699	593,294
2027 - 2031	1,974,263	987,997	2,962,260
2032 - 2036	2,389,662	564,512	2,954,174
2037 - 2039	1,668,825	99,105	1,767,930
Total	\$ 7,663,824	\$ 2,989,480	\$ 10,653,304

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds 2017

In February 2017, the District authorized issuance of General Obligation Bond, Series 2017 to the State in the aggregate principal amount of \$111,670,000 for replacements, renovations and repairs to many school facilities within the District. In addition, it funded the construction of new schools in the Midtown development and in the northern area of the District. Interest payments are due semi-annually on June 1 and December 1 at rates ranging from 3.00% to 5.25%, commencing on June 1, 2017. Principal payments are due annually on December 1, commencing December 1, 2017, with final payment due on December 1, 2040. Bond payments, to maturity, are as follows:

Fiscal Year Ended			
June 30,	Principal	Interest	Total
2022	\$ 2,005,000	\$ 4,318,963	\$ 6,323,963
2023	2,080,000	4,237,263	6,317,263
2024	2,165,000	4,152,363	6,317,363
2025	2,255,000	4,063,963	6,318,963
2026	2,345,000	3,971,963	6,316,963
2027 - 2031	13,340,000	18,183,563	31,523,563
2032 - 2036	17,360,000	14,611,313	31,971,313
2037 - 2041	47,890,000	6,632,619	54,522,619
Total	\$ 89,440,000	\$ 60,172,010	\$ 149,612,010

Certificates Of Participation 2016

On September 6, 2016, the District issued \$4,200,000 of Certificates of Participation, Series 2016, with an interest rate of 3.25% for the acquisition and site improvements on a new building. Principal and interest payments are due annually on June 1, commencing June 1, 2017, with final payment due on June 1, 2036. Bond payments, to maturity, are as follows:

Fiscal Year Ended			
June 30,	Principal	Interest	Total
2022	\$ 175,000	\$ 110,717	\$ 285,717
2023	185,000	104,950	289,950
2024	190,000	99,125	289,125
2025	195,000	92,593	287,593
2026	200,000	86,168	286,168
2027 - 2031	1,110,000	327,077	1,437,077
2032 - 2036	1,305,000	132,113	1,437,113
Total	\$ 3,360,000	\$ 952,743	\$ 4,312,743

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

General Obligation Refunding Bonds 2016

In March 2016, the District issued \$11,275,000 of General Obligation Refunding Bonds, Series 2016, with interest rates ranging from 2.00% to 4.00%, for the purpose of advance refunding the General Obligation Bonds, Series 2011, with an interest rate of 6.25%. The proceeds of the 2016 General Obligation Refunding Bonds were deposited with the escrow bank and invested in government obligations maturing at such time and in such amounts as required to provide funds sufficient to pay the principal and interest on the refunded bonds as they become due. As a result, the 2011 General Obligation Refunding Bonds are considered defeased, and the related liability for the bonds has been removed from the District’s liabilities. The refunding resulted in a reduction in debt service payments of \$1,582,217.

The proceeds from the refunding bonds were placed into an irrevocable trust to provide all future debt service payments on the refunded bonds. As of June 30, 2021, the defeased bonds have been retired in full and the balance in the irrevocable trust is \$0.

Principal payments on the General Obligation Refunding Bonds 2016 are due annually starting December 1, 2017, with final payment due on December 1, 2035. Bond payments, to maturity, are as follows:

Fiscal Year Ended	Principal	Interest	Total
June 30,			
2022	\$ 90,000	\$ 419,450	\$ 509,450
2023	95,000	417,600	512,600
2024	95,000	415,700	510,700
2025	95,000	413,800	508,800
2026	100,000	411,850	511,850
2027 - 2031	535,000	2,015,175	2,550,175
2032 - 2036	9,870,000	1,018,200	10,888,200
Total	\$ 10,880,000	\$ 5,111,775	\$ 15,991,775

Matching Money Bonds 2010

In November 2010, the District authorized issuance of General Obligation Bond, Series 2010, to the State in the aggregate principal amount of \$22,031,271 to meet the 41% required match for the BEST grant. BEST included two new buildings on the Skyview site to house Skyview Academy, Clayton Partnership School, Mapleton Expeditionary School of the Arts and Mapleton Early College. BEST also requested funds for an addition to the existing Skyview building to house a media center and the North Valley School for Young Adults.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

The grant paid for demolition of the classroom sections of the Skyview building, as well as a limited amount of renovation to the remaining structure. Interest payments are due semi-annually on June 1 and December 1 at an annual rate of 4.082%, commencing on June 1, 2011. Principal payments are due annually on December 1, commencing December 1, 2014, with final payment due on December 1, 2030. Bond payments, to maturity, are as follows:

Fiscal Year Ended			
June 30,	Principal	Interest	Total
2022	\$ 1,221,532	\$ 576,010	\$ 1,797,542
2023	1,271,395	525,129	1,796,524
2024	1,323,293	472,171	1,795,464
2025	1,377,310	417,052	1,794,362
2026	1,433,532	359,683	1,793,215
2027 - 2031	8,094,672	852,483	8,947,155
Total	\$ 14,721,734	\$ 3,202,528	\$ 17,924,262

Refunding Certificates Of Participation 2015

In July 2015, the District issued \$3,265,000 of Refunding Certificates of Participation, Series 2015, with interest rates ranging from 2.00% to 3.00%, as a current refunding of the Certificates of Participation, Series 2005, with interest rates ranging between 3.00% and 5.00%. The proceeds of the Refunding Certificates of Participation 2015 were deposited with an escrow bank and used to pay the principal and interest on the refunded certificates of participation on December 1, 2015. As a result, the 2005 Certificates of Participation are considered defeased, and the related liability was removed from the District's liabilities. The refunding resulted in a reduction in debt service payments of \$201,136.

Principal payments are due annually on December 1, with final payment due on December 1, 2025. Bond payments, to maturity, are as follows:

Fiscal Year Ended			
June 30,	Principal	Interest	Total
2022	\$ 295,000	\$ 42,825	\$ 337,825
2023	305,000	33,825	338,825
2024	315,000	24,525	339,525
2025	325,000	14,925	339,925
2026	335,000	5,025	340,025
Total	\$ 1,575,000	\$ 121,125	\$ 1,696,125

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Capital Leases

The District entered into a lease agreement on March 3, 2014, in the amount of \$201,645 for a lighting system. The lease carries an interest rate of 4.95%. Lease payments of \$26,195 are due annually on March 3 through 2024. Capital assets of \$201,645 have been capitalized under this lease agreement. Accumulated depreciation amounted to \$73,060 at June 30, 2021.

The District entered into a lease agreement on July 10, 2016, in the amount of \$202,188 for buses. Lease payments of \$42,895 are due monthly on the 10th of each July through July 2020. Capital assets of \$202,188 have been capitalized under this lease agreement. Accumulated depreciation amounted to \$84,245 at June 30, 2021.

The District entered into a lease agreement on July 7, 2017, in the amount of \$105,900 for buses. Lease payments of \$22,681 are due monthly on the 15th of each July through July 2021. Capital assets of \$105,900 have been capitalized under this lease agreement. Accumulated depreciation amounted to \$42,360 at June 30, 2021.

The total gross cost and accumulated depreciation of assets under capital lease is included in equipment in Note 3.

Minimum lease payments and the net present value of these payments are as follows:

Fiscal Year Ended				
June 30,	Principal	Interest	Total	
2022	\$ 44,510	\$ 4,366	\$ 48,876	
2023	23,731	2,464	26,195	
2024	24,932	1,263	26,195	
Total	\$ 93,173	\$ 8,093	\$ 101,266	

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances, all of which are with major funds, for the year ended June 30, 2021, were comprised of the following:

<u>Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 980,060	\$ 419,257
Governmental Grants Fund	-	400,524
Food Service Fund	20,244	455,725
Capital Reserves Fund	321,737	-
Capital Projects Fund	-	-
Student Activity Fund	468	47,003
Total	<u>\$ 1,322,509</u>	<u>\$ 1,322,509</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers, all of which are among major funds, for the year ended June 30, 2021, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Reserve	General Fund	\$ 865,364

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 – RISK MANAGEMENT

Adams County BOCES Self-Insurance Pool

The District is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; injuries to employees and natural disasters. The District plans to provide for or restore the economic damages of those losses through risk transfer. The District participates in the Adams County Board of Cooperative Educational Services (BOCES) Self-Insurance Pool (the Pool) for property, liability and workers' compensation insurance coverage.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 7 – RISK MANAGEMENT (CONTINUED)

The Pool provides property and liability, workers’ compensation, boiler and machinery, errors and omissions and school board legal liability insurances for its member districts. Annually, each district provides funding for the Pool based on a pre-established amount that covers the cost of insurance, claims and operation of the Pool. Also, each district receives annual financial information on the equity interest and gains or losses. Pool members and percentage shares are as follows:

Adams County School Districts	% Shares In Pool
No. 1 (Mapleton)	21.57
No. 27J	39.78
No. 50	38.65
Total	100.00

Following is an unaudited summary of financial information for the Pool as of and for the year ended June 30, 2021:

	District's Share	Total
Assets	\$ 1,957,806	\$ 9,075,561
Liabilities	621,700	2,731,737
Equity	\$ 1,336,106	\$ 6,343,824
Revenues	\$ 913,061	\$ 4,232,566
Increase in non-admitted assets	12,458	57,750
Expenditures	381,312	1,767,603
Net income	544,207	2,522,713
Surplus, Beginning	791,899	3,821,111
Surplus, Ending	\$ 1,336,106	\$ 6,343,824

Percentage shares are as of June 30, 2021. Percentages will vary slightly from year to year, depending upon premium allocation factors. The Pool’s Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool’s Board of Directors have an equal vote in the administration of the Pool’s activities, are responsible for selection of management and have complete responsibility for all fiscal matters in the operation of the Pool. Separate financial statements for the Pool are available from the Adams County BOCES, 1400 W. 122nd Avenue, Suite 110, Westminster, Colorado 80234.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 7 – RISK MANAGEMENT (CONTINUED)

The District pays annual premiums for property, liability, and workers’ compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The Pool, which is subject to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property, and workers’ compensation coverage.

The District continues to carry commercial insurance coverage for errors and omissions, risks of loss and employee health. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Dental Self-Insurance Plan

The District maintains a dental self-insurance plan (the Plan) for employees who elect to participate in the Plan. The District pays monthly premiums on behalf of the employees of \$24 per month. Dependent coverage is also available. The Plan limits participant claims to \$1,000 per year and a lifetime \$1,000 per person orthodontic claim. The District consults with Segal Company annually to evaluate the Plan. Liabilities and related claims expenses as reported were estimated based on analysis of the dental providers’ claims data as of June 30, 2021. Claims due and payable at year end are reported in the General Fund and statement of net position under current liabilities.

Fiscal Year				
Ended	Beginning	Claims	Claims	Ending
June 30	Liability	Incurred	Paid	Liability
2021	\$ 31,973	\$ 319,810	\$ (326,192)	\$ 25,591
2020	22,589	316,150	(306,766)	31,973

NOTE 8 – DEFINED BENEFIT PENSION PLAN

The District participates in School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018.

SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect for the year ended June 30, 2021. A full copy of the bill can be found online at www.leg.colorado.gov.

General Information about the Pension Plan

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

Benefits Provided: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(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.

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. once certain criteria are met.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pursuant to SB 18-200, there are no annual increases (AI) for 2019 and 2020 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413.

Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2021: Eligible employees of 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 9.5 percent of their PERA-includable salary during the period of July 1, 2020, through June 30, 2021. Employer contribution requirements are summarized in the table below:

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through June 30, 2021
Employer Contribution Rate ¹	10.40 %	10.90 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.38 %	9.88 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50 %	5.50 %
Total Employer Contribution Rate to the SCHDTF	19.38 %	19.88 %

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

Pursuant to C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

House Bill (HB) 20-1379 was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200. Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion presented for the current year is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021.

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 for the District were \$10,401,093 for the year ended June 30, 2021.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

At June 30, 2021, the District reported a liability of \$145,572,367 for its proportionate share of the net pension liability. At December 31, 2020, the District’s proportion was 0.96291%, which was an increase of 0.12618% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension income of \$27,865,653. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 7,998,478	\$ -
Changes of Assumptions or other Inputs	14,003,610	24,469,483
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	32,043,790
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	26,274,681	3,355,154
Contributions Subsequent to the Measurement Date	<u>5,277,741</u>	<u>-</u>
Total	<u>\$ 53,554,510</u>	<u>\$ 59,868,427</u>

\$5,277,741 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (16,329,839)
2023	12,141,828
2024	(2,348,560)
2025	(5,055,087)
Total	<u>\$ (11,591,658)</u>

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

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.25%
PERA Benefit Structure hired after December 31, 2006 ¹	Financed by the Annual Increase Reserve (AIR)

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

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, 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%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.25%
PERA Benefit Structure hired after December 31, 2006 ¹	Financed by the Annual Increase Reserve (AIR)

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary scale assumptions were revised to align with revised economic assumptions and to reflect actual experience more closely. Rates of termination/withdrawal, retirement, and disability were revised to reflect actual experience more closely. The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

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

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

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

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Several factors were 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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives ¹	6.00	4.70
Total	100.00%	

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

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate: The discount rate used to measure the total pension liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2019, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2019). In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the Trust Fund's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 198,572,632	\$ 145,572,367	\$ 101,405,683

Pension Plan Fiduciary Net Position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

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

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF).

The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

PERA Benefit Structure

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

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 Trust Fund or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and The District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from The District were \$533,658 for the year ended June 30, 2021.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At June 30, 2021, The District reported a liability of \$5,291,670 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020. The District’s proportion of the net OPEB liability was based on The District’s contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District’s proportion was 0.55689%, which was an increase of 0.01017% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB income of \$237,008. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 14,045	\$ 1,163,363
Changes of Assumptions or other Inputs	39,539	324,481
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	216,222
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	626,099	-
Contributions Subsequent to the Measurement Date	270,790	-
Total	<u>\$ 950,473</u>	<u>\$ 1,704,066</u>

\$270,790 reported as deferred outflows of resources related to OPEB resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Year Ended June 30,	Amount
2022	\$ (221,495)
2023	(191,245)
2024	(241,364)
2025	(251,223)
2026	(111,698)
Thereafter	(7,358)
Total	\$ (1,024,383)

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
PERA Benefit Structure:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% in 2020, gradually increasing to 4.50% in 2029

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$ 588	\$ 227	\$ 550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 per month. All costs are subject to the health care cost trend rates, as discussed below.

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

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

Mortality assumptions used in the December 31, 2019, valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below were applied, as applicable, in the December 31, 2019, valuation for the Trust Fund. Affiliated employers of these Division Trust Funds in the Trust Fund.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people.

To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and 55 percent factor applied to female rates.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Post-retirement non-disabled mortality assumptions for State and Local Government Divisions used in the December 31, 2019, valuation were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

Post-retirement non-disabled mortality assumptions for School and Judicial Divisions used in the December 31, 2019, valuation were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2021, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% - 5.30%
State Troopers	3.20% - 12.40%	N/A	3.20% - 12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

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

Rates of terminations/withdrawal, retirement, and disability were revised to reflect actual experience more closely. The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019. The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges for 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.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives ¹	6.00	4.70
Total	100.00%	

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

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

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 on percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	<u>\$ 5,154,899</u>	<u>\$ 5,291,670</u>	<u>\$ 5,450,890</u>

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate: The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2019, and the financial status of the HCTF as of the prior measurement date (December 31, 2019). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- 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 FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement period.

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

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 6,061,704	\$ 5,291,670	\$ 4,633,737

OPEB Plan Fiduciary Net Position: Detailed information about the HCTF plan’s fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN

Plan Description

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

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of CRS, as amended. There is no employer match. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$313,609 to the Voluntary Investment Program.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Claims And Judgments

The District is occasionally involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The District believes the ultimate disposition of the actions will not have a material effect on the financial statements.

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2021, 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 the overall financial position of the District.

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2021. Contract commitments at June 30, 2021, as a result of these projects, totaled \$1,655,530.

The TABOR Amendment

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

In November 2002, voters within the District authorized the District to collect, retain and expend all excess revenues and other funds received from every source, without limitation, effective July 1, 2001, and each fiscal year thereafter without future voter approval, notwithstanding the limitations of the TABOR Amendment.

The TABOR Amendment is subject to many interpretations, but the District believes it is substantially in compliance with the TABOR Amendment. The TABOR Amendment requires the District to restrict an amount for emergencies.

Litigation

The District is involved in various lawsuits. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance will not have a material adverse effect on the District's net position, changes in net position or cash flows.

Environmental Remediation Loss Contingency

The District has several school buildings that contain asbestos and is a potentially responsible party regarding environmental impacts. Although a loss is probable at some point in the future, due to the uncertainty surrounding the timing and method of settlement, it is not possible to reasonably estimate the amount of any obligation for remediation that may be incurred at a future date.

MAPLETON PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared COVID-19, the illness caused by the coronavirus, a pandemic. The pandemic has caused business disruption as a result of mandated closings of businesses designated as nonessential and certain other social distancing measures across the U.S. The COVID-19 pandemic and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, U.S. economy and local economy. Because of the uncertainty of the duration of the pandemic and its effects on the economy at this time, management is unable to estimate its impact on the District.

NOTE 12 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets in the government-wide statement of net position as of June 30, 2021, is calculated as:

Net book value of capital assets	\$ 241,374,951
Less capital related debt and related premiums	(178,044,616)
Less capital leases	(93,173)
Less retainage payable	(1,655,530)
Less contracts payable	(26,990)
Plus debt related deferred outflows of resources	1,516,691
Plus unspent bond proceeds	11,376,966
Net Investment In Capital Assets	<u><u>\$ 74,448,299</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources:				
Property taxes	\$ 29,448,202	\$ 29,568,291	28,945,629	\$ (622,662)
Specific ownership taxes	1,566,176	2,040,845	2,401,643	360,798
Delinquent taxes, penalties and interest	85,000	85,000	-	(85,000)
Other tuition	500,000	500,000	582,860	82,860
Investment earnings	1,400	82,265	833	(81,432)
Other	1,550,387	1,456,342	1,967,784	511,442
Total Local Sources	<u>33,151,165</u>	<u>33,732,743</u>	<u>33,898,749</u>	<u>166,006</u>
State sources:				
State equalization	48,720,651	48,463,132	49,370,754	907,622
Special education	1,834,716	1,803,882	1,810,903	7,021
English language learner	820,220	820,220	704,921	(115,299)
Transportation	560,000	560,000	547,187	(12,813)
At Risk	-	-	70,900	70,900
Read Act	279,815	279,815	291,785	11,970
Payment made by the State to PERA	1,117,198	786,759	-	(786,759)
Federal revenue from CDE	-	-	414,503	414,503
Total State Sources	<u>53,332,600</u>	<u>52,713,808</u>	<u>53,210,953</u>	<u>497,145</u>
Total Revenues	<u>86,483,765</u>	<u>86,446,551</u>	<u>87,109,702</u>	<u>663,151</u>
Expenditures				
Instruction:				
Salaries	34,451,539	29,562,041	31,051,295	(1,489,254)
Employee benefits	9,677,015	8,829,900	9,310,461	(480,561)
Purchased services	1,395,352	1,503,005	953,864	549,141
Supplies and materials	8,819,864	10,491,519	9,957,554	533,965
Small equipment	-	97,053	6,975	90,078
Other	(853,877)	(754,796)	(690,251)	(64,545)
Total Instruction	<u>53,489,893</u>	<u>49,728,722</u>	<u>50,589,898</u>	<u>(861,176)</u>
Supporting services:				
Students:				
Salaries	2,413,295	2,226,344	2,607,089	(380,745)
Employee benefits	769,329	712,343	824,163	(111,820)
Purchased services	432,974	492,288	510,447	(18,159)
Supplies and materials	-	-	21,186	(21,186)
Small equipment	-	3,000	-	3,000
Total Students	<u>3,615,598</u>	<u>3,433,975</u>	<u>3,962,885</u>	<u>(528,910)</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)				
Supporting services (Continued):				
Instruction staff:				
Salaries	2,155,450	3,630,828	3,595,057	35,771
Employee benefits	578,442	982,231	1,013,175	(30,944)
Purchased services	970,555	470,245	478,358	(8,113)
Supplies and materials	-	187,130	180,037	7,093
Small equipment	-	21,000	1,645	19,355
Other	-	(271,485)	(217,492)	(53,993)
Total Instructional Staff	<u>3,704,447</u>	<u>5,019,949</u>	<u>5,050,780</u>	<u>(30,831)</u>
General administration:				
Salaries	1,023,546	1,483,668	1,740,948	(257,280)
Employee benefits	237,140	400,739	469,712	(68,973)
Purchased services	1,698,068	3,734,749	3,430,573	304,176
Supplies and materials	35,000	109,300	115,393	(6,093)
Small equipment	72,488	72,489	-	72,489
Other	21,999	24,199	40,600	(16,401)
Total General Administration	<u>3,088,241</u>	<u>5,825,144</u>	<u>5,797,226</u>	<u>27,918</u>
School administration:				
Salaries	5,008,275	4,812,570	4,871,323	(58,753)
Employee benefits	1,433,599	1,401,223	1,432,692	(31,469)
Purchased services	5,900	6,725	4,731	1,994
Supplies and materials	25,790	218,430	179,701	38,729
Other	12,000	(71,518)	(35,224)	(36,294)
Total School Administration	<u>6,485,564</u>	<u>6,367,430</u>	<u>6,453,223</u>	<u>(85,793)</u>
Business services:				
Salaries	1,563,568	1,602,030	1,753,361	(151,331)
Employee benefits	407,196	414,366	460,450	(46,084)
Purchased services	862,336	974,587	1,042,884	(68,297)
Supplies and materials	-	20,484	18,139	2,345
Small equipment	-	-	401	(401)
Other	-	2,750	3,199	(449)
Total Business Services	<u>2,833,100</u>	<u>3,014,217</u>	<u>3,278,434</u>	<u>(264,217)</u>
Operations and maintenance:				
Salaries	2,916,881	3,114,101	3,243,405	(129,304)
Employee benefits	925,823	1,012,012	1,047,791	(35,779)
Purchased services	1,461,704	1,644,204	2,037,745	(393,541)
Supplies and materials	1,263,114	1,265,419	1,493,988	(228,569)
Small equipment	-	1,850	8,710	(6,860)
Other	76,513	76,513	4,548	71,965
Total Operations and Maintenance	<u>6,644,035</u>	<u>7,114,099</u>	<u>7,836,187</u>	<u>(722,088)</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
(CONTINUED)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (Continued)				
Supporting services (Continued):				
Student transportation:				
Salaries	1,661,645	1,507,928	1,396,136	111,792
Employee benefits	540,525	496,971	474,946	22,025
Purchased services	85,766	120,566	97,022	23,544
Supplies and materials	266,840	323,089	190,301	132,788
Small equipment	-	-	1,551	(1,551)
Other	-	1,900	1,407	493
Total Student Transportation	<u>2,554,776</u>	<u>2,450,454</u>	<u>2,161,363</u>	<u>289,091</u>
Central support:				
Salaries	2,052,148	1,751,682	2,028,227	(276,545)
Employee benefits	1,732,026	1,348,710	619,709	729,001
Purchased services	1,737,816	1,882,067	1,804,551	77,516
Supplies and materials	-	22,700	36,023	(13,323)
Small equipment	300,000	300,000	237,224	62,776
Other	8,837	11,237	12,587	(1,350)
Total Central Support	<u>5,830,827</u>	<u>5,316,396</u>	<u>4,738,321</u>	<u>578,075</u>
Other support:				
Salaries	326,095	369,596	657,827	(288,231)
Employee benefits	58,765	74,332	139,018	(64,686)
Purchased services	-	1,750	-	1,750
Total Other Support	<u>384,860</u>	<u>445,678</u>	<u>796,845</u>	<u>(351,167)</u>
Food Service Operations:				
Other	27,025	27,025	(2,515)	29,540
Community services:				
Salaries	-	4,300	-	4,300
Employee benefits	-	1,000	-	1,000
Purchased services	209,357	238,746	244,580	(5,834)
Supplies and materials	-	3,500	6,038	(2,538)
Other	-	-	(500)	500
Total Community Services	<u>209,357</u>	<u>247,546</u>	<u>250,118</u>	<u>(2,572)</u>
Total Supporting Services	<u>35,377,830</u>	<u>39,261,913</u>	<u>40,322,867</u>	<u>(1,060,954)</u>
Capital outlay	38,497	85,498	102,304	(16,806)
Contingency reserve	2,000,000	2,461,931	-	2,461,931
Total Expenditures	<u>90,906,220</u>	<u>91,538,064</u>	<u>91,015,069</u>	<u>522,995</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,422,455)</u>	<u>(5,091,513)</u>	<u>(3,905,367)</u>	<u>1,186,146</u>
Other Financing Sources (Uses)				
Transfers in (out)	(689,590)	(625,204)	(865,364)	(240,160)
Net Change In Fund Balance	<u>\$ (5,112,045)</u>	<u>\$ (5,716,717)</u>	<u>\$ (4,770,731)</u>	<u>\$ 945,986</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GOVERNMENTAL GRANTS FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources	\$ 45,000	\$ 94,578	\$ 85,290	\$ (9,288)
State sources	467,000	1,245,056	1,022,391	(222,665)
Federal sources	4,649,169	18,323,045	15,842,392	(2,480,653)
Total Revenues	<u>5,161,169</u>	<u>19,662,679</u>	<u>16,950,073</u>	<u>(2,712,606)</u>
Expenditures				
Instruction:				
Salaries	1,105,993	3,507,316	3,415,134	92,182
Employee benefits	320,200	870,913	998,957	(128,044)
Purchased services	12,245	829,613	612,799	216,814
Supplies and materials	561,557	968,754	882,263	86,491
Small equipment	-	3,392,785	3,535,666	(142,881)
Other	853,877	863,286	784,010	79,276
Total Instruction	<u>2,853,872</u>	<u>10,432,667</u>	<u>10,228,829</u>	<u>203,838</u>
Supporting services:				
Students	754,670	1,355,320	1,244,950	110,370
Instructional staff	1,317,555	3,093,264	1,358,662	1,734,602
School administration	10,072	2,900,757	2,866,953	33,804
Operations and maintenance	200,000	1,141,230	748,761	392,469
Student transportation	25,000	306,835	119,863	186,972
Central support	-	328,500	223,004	105,496
Other support	-	15,300	150,005	(134,705)
Food service operations	-	7,606	7,606	-
Community services	-	81,200	1,440	79,760
Total Supporting Services	<u>2,307,297</u>	<u>9,230,012</u>	<u>6,721,244</u>	<u>2,508,768</u>
Total Expenditures	<u>5,161,169</u>	<u>19,662,679</u>	<u>16,950,073</u>	<u>2,712,606</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources:				
Student and adult meals	\$ 341,800	\$ 341,800	\$ 97	\$ (341,703)
Nonreimbursable food service revenue	63,830	63,830	26,082	(37,748)
Investment earnings	8,000	8,000	75	(7,925)
Other	122,300	122,300	50,869	(71,431)
State sources:				
State match	98,850	98,850	26,136	(72,714)
Federal sources				
School lunch and breakfast program	2,171,050	2,171,050	2,694,164	523,114
Donated commodities	207,970	207,970	340,378	132,408
Total Revenues	<u>3,013,800</u>	<u>3,013,800</u>	<u>3,137,801</u>	<u>124,001</u>
Expenditures				
Supporting services:				
Salaries	1,185,384	1,185,384	1,079,316	106,068
Employee benefits	350,973	350,973	325,382	25,591
Purchased services	110,175	110,175	77,016	33,159
Supplies and materials	1,215,587	1,215,587	944,418	271,169
Small equipment	455	455	1,946	(1,491)
Other	526,000	526,000	322,802	203,198
Total Expenditures	<u>3,388,574</u>	<u>3,388,574</u>	<u>2,750,880</u>	<u>637,694</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(374,774)</u>	<u>(374,774)</u>	<u>386,921</u>	<u>761,695</u>
Net Change In Fund Balance	<u>\$ (374,774)</u>	<u>\$ (374,774)</u>	<u>\$ 386,921</u>	<u>\$ 761,695</u>

**MAPLETON PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST SEVEN FISCAL YEARS**

Fiscal Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Plan Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
School's Proportion of the Net Pension Liability	0.962908660%	0.836732560%	0.776897518%	0.858046067%	0.848279957%	0.832426311%	0.836823956%
School's Proportionate Share of the Net Pension Liability	\$ 145,572,367	\$ 125,006,029	\$ 137,565,664	\$ 277,461,603	\$ 252,565,034	\$ 127,313,727	\$ 113,417,755
State's Proportionate Share of the Net Pension Liability associated with the School **	-	14,070,731	16,547,547	-	-	-	-
Total	<u>\$ 145,572,367</u>	<u>\$ 139,076,760</u>	<u>\$ 154,113,211</u>	<u>\$ 277,461,603</u>	<u>\$ 252,565,034</u>	<u>\$ 127,313,727</u>	<u>\$ 113,417,755</u>
School's Covered Payroll	\$ 51,535,518	\$ 48,197,465	\$ 42,710,218	\$ 39,580,644	\$ 38,072,316	\$ 36,276,775	\$ 35,056,996
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.5%	259.4%	322.1%	701.0%	663.4%	351.0%	323.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200. House Bill (HB) 20-1379 suspended the \$225 million direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
For the Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$10,401,093	\$ 9,468,008	\$ 8,736,015	\$ 6,970,153	\$ 7,186,564	\$ 6,569,899	\$ 6,014,516
Contributions in Relation to the Contractually Required Contribution	<u>10,401,093</u>	<u>9,468,008</u>	<u>8,736,015</u>	<u>6,970,153</u>	<u>7,186,564</u>	<u>6,569,899</u>	<u>6,014,516</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$52,319,379	\$48,854,530	\$45,666,570	\$37,413,596	\$39,639,073	\$37,910,554	\$36,606,914
Contributions as a Percentage of Covered Payroll	19.88%	19.38%	19.13%	18.63%	18.13%	17.33%	16.43%

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST FOUR YEARS

Fiscal Year	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Plan Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.556886036%	0.546713584%	0.504987506%	0.487538319%
School's Proportionate Share of the Collective Net OPEB Liability	\$ 5,291,670	\$ 6,145,050	\$ 6,870,567	\$ 6,336,045
School's Covered Payroll	\$ 51,535,518	\$ 48,197,465	\$ 42,710,218	\$ 39,580,644
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll Covered Payroll	10.3%	12.7%	16.1%	16.0%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
For the Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 533,658	\$ 498,316	\$ 465,799	\$ 381,619	\$ 404,319	\$ 386,688	\$ 373,391
Contributions in Relation to the Contractually Required Contribution	<u>533,658</u>	<u>498,316</u>	<u>465,799</u>	<u>381,619</u>	<u>404,319</u>	<u>386,688</u>	<u>373,391</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$ 52,319,379	\$ 48,854,530	\$ 45,666,570	\$ 37,413,596	\$ 39,639,073	\$ 37,910,554	\$ 36,606,914
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

MAPLETON PUBLIC SCHOOLS
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets And Budgetary Accounting

Budgets are required by state statutes for all of the District's funds. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles. Capital outlay and debt principal payments are budgeted as expenditures.

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

- 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. The Colorado Department of Education also requires a Budget Summary report to be filed with the adopted budget beginning July 1.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education. All annual appropriations lapse at fiscal year-end.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.

SUPPLEMENTARY INFORMATION

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL – CAPITAL RESERVE FUND
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Local sources:				
Revenue from leases	\$ 36,300	\$ 63,468	\$ 41,267	\$ (22,201)
Investment earnings	500	100	5	(95)
Other	-	-	356,681	356,681
Total Revenues	<u>36,800</u>	<u>63,568</u>	<u>397,953</u>	<u>334,385</u>
Expenditures				
Supporting services:				
Purchased services	6,700	378,611	25,232	353,379
Debt service				
Principal	481,498	524,393	544,318	(19,925)
Interest and fiscal charges	<u>172,615</u>	<u>195,296</u>	<u>173,779</u>	<u>21,517</u>
Total Expenditures	<u>660,813</u>	<u>1,098,300</u>	<u>743,329</u>	<u>354,971</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(624,013)</u>	<u>(1,034,732)</u>	<u>(345,376)</u>	<u>689,356</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>689,590</u>	<u>865,364</u>	<u>865,364</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 65,577</u>	<u>\$ (169,368)</u>	<u>\$ 519,988</u>	<u>\$ 689,356</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Local sources:				
Investment earnings	\$ -	\$ -	\$ 45,338	\$ 45,338
Other	-	-	2,380	2,380
State source:				
Grants	7,733,412	6,908,160	4,569,774	(2,338,386)
Grant revenue - portion provided by state	<u>2,084,170</u>	<u>8,803,848</u>	<u>4,415,408</u>	<u>(4,388,440)</u>
Total Revenues	<u>9,817,582</u>	<u>15,712,008</u>	<u>9,032,900</u>	<u>(6,679,108)</u>
Expenditures				
Supporting services:				
Purchased services	7,798,036	7,798,036	246,956	7,551,080
Supplies and materials	-	-	233,557	(233,557)
Small equipment	2,700,806	2,700,806	1,052,400	1,648,406
Capital outlay	<u>29,898,909</u>	<u>33,716,158</u>	<u>35,593,554</u>	<u>(1,877,396)</u>
Total Expenditures	<u>40,397,751</u>	<u>44,215,000</u>	<u>37,126,467</u>	<u>7,088,533</u>
Net Change In Fund Balance	<u>\$ (30,580,169)</u>	<u>\$ (28,502,992)</u>	<u>\$ (28,093,567)</u>	<u>\$ 409,425</u>

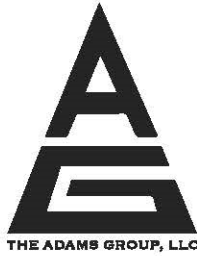
MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL – BOND REDEMPTION FUND
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources:				
Property taxes	\$ 12,332,000	\$ 12,332,000	12,725,029	\$ 393,029
Delinquent taxes, penalties and interest	50,000	50,000	-	(50,000)
Investment earnings	90,000	90,000	368	(89,632)
Total Revenues	<u>12,472,000</u>	<u>12,472,000</u>	<u>12,725,397</u>	<u>253,397</u>
Expenditures				
Supporting services:				
Purchased services	8,600	8,600	3,405	5,195
Debt service:				
Principal	4,831,960	4,831,960	4,831,960	-
Interest and fiscal charges	7,191,782	7,191,782	7,191,782	-
Contingency reserve	300,000	300,000	-	300,000
Total Expenditures	<u>12,332,342</u>	<u>12,332,342</u>	<u>12,027,147</u>	<u>305,195</u>
Net Change In Fund Balance	<u>\$ 139,658</u>	<u>\$ 139,658</u>	<u>\$ 698,250</u>	<u>\$ 558,592</u>

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET TO ACTUAL – STUDENT ACTIVITY FUND
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Local sources:	\$ 246,950	\$ 246,950	\$ 57,313	\$ (189,637)
Total Revenues	<u>246,950</u>	<u>246,950</u>	<u>57,313</u>	<u>(189,637)</u>
Expenditures				
Supporting services:				
Purchased services	31,091	31,091	58,600	(27,509)
Supplies	215,459	277,559	57,597	219,962
Other	400	400	-	400
Total Expenditures	<u>246,950</u>	<u>309,050</u>	<u>116,197</u>	<u>192,853</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ (62,100)</u>	<u>\$ (58,884)</u>	<u>\$ 3,216</u>

COMPLIANCE SECTION



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Mapleton Public Schools
Denver, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Public Schools, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mapleton Public Schools basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mapleton Public Schools internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mapleton Public School's internal control. Accordingly, we do not express an opinion on the effectiveness of Mapleton Public School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore; material weaknesses or significant deficiencies may exist that have not been identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-01 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mapleton Public School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mapleton Public School's Response to Finding

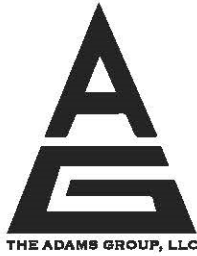
Mapleton Public School's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Mapleton Public School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Adams Group, LLC

December 16, 2021
Denver, Colorado



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

Board of Education
Mapleton Public Schools
Denver, Colorado

Report on Compliance for Each Major Federal Program

We have audited Mapleton Public School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mapleton Public School's major federal programs for the year ended June 30, 2021. Mapleton Public School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mapleton Public School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mapleton Public School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mapleton Public School's compliance.

Opinion on Each Major Federal Program

In our opinion, Mapleton Public Schools, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Mapleton Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mapleton Public School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mapleton Public School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Adams Group, LLC

December 16, 2021
Denver, Colorado

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Sub-Recipients</u>
U.S. Department Of Agriculture				
<u>Child Nutrition Cluster</u>				
Passed through Colorado Department of Human Services Donated Food Commodities	10.555	4555	\$ 231,109	\$ -
Passed through State of Colorado Department of Education Covid 19 Emergency Cares Act	10.555	4555	396,663	-
National School Lunch Program	10.555	4555	-	-
National School Snack Program	10.555	4555	3,714	-
CFDA 10.555 total			<u>631,486</u>	-
Special Milk Program for Children	10.556	4556	8	-
Summer Food Service Program for Children	10.559	4559	2,293,779	-
Total Child Nutrition Cluster			<u>2,925,273</u>	-
Child and Adult Care Food Program CACFP	10.558	4558	109,269	-
Total U.S. Department Of Agriculture			<u>3,034,542</u>	-
U.S. Department Of Education				
Passed through State Department of Education Special Education Cluster (IDEA)				
Special Education - Preschool Grants	84.173	4173	45,001	-
Special Education - Grants to States	84.027	4027	1,550,216	-
Total Special Education Cluster (IDEA)			<u>1,595,217</u>	-
Title I Grants to Local Educational Agencies	84.010	4010	1,075,882	-
Title I School Improvement Grants	84.010	5010	114,912	-
CFDA 84.010 Total			<u>1,190,794</u>	-
English Language Acquisition Grants	84.365	4365	240,791	-
After School Learning Centers	84.287	5287	128,793	-
After School Learning Centers	84.287	6287	256,877	-
CFDA 84.287 Total			<u>385,670</u>	-
Improving Teacher Quality State Grants	84.367	4367	238,512	-
Title IV Student Support	84.424A	4424	102,585	-
McKinney Vento Grant	84.196A	5196	32,462	-
Education Stabilization Fund - ESSER Fund	84.425D	4425	926,989	-
Education Stabilization Fund - ESSER Fund	84.425D	5425	169,091	-
ESSER II - Distribution 90%	84.425D	4420	1,123,690	-
ESSER II - (State Reserve)	84.425D	4419	41,785	-
CCSG Education Stabilization Fund - ESSER Fund	84.425D	5525	15,000	-
CFDA 84.425D Total			<u>2,276,555</u>	-
ESSER III 90 % - LEA Allocation	84.425U	4414	29,292	-
Total Education Stabilization Fund Cluster			<u>2,305,847</u>	-
Total U.S. Department Of Education			<u>6,091,878</u>	-
U.S. Department Of Treasury				
Passed through State Department of Education Coronavirus Relief Funds	21.019	4012	4,061,742	-
Passed through Adams County Coronavirus Relief Funds	21.019	4012	4,887,516	-
CFDA 21.019 Total			<u>8,949,258</u>	-
Passed through State Colorado Department of Human Services Child Care Assistance Block Grant	93.575	7575	22,500	-
Total U.S. Department Of Treasury			<u>8,971,758</u>	-
Total Federal Awards			<u>\$ 18,098,179</u>	<u>\$ -</u>

MAPLETON PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, which includes the federal grant activity of the Mapleton Public Schools (the District) for the year ended June 30, 2021. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The accompany schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – NONCASH

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools. Commodities are valued based on current market value. Expenditures totaling \$231,109 were recognized for food commodities used during the year ended June 30, 2021. The majority of the commodities are stored at the individuals schools, instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue.

NOTE 4 – SUBRECIPIENTS

For the year ended June 30, 2021, the District did not pass through any federal grants to subrecipients.

NOTE 5 – INDIRECT COSTS

The District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *unmodified opinion*

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? X Yes _____ No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency _____ Yes X No

Type of auditor's report issued on compliance for major programs: *unmodified opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555 / 10.556 / 10.559	Nutrition Cluster
21.019	Coronavirus Relief Funds
84.425	Education Stabilization Fund Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

MAPLETON PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section II – Financial Statement Findings

2021-001

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: During fiscal year 2021, it was noted that the District did not properly account for accrual entries as of June 30, 2021. The accounts impacted were related to prepaid pool contributions, property tax receivables and deferred inflows of resources, grant receivables, and grant revenues.

Criteria or specific requirement: Under U.S. GAAP, the District should recognize revenue when earned and prepaid contributions when paid.

Context: 1) The District did not properly reflect the prepaid contribution balance as of June 30, 2021, as recognized by the self-insurance pool; 2) The District was utilizing a period of availability of 90 days for property tax revenue recognition when a period of 60 days should be used; and 3) grant receivables and revenues were recorded for costs which had not been submitted for reimbursement as of June 30, 2021.

Effect: The balances reported by the District for prepaid pool contributions were understated, property taxes revenues, and grant related activity were overstated.

Cause: The errors were a result of the District not properly reconciling activity at year end to match the accounting records and related period of availability of 60 days.

Repeating Finding: This is not a repeat finding.

Recommendation: We recommend the District continue to enhance its financial close and reporting procedures to ensure all accrual activity at year end is properly recorded.

Views of responsible officials and planned corrective actions: The District agrees with the finding.

Section III Findings – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV Findings – Prior Year Findings

There are no prior year findings or questioned costs that are required to be reported.



Colorado Department of Education

Auditors Integrity Report

District: 0010 - Mapleton 1

Fiscal Year 2020-21

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	9,759,078	80,839,725	86,026,911	4,571,892
18 Risk Mgmt Sub-Fund of General Fund	848,583	1,895,379	1,401,928	1,342,034
19 Colorado Preschool Program Fund	0	3,509,233	3,586,223	-76,990
Sub- Total	10,607,661	86,244,337	91,015,062	5,836,937
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	1,306,445	3,137,800	2,750,882	1,693,364
22 Govt Designated-Purpose Grants Fund	0	16,950,073	16,950,073	0
23 Pupil Activity Special Revenue Fund	291,623	57,311	116,197	232,737
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	9,454,683	12,725,394	12,027,145	10,152,932
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	40,165,679	9,032,902	37,126,461	12,072,120
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	169,367	1,263,317	743,330	689,355
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	61,995,459	129,411,134	160,729,149	30,677,445
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	176,679	396,874	310,863	262,690
Totals	176,679	396,874	310,863	262,690